

Concerned Citizens of Wilbraham

EAGLE EYE NEWS

Living Within Our Means

January/February 2009 ☆ Issue 15

A Public Service Newsletter Dedicated to Keeping the Citizens of Wilbraham Informed About Important Matters.

(Editor's note: All indicators from federal, state and local governments, continue to point to difficult financial times and chaos at all levels. Whether it's a recession, or a depression as some predict, fiscal restraint, responsibility, and accountability are mandatory disciplines our town leaders need to take now in order to ride out this turmoil. The letter below was sent to Wilbraham selectmen and local newspapers before the state announced it's deep cutbacks.)

An Open Letter to Wilbraham Taxpayers

From: Board of Directors, Concerned Citizens of Wilb.

WILBRAHAM - For years the Concerned Citizens of Wilbraham have been encouraging our town leaders (selectmen, school committee members, and finance committee members) to make decisions that allow our community to live within its means. In essence, spending what is necessary to maintain a healthy and prosperous standard of living that is fair and reasonable for the taxpayers without overburdening them with higher taxes and fees. Do what is necessary, but take into account what is looming in our financial future.

Unfortunately our warnings do not seem to influence financial decisions being made and unless town and school expenses can be contained, **the taxpayer will again be asked to pay substantially more.** How much more are you willing to pay for the same town services?

Over the past 10 years, town spending supported by our property taxes, has skyrocketed 77.3%!

In fiscal year 2009 (ending June 2009) local revenue being generated is falling short of budget by more than \$200,000. Town revenues previously raised by new home and commercial construction, as well as excise tax revenue related to new car

(Continued to Page 5)

A Huge Bill Coming Due

Governmental Accounting Standards Board (GASB) 43 - 45

By Robert L. Page Jr., Chairman CCW

At the annual town meeting of Wilbraham in 2006, The Concerned Citizens of Wilbraham placed a petitioned article on the Town Warrant asking our Board of Selectmen to seek a study to determine just how big our unfunded promise to provide health insurance to our retired town employees was actually going to cost us.

A consortium of neighboring towns joined us and retained an actuarial firm, The Segal Group, to do the work. The Hampden-Wilbraham Regional School District also joined the consortium.

Currently Wilbraham, HWRSD and most, if not all, towns use a "pay as you go" system. We pay for current employees as well as retired out of our annual budget. So as you can see, the longer you go, the bigger the expense is. It would not be unusual to be paying for two employees health insurance for the same position.

So now 2 ½ years later we finally have the answers we sought. The unfunded health care liability for Wilbraham is \$25,370,406. That number can be reduced to about \$17,500,000 if our town adopts Section 18. Our School District's unfunded health care liability is \$64,036,675. That was reduced to \$59,832,617 when the School Committee voted on and adopted Section 18.

(Note: Section 18 is a provision that permits our town and school to enroll our retirees in the Medicare program and thus eliminate our need to maintain private health insurance coverage.)

This is complex notion to fully understand. Just know that "pay as you go" is the most expensive way to deal with this

(Continued to Page 5)



Every now and then it's prudent for organizations to review their mission statement and principles to ensure they accurately reflect and communicate that organization's objective, and how they will achieve it. The Concerned Citizens of Wilbraham's board of directors recently did just that, and their updated mission statement and definition of their motto "Living Within Our Means" is shown below.

The Concerned Citizens of Wilbraham

"Mission Statement"

To keep Wilbraham taxpayers and citizens informed about important town services, projects and programs, including the Regional School District, that may have a financial impact on them and/or affect the quality of life in our community. This will help maintain fiscal responsibility and accountability in Wilbraham.

To accomplish this, the Concerned Citizens of Wilbraham will:

- Research, investigate and analyze important issues
- Communicate these findings and/or ideas in various vehicles such as our newsletter Eagle Eye News, the CCW website, handouts, flyers, local newspapers, WPA video, and public meetings
- Attend public town and committee meetings whenever possible
- Seek input and comments from town officials, CCW members and the public at large
- Pursue other opportunities as they arise



"Living Within Our Means"

This is a simple, common sense principle that is the foundation of the Concerned Citizens of Wilbraham.

In essence, it means spending only what our community can afford to spend in order to maintain a healthy, and prosperous standard of living that is fair and reasonable for taxpayers in town without overburdening them with higher taxes and fees.

