



TOWN OF JAMESTOWN

93 NARRAGANSETT AVENUE

P.O. Box 377

JAMESTOWN, RHODE ISLAND 02835

To: Honorable Town Council
From: Jamie A. Hainsworth, Town Administrator
Subject: FY 2022-23 Proposed Annual Town Budget
Date: March 7, 2022

In accordance with the Jamestown Town Charter, the Administration has prepared the FY2022-23 Proposed Town Budget for the Town Council's review and consideration. The budget document represents the Town Administrations recommended plan for the continuation of municipal services and support for public facilities and infrastructure to Jamestown residents. In considering forming this recommendation the Administration has eliminated any new initiatives in effort to keep this budget at the required 4% tax levy.

This Town Administrators recommended budget results in a four (4) percent increase on the levy from taxes and conforms to Rhode Island General Law 44-5-2, "4 % maximum allowed levy". This recommended budget does not fully fund the School Departments budget request for a General Fund contribution of \$957,058 which would be a 7.57% increase over the FY22 General Fund appropriation and a 5.29% increase on the total levy from taxes. However, it does increase the FY23 General Fund appropriation to the school budget by \$689,593. This represents a combined 4% over the FY22 appropriation. Town Administration does recognize this is \$267,465 less than requested by the School Committee. We will continue to work collaboratively with the School Administration and the Auditor General's office if directed by the Town Council to achieve a budget to present to the voters in accordance with the Town Charter and State Law.

RIGL 44-5-2

Certified Levy FY22	\$21,873,944.00	FY22 School Appropriation	\$12,637,108.00
4% Maximum Levy	<u>\$874,957.76</u>	Per RIGL 16-2-21, 4% School	\$505,484.32
Total Levy Limit FY23	\$22,748,901.76	from prior year appropriation	
		Levy increase Town	\$369,473.44

Budget Overview

Expenditures:

Under the proposed spending plan for FY2022-23 the total cost of Town and School services is \$28,100,810 an increase of \$1,472,137 (5.53%) over the current year. Town operating expenditures will increase by \$420,879 (4.28%), capital spending will decrease (\$15,067) (1.71%), and debt service will decrease by (\$21,501) (1.51%). We are currently in a full revaluation of assessed properties (December 31, 2021). This proposed budget, prior to the new assessments, represents an increase of .34 cents per thousand of current assessed property value. At current assessments (December 31, 2020), the value of a median home in Jamestown is \$574,900 at that value this increase would result in a tax increase of \$195.47.

Towns Budget Components:

	<u>Budget</u> <u>FY2021/2022</u>	<u>Admin Proposed</u> <u>FY2022/2023</u>	<u>Difference</u>
General Government	\$2,319,044	\$2,494,883	\$175,839
Finance Department	\$437,610	\$451,141	\$13,531
Police/EMA	\$2,009,155	\$2,017,526	\$8,371
Fire/EMS	\$919,941	\$987,008	\$67,067
Building/Zoning	\$301,722	\$324,643	\$22,921
Public Works	\$2,105,794	\$2,186,124	\$80,330
Senior Services	\$132,561	\$145,311	\$12,750
Library	\$472,617	\$483,991	\$11,374
Recreation	\$595,518	\$624,214	\$28,696
Debt Service	\$1,443,913	\$1,422,412	(\$21,501)
All others	\$109,200	\$109,200	\$0
Capital	<u>\$894,367</u>	<u>\$879,300</u>	<u>(\$15,067)</u>
Total	\$11,741,442	\$12,125,753	\$384,311

Employee Compensation:

The Town has 3 municipal unions, NAGE 68 (Clerks and Dispatch), NAGE 69 (Public Works) and IBPO (Police). The present NAGE 68 and NAGE 69 three-year agreements will end in June of this year. I anticipate those negotiations will begin in March. The IBPO's contract is in the 3rd year of a 3-year contract with a salary increase of 2.5%. The contracts do not set compensation for Department Heads or for non-union personnel.

Health Benefits:

The Town has been advised by The Rhode Island Interlocal Trust, that there will be an increase of approximately 5.0% for the health premium and 5% for dental. During the last contract negotiations with NAGE-68 and NAGE-69, employee co-shares had increased. This change was

also implemented with Department Heads and non-union employees and have been budgeted accordingly. The Town will receive its actual rate in late-March and any adjustments will be made accordingly.

Employee Retirement:

The Town is enrolled in the Municipal Employees Retirement System (MERS), a contributory defined-benefit plan for general municipal employees. This plan is administrated by the State for all enrolled municipalities. Employees contribute 7% to 9.25% depending on years of service, of their salary, the town's actuarial contributions are set annually by the State Retirement Board. In the current year, the actuarial funding requirement is 11.78% of payroll. In FY2022-23, State Retirement Board has set the Town's actuarial required contribution at 11.75%.

The Town Police Pension Plan is a private plan administrated at the local level by a Board consisting of the Town Administrator, Finance Director, a police union representative and an appointee of the Town Council. The police officers contribute 9% of salary through payroll deductions and the Town Appropriates funding through the annual budget. The proposed budget provides a contribution of \$212,726 which is the suggested ARC. The most recent actuarial report (6/30/21) reported plan assets of \$14,150,714, representing 113.34% of accrued liability.

Debt Service:

The current debt service for FY 2022-2023 is \$1,422,412. The Town anticipates going to bond issuance for the library renovation project in FY23. Six months interest only payment has been included in the debt service.

Capital Budget:

The adopted FY2021-22 capital budget appropriated \$894,367 for expenditures. Developing the FY2022-2023 budget, municipal departments have requested capital asset maintenance, replacement and improvements that exceed \$3,134,100. After review with all the departments, we propose the capital spending plan slightly lower than the previous budget at \$879,300. Projects, maintenance and equipment needs were discussed as to the priority and the needs of the departments and municipal facilities along with the capability of the Staff completing these improvements.

Revenues:

The Town of Jamestown relies primarily on the local property tax to meet revenue requirements necessary to support the operating and capital budget plans for the Town and the School. In FY 2022-23 we project a total of \$5,615,165 in Local, State and pass-through revenue to offset the \$28,100,810 proposed Town and School budget. This represents local and non-local revenue of 19.98% of the proposed budget.

Property Taxation:

The balance of revenue necessary to support the \$28,100,810, Town and School budget, is derived from local property tax. At present time the FY2022-23 tax levy is \$22,485,645 on real

and tangible property as proposed. The 4.0% levy increase is within the State property tax cap statute. Note: At this time, we are continuing the full revaluation process of real property as of 12/31/2021. We will have more precise assessments in the coming months and prior to the Financial Town Meeting.

The Town Administrator's proposed budget is the result of each Department Head carefully reviewing and adjusting the spending requirements for programs and services in their respective departments. Once again, I thank all of our Staff for crafting their budgets with due diligence in assisting us with this year's difficult budget process and for their concentrated efforts as we put this budget recommendation together. Special recognition to our Finance Director Christina Collins, for her the dedication and attention to crafting this budget and excellent management of our finances. Tina's patience, high quality of accounting skills and incredible amount of institutional knowledge is invaluable in preparing this budget.

In closing, I want to express my deepest gratitude all of our Department Directors and their Staff for their excellent service and loyal commitment each and every day, and their dedication to providing the highest quality services for our residents.

If anyone has any questions or concerns as we prepare for the budget workshops, please let me know. I look forward to working with the Town Council as well as answering any questions our residents may have as we go through this process and presenting a budget to the voters on June 6, 2022.