**TOWN COUNCIL WORK SESSION**

March 24, 2016

1. **ROLL CALL**

Town Council members present:

Kristine Trocki, President

Mary E. Meagher, Vice-President

Blake Dickinson

Michael G. White

Thomas P. Tighe

School Committee members present:

Cathy Kaiser, School Committee Chair

Julia Held, School Committee Vice Chair

Sara Baines

Melissa Mastrostefano

Bruce Whitehouse

Also in attendance:

Andrew E. Nota, Town Administrator

Christina Collins, Finance Director

Carol Blanchette, Superintendent

Jane Littlefield, Director of Finance

Ken Duva, Director of Student Services

Nate Edmunds, Lawn School Principal

Carole Petersen, Melrose School Principal

Samira Hakke, Director of Technology

Lewis Kitts, Director of Buildings and Maintenance

Denise Gamon, Assistant Clerk

1. **CALL TO ORDER**

The work session of the Jamestown Town Council for a presentation by RI Interlocal Risk Management Trust and review of the School Department Operating Budget and Capital Budget for FY 2016-2017 was called to order by President Trocki at 5:00 p.m. in the Rosamond A. Tefft Council Chambers of the Jamestown Town Hall at 93 Narragansett Avenue, Jamestown.

1. **TOWN COUNCIL WORK SESSION**
2. Colleen Bodziony, Director of Operations & Member Services of the RI Interlocal Risk Management Trust gave a PowerPoint presentation of The Trust OPEB Funding Program, beginning with an overview of how PARS OPEB Investment Partnership relates to a relationship between Vanguard and PARS where Vanguard manages three trusts (Conservative, Balanced, and Growth) in which individual OPEB clients can invest their assets according to their appropriate investment objective.

The Investment objection with the Conservative Portfolio seeks to provide current income and low to moderate capital appreciation consistent with its current allocation.

The investment strategy for the Conservative Portfolio is investing in Vanguard mutual funds using an asset allocation strategy designed for investors seeking both current income and low to moderate capital appreciation. The underlying funds are: Vanguard Total Stock Market Index Fund, Vanguard Total International Stock Index Fund, Vanguard Total Bond Market Index Fund, Vanguard Intermediate-Term Investment Grade Fund, Vanguard Short-Term Investment-Grade Fund, Vanguard Inflation-Protected Securities Fund, and Vanguard REIT Index Fund.

The Portfolio’s indirect stock holdings are a diversified mix of U.S. and foreign large-, mid-, and small-capitalization stocks. The Portfolio’s indirect bond holdings are a diversified mix of short- intermediate-, and long-term U.S. government, U.S agency, and investment-grade U.S. corporate bonds.

The fees for managing the portfolio consists of the expense ratios of the individual funds and the advisor fee. Both of these fees are dependent on the assets under management. Currently the average expense ratio is 0.09% which consists of averaging the expense ratio of the individual funds which are outlined above. The average advisory fee is 0.07% based on the current assets under management.

Council President Trocki thanked Ms. Bodziony for the presentation. There being no further discussion, the OPEB presentation adjourned at 5:50 p.m.

1. Joint Town Council and School Department Budget Work Session and Hearing for FY 2017 was called to order by President Trocki at 6:04 p.m.

Superintendent Blanchette gave a PowerPoint presentation of the School Department Operating and Capital budget, beginning with the Mission Statement and the FY 2017 budget goals. Review of cost fluctuations since adoption of the budget were noted, which include Health and Dental insurance premiums, Heating Fuel, Transportation, and Out of District Tuition Rates.

The Proposed FY 2017 Operating Budget is $11,860,021, an increase of $207,350 or +1.78%. Major costs include contractual obligations, salaries, benefits; State and federal mandates and regulations; tuitions, transportation and plant operations. Budget breakdown follows:

Lawn School $3,540,385

Melrose School $3,969,197

System-wide $1,143,764

Out of District $2,928,129

Retirees $ 240,957

Contingency $ 37,589

Projected Enrollment: Melrose School 276

Lawn School 219

High School 179

High School Tuition summary: General education $1,875,674

Special education $ 227,954

Career and Technical $ 117,341

Out of District Special Education $ 395,810

Charter Schools $ 33,526

$2,650,305

Increase of $14,825; Tuitions= 22.35% of total FY’17 budget

Student Services. Budget reflects commitment to high standards, quality programs, regular compliance, and fiscal responsibility (Special education represents $65,829 budget increase).

Key Budget Factors include: Federal and State regulations IEP requirements and ADA 504 compliance, Special education salaries and benefits, and out-of-district tuitions and transportation. Out-of-district tuitions are impossible to predict. Evaluations/homebound tutoring. Special Education out-of-district placements are:

Pre-K – Grade 8 1

Grade 9 1

Grade 10 0

Grade 11 1

Grade 12 1

Grade 12+through age 21 1

TOTAL Anticipated 5

Proposed FY 2017 Capital Budget as follows: Melrose School $47,000

Lawn School $66,000

Technology $17,745

TOTAL Capital $130,745

Conclusion. Major unknowns are funding from Federal and State grants, our-of-district transportation, energy/fuel, military enrollment, new students services and tuition costs and number of high school students attending schools of choice. Revenue assumptions are:

State Aid $458,543

Pre-school tuitions $ 45,000

Medicaid reimbursement $100,000

Impact aid $ 75,000

TOTAL $678,543

FY 2017 Anticipated local appropriation needed: $10,975,649

FY 2016 Actual $10,710,950

Increase of: $ 264,699 (or 2.47%)

Superintendent Blanchette thanked the Town Council for their support.

Council Michael White thanked both the School Committee and School Administration for their presentation on “the most important budget, the education of our children”.

No motions were made by the Town Council or School Committee members, but they reacted positively to the presentation. The School Committee will discuss the opportunity at their upcoming meeting April 14, 2016.

1. Open Forum
2. Scheduled to address. None
3. Non-scheduled to address. None

Council President Kristine Trocki thanked everyone for attending this evening.

1. **ADJOURNMENT**

There be no further business to discuss, the budget work session was adjourned at 6:45 p.m.

Attest:

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Denise Gamon, Assistant Clerk

Copies to: Town Council

Town Administrator

Town Solicitor

Finance Director