



LITTLE COMPTON TAXPAYERS ASSOCIATION

● ● NEWSLETTER ● ●

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From The Chairman (Bob Hayden, Chairman):

I see two areas of great concern to Little Compton taxpayers. The first is the question of Separation Of Powers, Question One on the November ballot. If we are to gain control over the political corruption and cronyism which has been so rampant in Rhode Island, this proposal must pass. Please see the reference to the S.O.P. website elsewhere in this newsletter.

The next reason for great concern is the proposal to fund public education with a statewide Property Tax. This will come up next year in the legislature. It is an undisguised attempt to tap into Little Compton's tax base which will multiply our property tax burden many times. Little Compton is fortunate to have much of its property owned by people who spend summers in Little Compton, demand very little from the town, and have no children in the school system. With nothing in the proposal to significantly reduce the cost of education, this proposal, if passed, would provide a new revenue source for the unions to go after to provide even greater salaries and benefits. This would make the task of contract negotiations even more difficult.

Speaking of union negotiations, the following is a quotation from an LCTA. member, made at our annual meeting in August. It really says it all.

"I think you just highlighted the whole problem when you said unions. We have the shop steward running the fire department, we have the shop steward running the police department and we have 'I don't know who' running the schools. Now when you talk about increases every year, where are they? They're coming from union negotiations. We are giving away the school! That is the number one problem. If we were to concentrate on one item, to me it would be the unions, and getting somehow, someone, who could sit across the table with these people and say no!"

Incidentally, how many of you know that our Supt. of Schools was once an N.E.A. negotiator?

Taxpayer Update: Our annual meeting was well attended. The presentation by Roger Lord was well received and drew many excellent questions and comments. We thank all of you that attended. Your support for the Association helps keep us all focused and dedicated to our mission of delivering insightful data and information so necessary to an informed, involved and active citizenry.

Once again this newsletter is going to every mailing address in Little Compton made possible by the generous contributions of our members.

So? -- What's new? Actually a lot is new and important. The school budget finished the fiscal year with an unaudited **\$240,000** surplus. The budget that produced that surplus was voted on during the financial town meeting held in the Spring of 2003. That was the year when the requested increase was cut by the taxpayers. The "blame" for the cut was put squarely on the doorstep of the Taxpayers Association.. The School Committee and the Administration cut a teacher for the "gifted" program, a music instructor, and a half time custodian. They saw fit to hire a retired Tiverton school administrator to assist the superintendent. We called this to the attention of all of our citizens as a mistake in judgment given the rumored state of the budget, as described by the School Committee and the School Administration. The crisis they described at the time was how to pay for the increased attendance at the high schools. We understand now that they also had a "surplus" from the previous year!

At the end of the fiscal year, this past spring, when the Town Council asked about any possible surplus they were told, "Maybe \$50,000, we don't know." At the Financial Town Meeting this spring in 2004, the subject was brought up again twice, and there was no response. **Now just a very few weeks later, it is \$240,000! The questions are, was it necessary to fire a teacher, a music instructor a half time custodian, declare an emergency and demonize the Little Compton Taxpayers Association? The answer of course is NO! A better understanding of their own budget would have avoided their action.**

The School Committee will tell you the surplus is smaller. They will also say that in terms of the total school budget, it is a very small balance and represents a "contingency". All of that is self-serving nonsense and a reflection of their poor management practices; we no longer live in the "green eyeshade era of bookkeeping". Modern spread sheet programs used by business and individuals can give you instant status of spending and budget information. **"I don't know" is an unacceptable answer from any manager.** The budget approved by the Financial Town Meeting had no contingency line item. If there was a contingency hidden in

the budget, it is subterfuge and patently misleading. The Budget Committee was not aware of any contingency.

We have made suggestions to the School Committee and been rebuffed time after time. We think the bus costs are scandalous at \$918 per student vs Tiverton at \$285 and the state average of \$361. The simple approach is to seek a vendor among those anxious to get our business and ask that the cost be lowered dramatically and approach the state average.

The number of "special needs" students is higher than the National Average. The selection process for that classification has to be reviewed. The increased number of teachers results in an unusual and expensive ratio of one teacher for every 9.4 students. The classification of "special needs" students does not include those students with severe physical challenges; those students are a separate item in the school budget.