Living Within Our Means does not mean saying no to every proposal or project. Nor does it mean saying yes to everything. It means important expenses that impact taxpayers must be warranted and prioritized, and must be fair and reasonable. Consideration must also be given to our economic outlook and its impact with local, state, and federal issues.

**Thank you to the over 300 members who support
Concerned Citizens of Wilbraham
*THERE IS STRENGTH IN NUMBERS!***

Eagle Eye News is a bi-monthly public service newsletter published by Concerned Citizens of Wilbraham, a taxpayer watchdog group dedicated to keeping Wilbraham citizens informed about important matters. Articles may be submitted for consideration, but are printed at the sole discretion of the editor and may be edited if too long. All submissions must be signed by the author.

• Design/Graphics and Interim Editor: Matt Villamaino
• Mail Address: CCW, 903 Stony Hill Rd., Wilbraham, MA 01095
• Phone 596-8719; Fax 596-8719
• www.ConcernedCitizensofWilbraham.org
• email: Editor@ConcernedCitizensofWilbraham.org

Meetings Updates

School District Budget 2009-2010 Roundtable

On December 18, 2008, Dr. Gagliarducci presided over the annual School District budget roundtable for the upcoming fiscal year 2010.

This annual meeting is customarily attended by members of the Selectmen of Hampden and Wilbraham as well as both finance committees and the school committee.

Our Superintendent stated that *"We are in a very difficult economy, kind of a sinking ship picture and the goal of our staff is to maintain current programs."* He also stated that *"We (our school district) are in enrollment decline and have been for several years."*

The District is looking once again at the fee schedule that they charge for sports programs and student parking. It is Dr. Paul's feeling the state will level fund their Chapter 70 financing. The State funds for our schools are roughly \$11,700,000. Dr. Gagliarducci remarked *"We think that if we are Chapter 70 level funded, it will be a good day."*

Some additional numbers mentioned by the Superintendent:

- Minimum Local Contribution is due to increase about 3%
- Additional Choice contribution to budget to increase by \$110,000 from \$380,000 to \$490,000
- Increased interest charges \$15,000

- Reduction in Medicaid payments \$10,000
- 15% reduction in transportation state payments - a loss of \$230,000
- Excess & Deficiency (E&D) contribution \$269,999 (if possible)

Superintendent Gagliarducci concluded his remarks by stating: *"If the State Chapter 70 is level funded, he will probably have to increase the Hampden & Wilbraham assessment by 3% to 5%."*

- 3% increase** would mean an **additional \$537,800** from Wilbraham.
- 4% increase** would mean an **additional \$717,000** from Wilbraham.
- 5% increase** would mean an **additional \$896,000** from Wilbraham.

In closing the question must be asked: With all the revenue shortfalls, salary increases, uncontrollable service cost increases you have to wonder where the School District thinks we are going to get the money and still balance our budget? And the economists are saying the tough times are just beginning!

Post Meeting Announcement: Recently the State informed municipalities that the State revenue shortfall predicted for this year will be \$2.4 billion and next fiscal year 2010 is already expected to be \$3.5 short and Chapter 70 will be level funded. WOW.

School Building Committee Meeting

John Lovejoy and Dr. Paul Gagliarducci headed up the latest School Building Committee meeting on January 15 with about 12 members in attendance.

We were informed that after waiting for 3 or 4 months to hear from the Massachusetts School Building Authority (MSBA), at the end of December 2008, the process has really started rolling. John and Paul are in serious negotiation regarding the high school census.

The last number that the MSBA agreed to was a high school population of 1,225. Using the MSBA guideline of 185 square feet per student equals a 226,625 square foot model school. That would make the new facility 56,375 square feet smaller, which is a 20% reduction as compared to the present Minnechaug. Another meeting has been scheduled to try to get the MSBA to increase the school size from 1,225 to 1,250. Our current school population is 1,262 and from that we must subtract 84 Choice students as the MSBA will not include them in their calculations. The current net population of Minnechaug is 1,178.

Comments were made that the architects' fees have yet to be negotiated. The numbers that were voiced were 4%, 5%, or 6%. That seemed high to this author in that the full architectural fee as quoted in our Dore & Whittier feasibility study were 7%.

