



Town Council/School Committee

FY2015-2016

Initial Budget Hearing

December 1, 2014

Budget Development Goals to be Accomplished

- ▶ Provide general information relative to Jamestown's Budget Development and Adoption Process.
- ▶ Provide documentation relative to base budget development starting points.
 - ▶ Property tax projections.
 - ▶ New projects and other cost factors.
 - ▶ Contractual obligations.
- ▶ Begin the process of soliciting comments from the public relating to the general goals and objectives of the budget for the ensuing year.

Budget Calendar

- December 1, 2014 Joint School Committee/Town Council Initial FY2015-2016 Budget Hearing
- January – February Municipal Department Budget Meetings with Administrator
- February 20, 2015 School Budget Submitted to Town
- March 1, 2015 Administrator submits Recommended Budget to Town Council
- March 2015 Town Council Budget Hearings
- June 1, 2015 Financial Town Meeting

Senate Bill S-3050, Adopted by the General Assembly during the 2006 Legislative Session

- ▶ This 2006 Legislative Act reduced the percentage increase a city or town could increase property taxes over the previous year.
- ▶ As indicated in the table, this increase was capped in FY2013 at 4% and remains at that level today.

Tax Levy Cap Reduction	
FY 2007	5.50%
FY 2008	5.25%
FY 2009	5.00%
FY 2010	4.75%
FY 2011	4.50%
FY 2012	4.25%
FY 2013	4.00%
FY 2014	4.00%
FY 2015	4.00%
FY 2016	4.00%

RI Economic Landscape

May Revenue Estimating Conference Brief

- ▶ RI lags behind both the Regional and National Economic Recovery - Positive influences include improved manufacturing climate and modest U.S. economic growth;
- ▶ RI Unemployment rate declined to 8.7% in March 2014 , although still the highest in the U.S. as compared to the U.S. rate at 6.7%. The RI reduction was mainly due to forced contraction of the labor force. Job growth depicts a transition to a more service oriented RI economy;
- ▶ Housing is expected to be the catalyst for US economic growth, although RI has undergone an increase in its home foreclosure inventory that is placing downward pressure on home prices, limiting growth;
- ▶ The cost of doing business in RI remains relatively high compared to the U.S. as a whole particularly in the areas of energy costs and state and local taxes;
- ▶ RI Personal Income growth is anticipated to be positive in FY2015 with a peak in FY2016, followed by consistent declines in FY2017 - FY2019.

* Forecasts provided by *Chris Lafakis from Moody's Analytics*

RI Economic Landscape

RI Public Expenditure Council

- ▶ RI's rate of state government spending has slowed over the past decade, although expenditures are expected to exceed revenues through FY2019 resulting in a deficit position of \$170 million in FY2016 and climbing to \$460 million in FY2019;
- ▶ Other major considerations include:
 - ▶ - Future government funding of the Affordable Care Act, post FY 2015;
 - FY 2016 impact of gaming operations in Massachusetts;
 - Result of RIRSA pension suit and magnitude in the range of potential annual costs result in degree of risk for local and state economy

Municipal Landscape

- ▶ The Property Tax Cap of 4% annual levy increase is a limit **not** a goal to obtain within the budget process;
- ▶ Jamestown should continue to maintain an Unassigned General Fund Balance of generally between 15% and 20% of the current Operating General Fund.
- ▶ As of June 30, 2014 a 16.51% (\$3,585,628) Unassigned Fund Balance in the General Fund and a combined Unassigned Town/School of 21.72% or(\$4,716,027).
- ▶ Jamestown has one Private Pension Plan (IBPO) funded at a level of 112% and our Combined MERS Plans are all in a healthy funded position.
- ▶ Jamestown is well below the recommended 3% Bonded Indebtedness limit of the Towns overall assessed tax roll value of \$2.2 billion at approximately .5%.

Property Tax Roll Projection

<i>Taxable Property List</i>	2011-2012 Taxable Property	2012-2013 Taxable Property	2013-2014 * Taxable Property	2014-2015 Taxable Property	2014-2015 Increase Over Prior Year
Taxable Land/Buildings	\$1,970,719,000	\$1,981,929,900	\$2,127,607,800	\$2,139,192,600	\$11,584,800
Tangible Property	\$10,934,275	\$11,541,713	\$11,231,871	\$11,331,538	\$99,667
Total Taxable Property	\$1,981,653,275	\$1,993,471,613	\$2,138,839,671	\$2,150,524,138	\$11,684,467
Less Exemptions	\$10,754,043.00	\$10,613,588	\$11,252,530	\$10,989,150	-\$263,380
Net Taxable Property	\$1,970,899,232	\$1,982,858,025	\$2,127,587,141	\$2,139,534,988	\$11,947,847
Taxable Property Growth - %		0.60%	7.29%	0.55%	
Taxable Property Growth - \$		\$11,818,338	\$145,368,058	\$11,684,467	
Net Motor Vehicles - Roll	\$34,751,730	\$38,118,974	\$37,753,697	\$39,582,039	\$1,828,342
Fixed Portion of Tax Role	\$34,751,730	\$38,118,974	\$37,753,697	\$39,582,039	\$1,828,342
Total Taxable Property	\$2,005,650,962	\$2,020,976,999	\$2,165,340,838	\$2,179,117,027	\$13,776,189
* Revaluation Year	Fixed Portion of Tax Roll 2014-2015				
	Motor Vehicle	\$39,582,039	\$1,828,342		
	Motor Vehicle Rate		\$14.42		
	Total Fixed Roll	\$39,582,039	\$1,828,342		
	Total Tax Need		\$19,291,704		
	Taxes to be Raised - Non-Fixed		\$18,720,931		
	FY 2014-2015 Property Tax Rate		\$8.75		
	Non-Fixed Portion of Roll		\$2,139,534,988		
	FY 2013-2014 Property Tax Rate		\$8.75		

