



LITTLE COMPTON TAXPAYERS ASSOCIATION

● ● NEWSLETTER ● ●

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From The Chairman (Bob Hayden, Chairman):

At the last year's Financial Town Meeting (FTM), the recommended budget put forth by the Budget Committee and the Town Council represented a 17% increase in spending. The taxpayers at that meeting rejected such an increase, and supported the LCTA's motion to return with a 5.5% budget. After two successive sessions a budget of 6.4% increase was adopted.

This year, much to their credit, the Budget Committee and the Town Council have put forth a recommended budget which respects the 5.5% cap, plus relief of \$218,225 granted to the School Department for a new bus and increased high school tuitions for a total increase of 5.6%.

The School Committee is requesting an increase of approximately \$500,000. This constitutes an increase of 9.8% over last year's appropriated amount. The Budget Committee, after careful consideration, reduced that amount to an increase of almost \$350,000, or 6.7%. Any increase in the School budget over the Budget Committee's recommendation would result in an illegal budget. The Town Council President, Don Gomez, in a letter to the editor in the May 13 issue of the Sakonnet Times, clearly states the need to adhere to the recommended budget.

We maintain that the School Department has adequate resources to operate within the recommended budget. The School transportation system is not cost effective, and the Taxpayers Association has called for an independent study to evaluate and recommend changes for a more efficient operation.

Another area for potential savings would be to revisit the contracts to increase the health care contribution from \$200 per year to a 20% contribution. Several other towns in R.I. have a 20% contribution. This should also apply to all other town departments as well.

To quote Julia Steiny in the May 2 issue of the Providence Journal, "Rank and file teachers have expressed to me that they are alarmed their unions seem to prefer allowing art, music, and language teachers to be eliminated in a budget squeeze rather than pursuing saving them with measures such as redesigning overly expensive health care plans or having employees contribute".

The only way that the recommended budget can prevail is if enough of our members (almost 500) show up and vote

at the FTM. I cannot overstate the importance of your vote. **Please attend and vote.**

Rule Of Law (Roger Lord, Treasurer): The United States is a republic which governs itself according to a set of laws as opposed to mob rule. This is what is meant by the expression "the rule of law." Little Compton is no exception. There are a set of laws enacted by the federal government, the State of Rhode Island, and the Town itself which govern our activities. We, as citizens, are obligated to obey such laws since to ignore them places our town at risk of lawsuits and sanctions taken by external state and/or federal enforcement agencies. **WE MUST OBEY THE LAW!**

There are laws that govern our Financial Town Meeting. At the State level, Title 44 Section 44-5-2 indicates that this year's budget cannot result in more than a 5.5% increase over last year's tax rate unless specifically authorized by the RI Department of Administration - and then only by the specific amount that it authorizes.

Locally, the laws are spelled out in our Town Charter (Section 504) which states that "The Council shall insure that...the provisions of State Law pertaining to the maximum tax which towns may levy...are complied with."

There is no "wiggle" room here. We cannot legally exceed the cap. Tiverton, at its recent Financial Town Meeting, **broke the law** and exceeded the 5.5% cap on school spending without authorization. Tiverton's taxpayers are now faced with protracted litigation at great cost and a great deal of uncertainty. The Department of Administration has authorized Little Compton to exceed the 5.5% cap by \$218,225 bringing the total increase to 5.6%. It's still too much in my opinion, but it is the upper legal limit.

There are plans to introduce amendments to give the school their requested amount and that would intentionally and unlawfully exceed the authorized cap plus the "emergency" items. This must not be allowed it will result in costly litigation on the part of the Town to correct the action. Your vote at the Financial Town Meeting is what will defeat such irresponsible action. If you truly believe in the Rule of Law, plan to attend.

Saturday, May 22nd, 1:00 pm.

