

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

August 18, 1993

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ANNUAL MEETING: The LCTA will hold its annual meeting on Tuesday, August 24, 1993 at 7:30 pm in St. Catherine's hall, located in the basement of the church. Please use the Simmons Road entrance.

Officers and directors will be elected at this meeting and there will be a discussion of several topics of vital interest to the taxpayers of Little Compton. We urge you to attend, and guests will be welcome.

MEDICAL COVERAGE FOR ELECTED OFFICIALS: Section 10-1.7.h of the Little Compton Town Code reads as follows: Insurance Coverage. Full time employees in the classified service and elected officials and department heads shall be entitled to Blue Cross coverage of semi-private room and board, plus Physician Service Plan "100" and Major Medical coverage by Blue Cross, including individual and family coverage; also family Delta Dental, level two. All premiums for the above are to be paid by the town.

Council member Mr. Thomas Goulart recognized the potential for abuse in allowing all elected officials to avail themselves of this plan. Most elected officials are part time, and we agree with Mr. Goulart that all elected officials, with the exception of the two full time elected officials (town treasurer and town clerk) should not be entitled to free, town-paid medical insurance.

The Town Council attempted to amend the ordinance to add the words "November General Election" after the words "elected officials." Such a revision would have eliminated the Beach Commission and the Budget Committee from the ordinance's provisions, while preserving the eligibility of the Council, Moderator, School Committee, Welfare Director, Town Sergeant, Highway Superintendent, Tax Assessors, Town Clerk, and Town Treasurer. The Solicitor advised the Council against even discussing the subject for fear of violating the State Ethics law.

Where does this leave the taxpayer? The cost of Blue Cross coverage exceeds \$4,600/yr and Delta Dental averages between \$700/yr and \$950/yr per person, according to last year's budget requests. Thirty elected officials times \$5,425 each (\$4,600 + \$825) means that you pay a total of \$162,750. At present only the Town Treasurer, Town Clerk, and three members of the Council take medical coverage at a budgeted cost of \$27,170. The difference figures to be \$135,580 more that you will be taxed.

Apparently, the only way to correct this problem is with a stroke in the warrant at the next financial town meeting. Kudos to Tom Goulart for taking a leadership role in this matter, and we certainly hope that the other Council members will do likewise.

If medical coverage is rescinded for the Council, perhaps a partial compensation in the form of a pay raise would be in order. This is a subject for future discussion.

PENSION PLAN: One of the strongest signals sent by the Taxpayers at the 1993 Financial Town Meeting was that they wanted the cost of the Town Pension Plan

reduced. They refused to vote the needed funds to keep the plan in an actuarially sound position. Given the circumstances, it was the one of the few things that they could do. Since the meeting, the Town Council has not done a thing to respond to the taxpayers initiative. Ignoring the taxpayers appears to be the one thing they do well.

The Town Council is good at appearing "helpless" and just a pawn in the larger scheme of things. The previous Council, to it's credit, at least got the employees they were negotiating with to contribute to their pensions. Mrs. Cabot, President of the present Town Council, was heard to comment that the payments made were a "gift to the Town." With that kind of attitude, it will be difficult to get the Council moving. This is one of the issues that should govern your vote as taxpayers. Let them know how you feel.

BUDGET COMMITTEE: The Budget Committee is to be commended for publishing the wages and benefits of town employees in the Report of the Budget Committee. Other than in publications of the LCTA, the Committee's report showed for the first time in memory what employee benefits are costing the taxpayers. People are becoming more aware of such exorbitant expenditures, and a reduction of benefit costs through employee contributions must be included in future contracts.

TOWN DOCK: 1991 Article 42; "To see if the town will appropriate \$50,000 to lower the town dock in order to make it usable for the local commercial fishermen."

1992 Article 15; "To re-appropriate the balance of \$50,000 appropriated at the last financial town meeting for improvements to the Town Dock to a fund held by the Town Treasurer to make such improvements to the Town Dock." (\$40,611.81)

The LCTA opposed the \$50,000 appropriation in 1991 because, as was stated then, once the money became available, the incentive to hold accountable those responsible for the blunder would vanish. At the time, the Council assured us that the \$50,000 was simply advance money which would be recouped from those liable in due time. A lawsuit against those responsible has not been dropped, according to the Town Solicitor, who also admits that the chances of recovering any of this money are not favorable. And even though the dock has not yet been lowered, it remains in constant use, bringing into question the need for repairs in the first place.

Recently, the Town Council voted to divert the balance in the fund (created in 1992 to avoid the need for repeated requests for appropriations at subsequent Financial Town Meetings) to grade and landscape, a use which clearly was not authorized by voters at the Financial Town Meetings.