Property Tax Roll Classification

FY 2014-2015 -Tax Roll						\$8.75
	December 2012 Taxable Value	December 2013 Taxable Value	Increase Over Prior Year - \$	2014-15 Tax Levied	2014-15 % of Total	
Residential	\$2,067,723,400	\$2,077,771,900	\$10,048,500	\$18,084,349	93.74%	
Commercial	59,884,400	61,420,700	1,536,300	537,431	2.79%	
Industrial		0	0			
Utilities/Tangible Property	11,231,871	11,331,538	99,667	99,151	0.51%	
Total Value	\$2,138,839,671	\$2,150,524,138	11,684,467	\$18,720,931	97.04%	
Less Exemptions	11,252,530	10,989,150	(263,380)			
Flexible Tax Base	\$2,127,587,141	\$2,139,534,988	\$ 11,947,847	\$18,720,931	97.04%	
Motor Vehicles - \$14.42	69,583,187	72,089,127	2,505,940	570,773	2.96%	
Less Exemptions	31,829,490	32,507,088	677,598	\$ -	0.00%	
Total Tax Roll/Levy	\$2,165,340,838	\$2,179,117,027	\$ 13,776,189	\$19,291,704	100.0%	

Preliminary Budget Development Guidance

Preliminary Expenditure Considerations:

1. No increase in FY 2015-2016 services levels, not already approved in prior fiscal year, (ALS, Lyme Disease Prevention, Meeting Video Services, potential facility enhancements)
2. An operating decrease in the cost of conducting elections in FY 2016.
3. Salary increases for all municipal employees of approximately 2.5% have been included in the Proforma budget.
4. A 10% increase in the cost of health care has been factored into the Proforma budget. (Net of an average 15% - 20% Employee Co-Share)
5. Municipal and School Net Debt Service increase of \$140,000-\$150,000.

Preliminary Budget Development Guidance

Preliminary Revenue Considerations:

1. The Town will maintain an exemption value of \$6,000 per vehicle, with discussion regarding the impact on lowering the value to \$4,500 or \$3,000.
2. The State will maintain the Motor Vehicle Reimbursement Program at \$500 per vehicle.
3. Investment Income is projected to be minimal.
4. General Revenues and Building Fees should remain flat.
5. Will there be a need to forward an amount from the Unassigned Fund Balance to FY 2015-2016 funding program?
6. A Net Taxable Property Roll increase is projected at one half of 1% or \$11 million to the overall roll value.

Proforma Budget

General Fund Expenditure Statement	2013-2014 Actual	2014-2015 Adopted	2014-2015 Estimated	2015-2016 Proposed	Increase	
					Over/(Under) Adopted Budget	Inc./dec. Percent
Town						
Operating Program						#DIV/0!
Municipal Debt Service						#DIV/0!
Capital Program						
Annual Element						#DIV/0!
Transfer to Schools						
Operations						#DIV/0!
School Debt Service						#DIV/0!
Total General Fund	\$0	\$0	\$0	\$0	\$0	#DIV/0!
Total Municipal Program						#DIV/0!
Total School Program						#DIV/0!
Total General Fund	\$0	\$0	\$0	\$0	\$0	#DIV/0!

Proforma Budget FY 2015-2016

	2013-2014	2014-2015	2014-2015	2015-2016	Increase Percentage
Revenue Summary	Actual	Adopted	Estimated	Proposed	
Non-Property Tax Revenue					#DIV/0!
Prior Year Taxes					#DIV/0!
Undesignated Fund Balance					#DIV/0!
Property Tax Need					#DIV/0!
Total Revenues	\$0	\$0	\$0	\$0	#DIV/0!
Revenue Summary	Actual	Adopted	Estimated	Proposed	Increase Percentage
Non-Property Tax Revenue					#DIV/0!
Prior Year Taxes					#DIV/0!
Undesignated Fund Balance					#DIV/0!
Property Tax Need	<i>Budgeted</i>				#DIV/0!
Plus Overlay & Tax Adjustment					#DIV/0!
Less Proration					#DIV/0!
Amount to be Raised by Property Tax	\$0	\$0	\$0	\$0	#DIV/0!