Tax Rate Will Confuse You (*Bruce Gavin, Exec. Board*): We all have heard references made about the tax rate. Many times intelligent people have stood up at the Town Meeting and boasted that we have a low tax rate, so why not spend more for whatever particular special interest they are trying to support. The use of the tax rate as a comparison to some other town's sufferings is a very poor choice. For example, last year we had a tax rate around \$8 per thousand. This year all town property has gone through a revaluation process and, as you know from your assessment, the values have increased dramatically. This increase in the property tax base will make our tax rate go down to somewhere around \$4.60 per thousand even though included in this figure is the proposed budget with recommended spending increases of 5.6%. Property values change, money from other non-tax sources flow into the town's accounts and the automobiles are taxed at a different rate. This affects how the tax rate is calculated and each town has different circumstances that confuse any comparisons of tax rates. It is not helpful to use the tax rate as a comparison to see how we stand against other towns; in fact it is misleading to do so.

A representative number to compare one town to another is per capita spending. That figure is calculated by dividing the total spending amount by the total population. Last year's budget for Little Compton yielded a per capita spending of \$2,414. This year's requested budget represents a per capita spending of \$2,626, an increase in spending of \$212 for every man, woman, and child in our town. The table below gives 2003/04 per capita data and tax rates for 10 rural towns in the State plus Bristol, Warren, and Portsmouth for comparison.

<u>Town</u>	<u>Per Capita Spending</u>	<u>Tax Rate</u>
1. Burrillville	\$2,552	\$18.00
2. Little Compton	\$2,414	7.93
3. N. Smithfield	\$2,363	20.57
4. Scituate	\$2,363	31.33
5. Foster	\$2,324	14.24
6. W. Greenwich	\$2,275	18.15
7. Coventry	\$2,224	24.77
8. Glocester	\$2,099	19.98
9. Tiverton	\$1,972	14.05
10. Exeter	\$1,654	13.95
<i>Bristol</i>	\$1,440	16.50
<i>Warren</i>	\$1,615	25.77
<i>Portsmouth</i>	\$2,432	16.46

You can easily see that the tax rate varies wildly and has no relationship to the amount spent per person. **Most**

importantly, this data also shows that, of the 10 rural Rhode Island towns, only one spends more per person than Little Compton! For our town's size and level of services, we have excessive spending and are not running a very efficient town. Please bear this in mind when you hear comparisons made to our so-called "low" tax rate.

What We're Up Against The drive toward higher taxes and unlimited growth in spending is not accidental. There's been a concerted effort by some to feed the insatiable appetite for increased spending in the various Town departments. To illustrate, consider the following:

(1) Town Councilman Maiato waited for Council President Gomez and fellow Councilman Materonas to be out of town to bring up an unannounced vote to have the Town Council request permission to exceed the 5.5% cap for School "emergencies." It carried 3-to-0.

(2) The full Council, at the next meeting, did not approve the minutes of that prior meeting and therefore the vote was nullified. The same motion was again introduced by Mr. Maiato. There was much discussion but there was no second so the motion did not pass. There was an effort to approach the legislature for relief and that too failed

(3) Following this, the School began to send literature to the parents through the students at the School. The notes were alarmist in nature. The children, who love their school, were now involved in a budget debate beyond their understanding. Using children as pawns in this debate is improper and adults should know better.

(4) At its next meeting, the Town Council was faced with a chamber full of teachers, parents, school committee members, and others insisting that the Council reconsider once again the appeal to the State for relief. The vote was 4-to-1 to seek permission from the Department of Administration to apply for emergency items. Only Council President Gomez voted to hold the line at 5.5%.

(5) The Town Council voted to hold this year's Financial Town Meeting on Saturday, May 22, 2004 in an apparent attempt to manipulate attendance at the FTM.

(6) The School Administration and the School Committee have publicly asked the voters to approve their "requested" amount at the FTM. That effort will drive the budget beyond the legal limit and result in the same mess that Tiverton now faces; or, other department budgets will have to be reduced to make up the difference.

(7) Your Taxpayers Association has been accused of using misinformation. Nearly all our data comes from public sources, Rhode Island web sites & publications, and Town records. We stand by our analyses. There have been no other figures presented to refute our data.

8) The Fire Department, in spite of their complaints, did a good job at the Commons Lunch fire. The team work and help from East Bay Fire Departments was splendid. There were many experienced and willing fire fighters on the scene. We didn't need any more fire fighters to have any effect on the outcome and it wasn't a budget problem that figured into the loss. Actually, an unfortunate equipment failure figured more into the loss than anything else.