WILBUR SCHOOL: The trend at the School is that of improvement. We finally have a School Committee and a Superintendent that appear to be fiscally responsible and sensitive to the plight of the Little Compton taxpayers. For the first time in recent history, the School Committee agreed to give any unexpected money from the State to the taxpayers for the purpose of property tax relief. This, in fact, has occurred. The State gave the Town \$28,494 more than what was originally planned. This money will be placed in the Town's General Fund for the purpose of lowering next year's tax rate. In other action, the School Committee has been looking into ways to reduce its budget by privatizing certain support services. In a move to cut costs, the School Committee reduced the hours of several part-time teachers by a combined amount equivalent to a full time teacher; and they did so in such a way that the quality of education will be minimally affected. While those teachers that saw reductions are no doubt unhappy about this decision, none of the teachers lost their jobs. Also, the 3-year teachers' contract is in its third year and, by previous agreement, is open to renegotiation of salary only. The contract guaranteed a 1% pay raise for

the 1993/1994 school year. The fact that negotiation is still ongoing suggests that the School Committee is holding ground on this (note: this is an opinion not supported by any facts - ed.).

With all of these positive signs, why did the Town's share of the School budget go up by 13% this year? The answer is that Governor Sundlun has decided that we are all wealthy in Little Compton and can live with fewer State education dollars. The following table shows what has been happening to the State education allocations to Little Compton in the past three years:

YEAR	AMOUNT
1991	\$744,000
1992	\$408,000
1993	\$284,000
1994	???

The plans for the future are to reduce State funding to near zero! Looking at these reductions, it is not difficult to see why the Town's share of the School budget has gone up significantly over the last few years. The School Committee is not at fault here. To its credit, the School Committee held to last year's funding on anything that it controls. The Little Compton Taxpayers Association attended every one of seven School Budget Workshops this year. This proved beneficial to both the School Committee and the taxpayers as the formulation and adjusting of this year's budget was done in an atmosphere of free flowing exchanges of ideas and thoughts.

Nevertheless, the School is not without its problems. Labor negotiations are still conducted behind closed doors. At our request, the School Committee agreed to request an advisory opinion from the State Attorney General's Office on the Open Meetings Law that, in our opinion, suggests that labor negotiations should be conducted in public. The School Committee has not done this despite the fact that labor negotiations are now ongoing. The benefit package given to the staff is a very generous one that you are paying for even though you probably cannot afford the same benefits for yourself. We urge the School Committee and the unions to give us a break especially in view of the Federal and State taxes that lately appear to be rising like the flood waters of the Mississippi.

There has been talk of a "large surplus" of money in the School's coffers. The Little Compton Taxpayers Association looked into this and learned the following. The School maintains two accounts equivalent to a checking account and a savings account as utilized by many families. The "surplus" in these accounts is a result of unspent tax money that has accumulated over the years. Last fiscal year, for example, the School ended up with a \$26,000 surplus of unspent money out of a \$3,318,086 budget. Nothing alarming here. The \$26,000 was added to the School Account for an approximate total of \$255,000. The School Committee decided to take \$100,000 of this and apply it to next year's budget (this is the "Beginning Balance" on the first page of the Annual Report). The remainder of the surplus, \$155,000, will remain in the "savings account" for contingencies such as unexpected special needs students and the drilling of a new well to supply drinking water to the School ending the bottled water situation (as mandated by the State).

Our primary concern is that there appears to be no upper limit on the growth of this surplus and there is no known plan on what the surplus would be used for if it grows excessively. Dr. James Alves, our new Superintendent, indicated that the surplus will be published in the School's Annual Report in the future. Our advice is to limit the surplus to \$100,00 and use any money above that to pay the loan for the School addition.

All considered, the trend is that of improvement as stated earlier.

CONTRACT NEGOTIATIONS: The pension cost explosion has shown taxpayers the importance of contract negotiations between the town and the various unions. There are several compelling reasons why local officials should not negotiate with the unions:

Local officials know the union members--a situation that may stand in the way of objective negotiating.

Another influential factor is that union employees and their families and friends constitute a large voting block (and are much more likely to vote than the average citizen), thereby giving the unions added leverage over the local negotiator.

The Council also often negotiates on contract benefits which they themselves enjoy. What incentive is there for a Council member to fight for employee contributions that would adversely affect their own income? The conflict of interest is obvious.

At one time, the Rhode Island League of Cities and Towns offered to provide the town with an experienced, capable negotiator, but now their own budget restrictions no longer allow this. The League will, however, furnish a list of experienced, capable lawyers who will negotiate labor contracts for a reduced rate. We urge the Town Council and the School Committee to get serious about labor negotiations and employ a seasoned, professional negotiator.

Please remember to attend our Annual Meeting on Tuesday, August 24, 1993, St. Catherine's Church Hall, 7:30 pm. (Please use the Simmons Road Entrance).

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