

LITTLE COMPTON TAXPAYERS ASSOCIATION

• • NEWSLETTER • •

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!!! PROPOSED SPENDING UP BY 10% !!!

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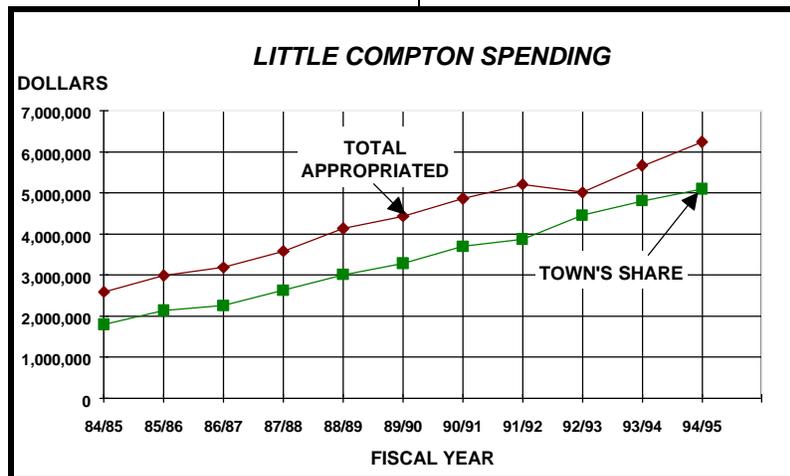
It is time, once again, for the Financial Town Meeting. The stress associated with being honest, taxpaying citizens keeps getting stronger. Our country, with its 4.5 trillion dollar national debt, does little to put a cap on spending and continues to mortgage off the future of our children. In our country one out of every two households receives some kind of hand-out from the federal treasury, while the lawmakers continue nurturing the special interests and refuse to put the citizens' interests first. Rhode Island, having the 4th highest per capita debt in the nation, is eyeing the so called "wealthy" towns such as Little Compton for cuts in State aid to education as well as becoming the education "cash cow" for other towns and cities that have mismanaged their spending.

All the while, there is no relief in the millions of dollars in taxes imposed upon us to support the State's scandalous schemes. Our Governor and legislators should be cutting spending and inefficient government practices and nurturing a healthy State-to-private business relationship instead of settling

for short sighted solutions and quick fixes for our State's financial ills.

As taxpayers in Little Compton, we have become disenfranchised when we walk into the Financial Town Meeting and are told that a major portion of the budget is untouchable -- already locked-in through union contract agreements. We as voters have been held hostage to the changes in the Pension Plan by the contracts offered to Town employees and are told that we must simply accept the report of the Pension Committee or else the Town gets sued.

Last year, the taxpayers sent a message to the negotiators by passing a \$20,000 cut in the Pension Plan's funding (see related article in this newsletter). This message was ignored and this year's requested contribution is the largest ever! What can we do? Solutions can only be realized by an awareness of the details relating to all the problems -- talking and getting involved. A good place to start is



at the annual Financial Town Meeting on May 17, 1994 (Tuesday) at 7:00 PM in the School's gymnasium.

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**THE BUDGET:** As has been the case for every year over the last decade and beyond, the spending of your tax dollars has increased again -- this time by 10.4%. At the Financial Town Meeting, you will be told by the "spending apologists" that the *tax rate* is only going up by 4.9% if everything is approved; however, the amount of taxpayer dollars that are to be *spent* is increasing by 10.4%. The following table shows who the spenders are.

| REQUESTER          | DOLLARS    | PERCENT |
|--------------------|------------|---------|
| TOWN COUNCIL (ALL) | +\$142,119 | +9.2%   |
| POLICE DEPARTMENT  | +13,072    | +3.8%   |
| FIRE DEPARTMENT    | +26,750    | +8.2%   |
| SCHOOL DEPARTMENT  | +266,867   | +4.9%   |
| OTHER MUNICIPAL    | -93,665    | -22.8%  |
| INDIVIDUALS        | +96,000    | +189.3% |

The table identifies selected budgets that represent the major expenditures in Little Compton. The table entry labeled "TOWN COUNCIL (ALL)" represents all budget line items under the Council's control including the Police Department and the Fire Department. It seems as though many ignore the 5.5% cap on annual tax hikes.

No matter how many times the Little Compton Taxpayers Association and the citizens have complained about budget creep, those who create the budgets just do not seem to care. Couple this with the growth of union demands and the Town's pathetic weakness in dealing with them, our tax bills continue to rise in a time of near negligible inflation. It just doesn't make sense.

Based upon this, it is imperative that all voters show up at this year's Financial Town meeting and come prepared to exercise the power of the vote especially for the cuts recommended by the Budget Committee.