There are additional areas to achieve savings, but when asked if we could help, the school committee again refused. A "line by line" review of every line item in the budget can produce significant savings. Your Taxpayers Association is convinced that there is a sufficient amount of money in that school budget to produce an excellent educational effort. The School Administration has to get serious about managing the budget more efficiently.

There are elections coming this fall. Ask the candidates running for the School Committee if they will support reforms to prevent the kind of confusion in understanding their own budget to prevent firing good people! If candidates refuse or start reciting the nonsense, do not vote for them!

Voters have developed a blind spot. Say "education" and they wilt as if any reduction in funds will produce a generation of dunces! That is absurd since we already have among the highest per student costs in the United States. Finally, ask the candidates why after years of full bore spending, one third of the high school students we are sending to high school failed one or more subjects? We asked that question at a School Committee meeting, and they were unable to respond. Lastly, **PLEASE** remember the school budget for this fiscal year is up 6.4%. That is approximately 3 times the rate of inflation!

What's Next?: The LCTA has been around since the early 90's. We have listened to and spoken to our members and others over these years to understand what they considered important and what they hoped we could accomplish. In addition, these experiences have stimulated our own discussions during the meetings of the Executive Board.

We have lately sensed a change in concern, tone and disappointment with our elected officials at all levels of our government. The objective is to maintain focus on issues that directly affect the cost of government in Little Compton. We taxpayers are at the end of the government "food chain". It is in the towns and cities that the price of government has to be addressed and paid for with tax dollars. We think there are many things that can be done and suggest the following, in response to those concerns expressed so forcefully by our members.

The upcoming fall elections are most important. If you want change, then consider changing some of the people. The September 14th Primary elections had a number of surprises and many good omens for the future. Not only was the turnout in key races impressive, but there were actual results demonstrating the anger of the electorate to the status quo. We have heard it loud and clear, "The unions have gone much too far!"

Little Compton is a small town, but incredibly important in the scheme of things to public employee unions. We are often surprised at the visits by the leaders of the unions at the State level that attend our Town Council meetings. They want to be sure that their message is clear. They do not want Little Compton employees to give an inch because, if they do, other towns and cities may just get the idea that these tactics can work. At a meeting last Spring it got so heated that one of our Council members told the police union official from Providence that he didn't appreciate the effort to intimidate him!

Little Compton has to change the climate in the following ways:

Salary increases should not be offered this year and for the next contract period. The salaries are adequate for the outstanding working conditions. The salary increases granted in prior years have far outpaced inflation or any measurable increase in efficiency. The RULE for any salary increase is an increase in PRODUCTIVITY. Automatic salary increases year after year are not justifiable by any economic measure. There has been no measurable increase in productivity. The graph on the next page illustrates just the opposite, namely a lack of increased productivity.

Benefits are a heavy burden on the town. The level of benefits is not matched by any known private institution, and union employees in neighboring states do not match these levels of benefits.

Health Insurance must be offered on a cost sharing basis. Employees must contribute 25% of the premium cost. There should be no one allowed to maintain their Blue Cross Classic policies. The only policy offered by the town should be Blue Cross Healthmate. The co-pay has to be

increased dramatically to reduce policy costs. Married employees with a family policy covering both partners should not be offered compensation not to take an additional policy. Granting any salary increase to cover increased health cost is not to be considered or tolerated.

Retirement rules must be modified. The pension costs are escalating because of unrealistic demands by the unions. Age is an important factor, and no one must be allowed to retire before the age of 57. The age requirement should increase over time as is the case with Social Security. In addition, the cost of living escalator now at 2% per year must be discontinued. Just these two changes would

reduce the unfunded liability dramatically! An additional change required is the formula for calculating the retirement benefit. We must average the last THREE years of salary and not just the last year. This approach is the normal approach in most of the private sector. One must remember that our “defined benefit” pension system is not offered in the private sector any longer because of the incredible and unaffordable cost. These changes will not reduce employee income. Employee’s concerned with their retirement should be offered a 403K retirement savings plan funded and owned by the employee

Staffing is a significant problem and has raised our costs. We must insist on productivity increase by all the departments. The school “special education” staffing requirements are an example of unacceptable levels of cost and are out of line with national trends. We are not including the significantly challenged students that are separately funded. Communication technology can and should reduce the need for dispatchers. Cross training for police and fire personnel should be initiated.

