

*** * LCTA NEWSLETTER * ***
LITTLE COMPTON TAXPAYERS ASSOCIATION
PO Box 455, Adamsville, RI 02801

May 10, 1993

Vol. IV, No. 1

6% - 10% Tax Increase Expected!

The budget formulating process is complete, with only the town meeting vote remaining. The tax rate increase will probably be between 6% and 10% on top of a 14% increase last year, depending upon how closely the Budget Committee's recommendations are followed. Factors influencing this year's increase are a 67% cut in School operations aid from the State, a \$91,239 teacher retirement payment which the state formerly paid, \$116,400 in additional tuition payments to Middletown for 20 additional students and rate hikes, an increase of \$79,000 to the Town pension fund, and an additional \$132,000 requested to operate Goosewing beach.

The L.C.T.A. was represented at virtually every Budget Committee meeting and School Committee meeting concerning the budget. Both committees spent a great deal of time and effort struggling with the respective budgets, and, by and large, did a credible job.

We believe that there are a few School programs that could be eliminated without hindering the quality of education, and further efficiencies could have trimmed the budgets of the Police and Fire Departments somewhat. One example is the excessive number of Police vehicles which, although paid for by drug forfeiture money, must be insured, fueled, and maintained.

UNION CONTRACTS

The Budget Committee, at the request of the L.C.T.A., showed courage in publishing the salaries and benefits of all Town employees. For the first time, the taxpayers are able to see what these salaries and benefits are costing them. In the cover letter included with their report, the Budget Committee correctly identified health coverage, pensions, and other benefits as factors which, in the future, must be controlled in order to restrain the spending increases that cause our tax burden to grow every year. The Town Council and School Committee must change their respective postures during union negotiations. In the past, the School Committee bargained with the union believing that teachers were underpaid in wages and benefits. The same held true for the Town Council and the Fire and Police unions. Although the Pension Committee voted that all Town employees be required to make a contribution to their pensions, and in spite of the precedent set in the last firefighters contract negotiated by the previous Town Council, the recent one-year contract with the Police failed to require employee pension contributions. The firefighters contract requires a 2 1/2%, 3%, and 4 1/2% successive annual contribution to their pensions. The Council, however, granted large raises which more than compensated for the pension contributions. The public can now see how well the Town's unionized employees (teachers included) fare with their salaries, holiday pay, longevity, Blue Cross, Delta Dental, and life insurance. Many people are surprised and angered by what they see.

Employee pension contributions, health coverage, and longevity bonuses should no longer be kept off the bargaining table. Teachers contribute significantly to their pensions as should other Town employees. In the real world, such institutions as IBM and General Motors require employee

contributions to their health coverage. GM employees hired after January 1, 1993 will no longer get paid health care or insurance upon retirement.

Of the twelve R.I. communities having their own pension plans, Little Compton is far out of step with the other eleven. On March 8, 1992, the Providence Journal published the following table of communities and their required pension contributions by police employees:

Warwick	11.1%
No. Kingstown	9.6%
Providence	9.5%
Bristol	9.4%
Cranston	8.0%
East Providence	8.0%
Jamestown	8.0%
Newport	8.0%
Narragansett	7.0%
Pawtucket	6.5%
West Warwick	6.0%
Little Compton	0%

Of the twelve communities, five have pension plans funded at less than 70% of future and current liabilities considered the danger point by actuaries. Employee contributions, as well as over-staffing, will be the issue of the future for Little Compton and we believe that Town officials who take this lightly do so at their own political peril. A harder stance must be taken in negotiations, and experienced, professional help is essential for the Town to counter the tough, seasoned negotiators brought in by the various unions.

REFLECTIONS

The jobless rate in R.I. through April was 8.1%, while in Fall River it was 13.7% through March. In Little Compton a design engineer pumps gasoline, an electronics technician works in an out-of-town convenience store, and the owners of local businesses barely hang on even though they work 70 hours every week. These hard working people no longer want to fund the finest in benefits for public employees when they cannot possibly afford the same for themselves. It's time for the unions to act responsibly and time for those negotiating contracts for the Town to see that they do.

Public officials like to point to Little Compton's low tax rate, but conspicuously fail to mention that the "per capita tax" places our Town as the tenth highest of thirty-nine communities.

L.C.T.A.

The L.C.T.A. has been the eyes and ears of the taxpayers of Little Compton. We were the first to publish a newsletter. Now, both political parties and many other organizations have followed suit. The excellent newsletter recently put out by the School is an example. We have been responsible for making our local elections issue-oriented. We have also seen a dramatic increase in public attendance of Council and other meetings. Our goal has been to keep taxpayers informed and to address issues from the taxpayers' point of view. Typically only 140 to 300 people out of 2,200 voters attend the annual Financial Town Meeting. You can help to control Town spending with your attendance on Saturday, May 15, at 1 pm in the School gym. We urge you to support the L.C.T.A.'s positions, and to support the Budget Committee's recommendations.