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THE SCHOOL BUDGET: Spending at the Wilbur McMahan School is rising by 7.8% this year! That's the bad news. The good news is that the Town's share rises by only 1/10th of 1%. Explanation: The school has been saddled with several expenses that have caused the steep increase in spending. A new heating boiler is urgently needed to replace a leaking one - \$60,000. Middletown High School has raised what it charges for Little Compton students next year by \$25,000. The school desperately needs a new bus - \$40,000. In an agreement with the Budget Committee, the school will no longer manage its own funding surpluses. Instead, surplus money will be turned over to the Town's General Fund to reduce taxes, and the school budget will henceforth have a \$50,000 contingency fund. These, along with a \$72,000 increase in teacher salaries, have caused a 7.8% hike in spending.

To offset this, the existing school funding surplus (\$293,605) will be fully applied to next year's school budget. That is the reason why the Town's share of the budget sees only a 1/10th of 1% in-

crease. Next year, however, there will be no surplus and State funding will approach zero. Expect to see the Town's share of the school budget to rise significantly more than this year's share. The School Committee is aware of this and has already formulated plans to reduce costs through privatization of certain support services. Also, the boiler and bus expenses are one-time expenses for this year only (\$100,000).

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**THE BUDGET COMMITTEE:** It should be recognized that we have a very hard-working Budget Committee that scrutinizes the budget submissions for months. The members hold long sessions where they review **EACH** line item and ask that those who submit the strokes justify their expenditures. This is not an easy task. During the last several Financial Town Meetings, the Budget Committee's recommendations were overruled with regularity despite sound reasons for its recommendations. One only has to look around the gym to see where most of the votes come from -- the special interests who personally profit from the increased expenditures.

It will happen again this year if we fail to show up and support the Budget Committee's recommendation to level-fund all the Town departments. The Committee spent hours in analysis sessions and came to this conclusion after exhaustive discussion. The members think the increased expenditures are *unnecessary AND unjustified!* How can we continue to vote to increase the expenditures year after year when the *elected* Budget Committee recommends against it?

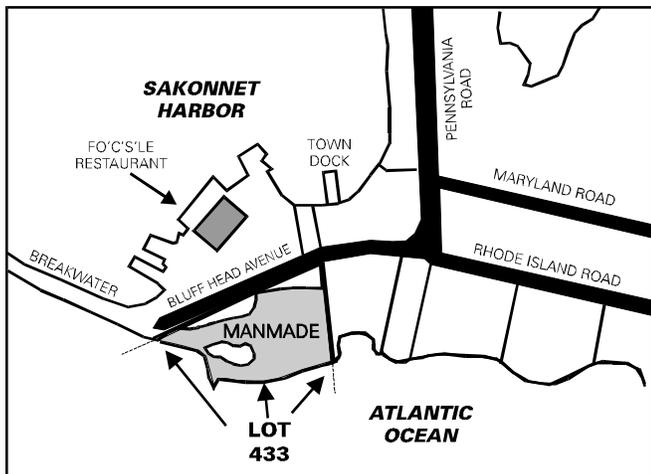
This is the year to come to the Financial Town Meeting and send the strongest message yet that we want this limitless spend policy **STOPPED** once and for all! Please support your Budget Committee.

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PENSIONS: It is not clear that there was any action as a result of the clear message sent to our town leadership last year at the 1993 Financial Town Meeting. They would no doubt argue that "there's nothing we can do" and blame the unions, the previous Town Council, the State Legislature, and anyone else who comes to mind. That, however, does not change the facts that the pension costs are in an upward spiral that shows no signs of abatement. The pension cost is the amount of money that we must put away and invest to meet future withdrawals by retirees.

Want to cut pensions? **THEN WE MUST CUT THE PAYROLL!** The Town employees and their unions are on a road that will seek retirement after only 20 years with 100% of the final salary. And don't forget benefits! The future cost of this can only be imagined. For all years prior to 1993, the annual cost of the pension never exceeded \$38,000. Then, union greed and inept Town bargaining set in. **The stroke this year (#22) is \$139,000!** There is a clear need to stop the employee unions from sucking the Town purse dry. The present system is clearly not a matter of social justice as is the claim. It is **extortion!**

Since you, the voters, were ignored last year, the choice is clear -- **STOP VOTING FOR THESE PEOPLE - Republicans and Democrats who lack the courage to say NO.** The time for "sweet" talk and "reason" is past; the thing that's called for now is action and toughness. We cannot stress enough: your vote counts. You can keep your own property taxes down only if you show up and support YOUR OWN SELF-INTEREST AND VOTE!

LOT 433: The map below illustrates how Lot 433 at Sakonnet Point is divided into natural and manmade land (the manmade land is shaded). The map was produced by comparing the current plat map with a 1938 aerial photo and a 1939 Corps of Engineers map. It shows that about 75% of Lot 433 is manmade. This is important because in 1991 the Rhode Island Supreme Court ruled that filled land such as this belongs to the State.



In 1990 the Town Council applied for tax-funded grants from the RI Department of Environmental Management (DEM) to purchase the lot from HCM Properties Corporation. At that time, the Town Council valued the land at \$825,000. In 1991, the

Council had the land appraised at \$425,000 which DEM rejected as too high.