BOTTOM LINE: There appears to be a determined effort to exceed the Budget Committee's recommended budget even if it means breaking the law. Your only hope is to show up and support the Budget Committee's recommendations.

Our Poll: We recently polled a sampling of our membership to tell us how they felt about exceeding the 5.5% cap. We got some data both pro and con. We also got some rather interesting comments. Here's one member's response to our question. We print it since it captures the thoughts of many who have communicated with us on the forthcoming Financial Town Meeting.

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Gentlemen--MUCH less then 5% is my answer to your question--our neighboring state to the east used to be called Taxachusetts until they put in place proposition 2½ which capped annual tax increases at 2½ %, and a total tax cap not to exceed 2½ % of the property value These caps could only be exceeded by two positive actions, first a positive vote at town meeting to override the cap followed by a town wide secret ballot election for the tax cap override at the ballot box at either an already scheduled election or a special tax cap override election. (most attempts have failed one or both of the tests)

I fully appreciate the long hours you all put in trying to help us all with these never ending raids on our pocket books. Last year at the financial town meeting I spoke in opposition to the ridiculous increases that the town employees were advocating. I put forth the question to the town meeting "how many here received a 25% pay increase?" and I think everyone pretty much got the idea.

**ALL TAX INCREASES CAUSE A COMPOUNDING EFFECT IN THE COST OF LIVING LOCALLY,** and of course the tax rate as well.

The new "statistical" appraisals have already provided a back door entry into our pocketbooks, we all know that there have not been enough recent home sales in Little Compton to form a reasonable statistical baseline. So what has happened is that Vision Appraisals has done the expected and substantively overestimated the land value here, which we all know can not be sustained by fact. This even though some are enamored with the idea that their property doubled in value recently. A few aberrant sales do

not a database make. Look for more back door approaches to come to light.

YOU CAN COUNT ON MY SUPPORT - there is no reasoning with these people, they never take no for an answer--we need a new school committee and a new school superintendent/principal. We also need new responsible management of the police and fire departments, the source of which will not be found in this town, we must go outside to hire good management, no more of the good old boy network.

## **LATE BREAKING NEWS**

**Friday night, on the Cox public channel, our Little Compton public officials concerned with the coming FTM appeared. We were disappointed since there was clear evidence that there will be an effort to exceed the legal limit set by the Department of Administration. Our disappointment is concern for the rule of law and not economics. There was very little regard for the law along with any understanding of the requirements of the law -- and that was shocking!**

**We in the Taxpayers Association have made a major effort to analyze the law using learned counsel, and communicated our findings to all our public officials. The warnings were clear that breaking the law was not an option on any basis. Other counsel has also reviewed our position and agreed with it. Yet here were public officials on Television advocating a lawless action. All of our communications were in writing and cited applicable sections of the State laws and our own Town Charter. There is little ambiguity.**

**Our employment cost data was also mentioned as misleading, but the fact that we used W2 data supplied by the Town Treasurer was not mentioned. Our data is from government web sites, published data, and reputable sources as the Census and Bureau of Labor statistics. You get it straight, fresh, and unadulterated. We work in a "no spin" zone!**

**Much was made of the "Tax Rate" which is covered earlier in this Newsletter. Clearly the so called low tax rate is designed to confuse spending and taxing and excuse the latter. Stick with spending and you have a clearer picture.**

**Mr. Gomez, President of the Town Council, and Michael Forte, Budget Committee Chair, were voices of reason and made the case that the cap of 5.5% plus the emergency items was the limit and the law. Few heeded their repeated statements of that fact.**

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***PLEASE GO TO THE FINANCIAL  
TOWN MEETING AND FEEL FREE  
TO VOTE YOUR CONSCIENCE.***

Saturday - May 22, 2004 - 1:00 PM - School Gym

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LITTLE COMPTON TAXPAYERS ASSOCIATION  
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
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SUGGESTED DONATION:    \$10 (Single)            \$15 (Family)            \$ \_\_\_\_\_ (Other)

Mail this form and your contribution to  Little Compton Taxpayers Association  
PO Box 455  
Adamsville, RI 02801

E-Mail: [Taxpayers@cox.net](mailto:Taxpayers@cox.net)