The Ashland Model School, if approved by the MSBA, has been selected as the more suitable of the schools that have been looked at. Additionally, Dr. Gagliarducci feels that Ashland would require fewer modifications than Whitman/Hanson and would be more suitable to the current Minnechaug curriculum.

John Lovejoy feels that HWRSD and the MSBA will be coming to an agreement fairly soon and that probably the towns will be asked to vote on the bonding in the early Fall. A reminder that it takes an agreement from both towns at their town meeting followed by a ballot vote of both towns. If any one of those 4 votes fail, it then starts getting complicated. We will keep you posted.

The next meeting of the Building Committee is scheduled for February 26, 2009

Teacher Salary Freeze On Ice

Superintendent's idea receives a cool reception from the Stonington teacher's union

By Leslie Rovetti - The Sun Staff. Reprinted with permission The Westerly Sun (RI) January 16, 2009

STONINGTON — A request made by the superintendent of schools in December, asking teachers to forgo their raises this year, was rejected for being procedurally incorrect.

Superintendent Michael L. McKee had hand-delivered letters to the heads of each of the district's bargaining units, requesting them to freeze all salaries to save \$1 million in next year's budget. McKee and Assistant Superintendent Leanne Masterjoseph have already agreed to freeze their salaries for the coming year.

McKee told the Board of Education Thursday night that all but one bargaining unit responded that it was either inappropriate or unlawful for him to request a salary freeze. The only proper way to make that request, he said he was told, is by the Board of Education during a contract negotiation.

Only one bargaining unit responded positively, McKee said. The administrative unit, led by high school principal Stephen Murphy, offered to sit down with the board to see how they can help trim the budget.

McKee informed the board that re-opening the contract for just one item was a possibility.

"It's quite common; it happens across the state," he said.

However, he warned them that opening a contract without specifying exactly what is being opened can be fraught with unintended results.

"If it is opened up, it is opened up, and you're subject to binding arbitration," he cautioned.

Gretchen Noonan, president of the Stonington Education Association and a special education teacher at Deans Mill School, explained to the board that the bargaining units were not seeking new negotiations; they were merely explaining the process to McKee.

"We're not asking for the contract to be opened," she said.

Although the board appeared willing to look into the process of opening the contracts, member Gail McDonald questioned whether there was enough time to do that before the budget had to be finalized.

"I know how long the process is," she said. "Is it realistic?"

Board member Robert Cary Jr. suggested the board craft the budget without any assumption of a pay freeze.

"We really need to go forward thinking our budget doesn't include that," he said.

McKee has already presented the board with a preliminary budget, one with some significant cuts that still increases

expenditures by 2.59 percent.

McKee said he didn't like cutting late buses, free sports and personnel, among other items, but said a larger budget wouldn't pass.

"There's nothing in those reductions I want to do," he said, adding that he dislikes pay-to-play sports and had never proposed it before. However, he said it was important to take reductions that didn't result in larger classes.

Only two parents addressed the board about the cuts. Paul Sartor, chair of the K-12 School Building Committee, said he recognized the tough situation the board was in this year, and praised McKee and Masterjoseph for freezing their pay and being willing to "put their money where their mouth is."

(Editor's note: Just one more example of a school district dealing with difficult financial problems in their community. Kudos to Superintendent McKee and his assistant in foregoing their pay raises during tough times. That's quite admirable. Perhaps our school committee should contact Mr. McKee and see if he would be interested in applying for the superintendent's position at HWRSD. Also according to an article in the Republican on 1/28/09, Springfield School Superintendent Alan Ingram has deferred his pay raises due to him. He said, "I just think it would be insensitive and self-serving to accept a raise in such challenging times." Kudos to Superintendent Ingram as well.)

Schedule of Upcoming Meetings

Concerned Citizens of Wilbraham • YMCA Wilbraham Senior Center • Thursdays • 7:00 pm

- February 26 2009
- March 26, 2009
- April 23, 2009 (Note: Location TBD)

Board of Selectmen • Town Hall • Selectmen's Meeting Room • Mondays • 7:00 pm

- February 23
- March 2, 9, 16, 23, 30
- April 6, 13

Hampden-Wilbraham Regional School Committee • Tuesdays • 7:00 pm

- February 27, 2009, MRHS
- March 10, 2009, Thornton Burgess
- March 24, 2009, Memorial
- April 14, 2009, MRHS
- April 28, 2009, MRHS

Finance Committee Meeting • Town Hall • Wednesdays • 7:00 pm

Annual Town Meeting • MRHS • May 11-12 • 7:00 pm

Get Involved - Your Opinion Matters

An Open Letter to Taxpayers from Page 1

purchases, are both well short of budget. The forecast in both these areas is even worse as homeowners feel the impact of higher prices, lower real estate values, and diminished retirement/educational funds. Fiscal pressures on individuals and families will only get more intense as many cut personal expenses to make ends meet.