In 1993 the Council had another appraisal done. This time, the land was appraised at \$168,000 for the entire lot, but only \$65,000 for the portion of the lot that the appraiser believed was unfilled land not subject to State ownership. The appraiser used a 1956 sketch to estimate that two-thirds (67%) of the lot is manmade. If the appraiser had used the 1939 Corps of Engineers chart, he would have clearly seen that approximately 75% of Lot 433 is manmade. DEM approved this appraisal, but HCM rejected it as too low. And what did your Town Council do? It sided with HCM rather than with us, the taxpayers. **THE COUNCIL AGREED TO WITHDRAW ITS OWN LOWER APPRAISAL and wait for a third appraisal this time controlled by HCM!**

On April 7, 1994, the Town Council held an executive session **with HCM's lawyer**. Excluded from the session were the taxpayers and the press. Prior to the session, they refused to confirm whether or not they would be discussing Lot 433 and HCM's new appraisal. The Councilors claimed they had not seen the appraisal even though it was sent to the Town Solicitor 6 weeks earlier (February 25). Re-emerging into open session after the public had conveniently retired, the Council voted to accept HCM's \$270,000 appraisal and sign a \$270,000 purchase agreement.

The new \$270,000 valuation was for the entire lot including the manmade portion. In consideration of the Supreme Court's decision on manmade land and the 1993 appraisal that valued the natural land at \$65,000, **THE COUNCIL AGREED TO PURCHASE LOT 433'S UNFILLED LAND FOR 415% OF ITS 1993 VALUATION.** However, since this amount exceeds the \$150,000 limitation on external funds that the Town Council can spend without voter approval, the purchase cannot be made without voter approval at a Financial Town Meeting.

A little known fact about Lot 433 is that the RI Coastal Resources Management Program prohibits construction of septic systems and residential, commercial, or industrial structures on manmade land abutting Type 1 (Conservation) waters. Setback requirements may prohibit construction anywhere on the lot. Contrary to the arguments that have been raised in favor of purchasing Lot 433, these facts suggest that Lot 433's open space will be preserved **WITHOUT** the necessity of public acquisition.

Article 52 in this year's budget requests \$5,000 to maintain Lot 433 only for a single year. Because negotiations have not even begun on the maintenance agreement that DEM will require the Town to sign, nobody knows the scope and cost of the **PERPETUAL** responsibility that the Town might be saddled with. Few realize that Lot 433 is the only filled oceanfront land in the State of Rhode Island, making its 500-foot seawall and its unstable fill uniquely vulnerable to storm damage. The engineer who designed the seawall stated that even a moderate, 100 MPH hurricane striking at high tide could inflict repair costs of \$250,000 to \$500,000.

VOTE NO ON ARTICLE 52!

TOWN WORKERS AND THE NEA: Little Compton, already weary from excessive union demands on the taxpayers' money, is now faced with the town municipal workers seeking more pay and more benefits by having the National Education Association (NEA) represent them in collective bargaining. **The National Education Association?** They told us they were all about education. It looks as though they were telling us giant lies all this time. The NEA is a militant union that is normally associated with the teachers. It has everything to do with pay and benefits and little, if anything, to do with education. The Town Council has so far successfully prevented them from collectively bargaining behind closed doors and it deserves credit for taking the stand that it has. Maybe a better way to handle this is to eliminate the town jobs altogether and contract them out. End of problem!

THE GRANGE HALL: There is a stroke in the warrant requesting the taxpayers to appropriate \$75,000 to the L.C. Community Center Corp. so that the Corp. can qualify for a \$75,000 matching grant conditionally offered by Peter Farago. When the

Town Council signed the lease of the Grange Hall, the taxpayers were promised that the renovations would be done at no cost to the taxpayers.

The necessary funds were to be raised through private solicitations and grants. Mr. Farago's offer has put the Community Center Corp. in a very difficult position. In order to obtain these funds they (the Corp.) must renege on a promise. The Little Compton Taxpayers Association believes that the promise is a commitment which should not be violated, regardless of the circumstances. We cannot support this request.

A SCHOOL VOUCHER SYSTEM: Article 7 of this year's warrant seeks to authorize a voucher system whereby each student wanting to attend a private school will be given up to \$3,000 for tuition. Middletown High School charges us \$5,218 per student. Wouldn't it make good financial sense to allow parents to send their children to a private high school and only have to pay \$3,000 instead of \$5,218? We save \$2,218 per student. It all sounds wonderful; however, there are some students already in private schools that the Town currently does not pay for. This is a liability that the Town would have to assume if the voucher system should go through. Also, the voucher system may attract more families into Little Compton adding to the tax burden. Furthermore, for grades K through 8, a drop in the number of students due to the voucher system does not guarantee that the Wilbur School will reduce its staff; consequently, savings cannot be assured. The teacher unions are largely in control of the cost of education. The voucher system could take some of that control away. If the facts can be presented to support long term savings with a voucher system, then we should support this interesting concept.