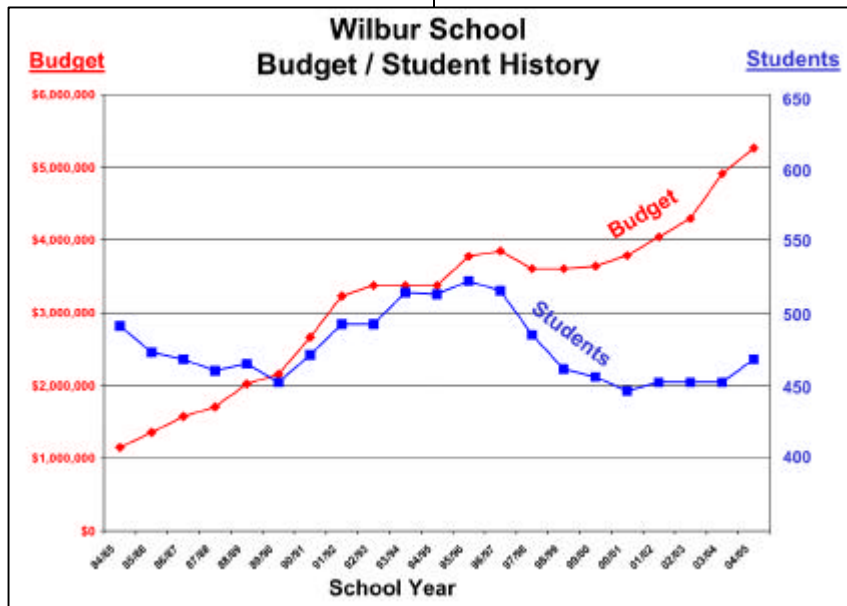
These requirements should be raised with those running for public office, and their answers recorded. We will and you should too.

We desperately need leadership to bring these escalating employment costs under control. If the public representative will not, then we as taxpayers will move at Town Meeting to reduce the budget to achieve that goal. That is a drastic step we would not ordinarily choose, but if there is little or no recognition of what we the taxpayers

require, then we are prepared to act. It is far better to rein in this escalating salary and benefit demand than to lay people off. It will be the choice of the union representatives to avoid that result. Blaming the taxpayers is not the answer. The citizens proved at the last two Financial Town

Meetings that the votes are there, and with your help and support, we can do it again. We need to keep the effort going to rein in the spenders!

If all else fails, the Town should seriously consider, a return to an all volunteer fire department, privatize ambulance service and discuss with nearby communities ways and means of supplementing our public safety capabilities. The amount of management time



spent by town officials on union grievances (almost all trivial in nature) is unacceptable. If employees in the private sector behaved in that manner, they’d be fired! The constant complaining and grousing by some town employees, never satisfied by any contract or concession, is disheartening to anyone considering public office. If they are so unhappy or consider their morale so bad, they need to seek employment elsewhere or be invited to do so.

For years, the easy way in Little Compton was to fold the tent, give in and pass the bill to the taxpayers. Hopefully, with your help, that will come to an end. Tell your representative and those running for office you endorse that kind of strong management.

Separation of Powers (Nov. 2, 2004 Ballot Referendum): The first amendment on this year’s ballot is the Separation of Powers amendment. It is vital to the interests of every Rhode Island citizen to vote **YES** on this amendment. The struggle has taken years, overcome numerous challenges and obstacles but we are near the finish line. We can win the race!

Simply stated we will join the rest of the states with a truly independent government of three branches. It is a vital step to overcome the years of conflict of interest violations that have so tarnished the reputation of the state and damaged the interests of the citizens. Please vote and support this amendment! There is a wealth of information on the “SOP” website: www.SOPrightNow.org

DEFINITIONS: GRANTS are tax money. **GRANTS** are your money. They are given for questionable uses by your

representatives who have decided for you that the use they have chosen meets their definition of usefulness to make them seem generous at your expense.

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SUGGESTED CONTRIBUTION: \$10 (Single) \$15 (Family) \$ _____ (Other)

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