At the same time the state of Massachusetts is reporting more than a \$2 billion revenue shortfall and is taking dramatic measures to cut spending. More recently our governor has indicated that aid to local communities may be reduced in this fiscal year, and even more next year!

Both local and state revenue deficiencies were previously forecasted and should have been considered when making town decisions. In the last few months our selectmen approved new contracts for the fire, police, and other town department employees. In each case, it translated to a 3% pay raise per year that was approved for three years. In addition, the school committee also approved new 3-year contracts for its employees that amounted to a 3% increase per year for 3 years. Our local revenue, when added with state aid, **cannot sustain these increases**. While it's too late to change the contracts to less generous terms, the number of positions in each area is still controllable.

Looking forward to FY 2010 (ending June 2010), our superintendent of schools has more than once stated that he hopes the communities of Wilbraham and Hampden will not only pay these higher wages, but also make up for any shortfalls from state revenues. He currently projects level-funded state school aid (highly unlikely as many sources say it could be cut by up to 10%) and a 4% increase in town costs. With school related expenses more than 60% of the town budget, he in essence is ensuring an override article at this year's town meeting. The towns of Wilbraham and Hampden currently **provide \$5 million more** than what's mandated by the state for its regional schools. Isn't that enough? Can't we trim less essential educational programs? What about reviewing student-teacher ratios? Or evaluating a 4-day school week to save on energy costs?

ANNUAL APPEAL

As you know, CCW is a non-profit organization that relies on the generosity of our members as well as non-members who have contributed over the past 5 years. Our major expenses include printing, postage and permit fees for our newsletter *Eagle Eye News*, producing various handouts and flyers for meetings, and office supplies like paper, envelopes, and ink toner. If possible, we are asking readers to kindly make at least a \$15 donation to help support us. Thank you very much.

Adding a few other financial considerations, like the anticipated shortfall in our pension account accruals, a \$25 million shortfall in town health insurance accruals, and a \$60 million shortfall in the school department's health insurance accruals and **we have a very serious fiscal problem**. Keep in mind that nothing mentioned above reflects the building of a new model high school and its associated costs.

Now for some good news. We have a town meeting form of government in Wilbraham. As a taxpayer you have a right, and some would say responsibility, to let your leadership (especially the board of selectmen) know whether you want to pay substantially higher taxes or change the way we do business. **Let them know exactly how you feel!** While most of them are basically part time volunteers and deserve our thanks, they were also elected or appointed to serve the people in the community. They deserve our feedback and direction. Call, mail, or email them **now!** Their contact information can be found on the town's website or by phoning the town office.

Remember: **GENERAL BUDGET OVERRIDES ARE FOREVER**. Once passed, a general override will increase every year by 2 ½ % and result in higher taxes forever. The real cost of such an approval is many times the stated amount. What's the total cost to us and those that follow us?

(CCW Board of Directors are: Robert L. Page Jr. [Chair], Allan R. Kinney [Vice Chair], Matthew P. Metzler [Secretary], Portia P. Axiotis, James V. Dowd, Joseph E. Maciolek, Zigmund F. Pabich, Francis S. Pychewicz, Harry Setian, Gerda M. Trzeciak, and Matthew Villamaino)

**WANT TO GET MORE
INVOLVED WITH
CONCERNED CITIZENS OF
WILBRAHAM?
CALL BOB PAGE 596-8719
OR EMAIL US AT:**

INFO@CONCERNEDCITIZENSOFWILBRAHAM.ORG

A Huge Bill from Page 1

problem. On the other hand, with all the rest of the bad economic news it's just something that will probably have to take a back seat for a while. In a later issue we will get into this more in depth so that you will have a clearer understanding of the problem and the solution to the problem.

Finally we have heard that there will be an article in the Annual Town Meeting Warrant to adopt Section 18 that will reduce the Wilbraham problem by approximately \$8,000,000.