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# Point - Counterpoint

## Padding town budget is not a good idea

By Sav Rebecchi

Although I've ended my quest to serve our town as a member of the Council and greatly reduced my watchdog activities, there's an annual event I can't bring myself to miss and those are the budget hearings leading up to the Financial Town Meeting.

Years of government oversight have convinced me that Budget Review is the most important part of our role as citizens and taxpayers. This year's budget is especially crucial.

At last week's hearing, the first of three scheduled, I was hammered by repeated use of the word "increase." Since I'm generally pleased with the job Town Administrator Keiser is doing, it took a while to register what he was proposing. It wasn't good.

He said because the State Legislature passed a law reducing the maximum increase a town budget could be raised in a year; it was beneficial to seek the maximum allowed budget increase this year and for the next three years, to support the foundation for future budgets.

Yes, he's proposing, rather than level fund the town budget and avoid tax increases, we should essentially "stuff the budget" in order to reach the maximum increase and build up expenditures as high as possible.

This means the portion of the budget that is funded by property tax will be raised to \$16,867,530 this year, \$17,668,737 next year, \$18,463,830 the year after and \$19,248,542 the year after that.

Even with that strategy, he still proposes to "increase" the transfer station fee up to \$95, raise building permit fees, boat parking fees, and Fort Getty fees.

Most taxpayers believe an administrator scrutinizes budget requests and pushes for the lowest possible expenditures; unfortunately Mr. Keiser's approach is just the opposite as the following facts disclose.

For budget account numbers 70001.00-70800.383 there are 191 line items of requests submitted by department heads. Each line item lists (a.) last year's budget amount (b.) the department head's request for 2008 (c.) the Town Administrator's recommendation to the Town Council.

Of the total number of line items, only 13 out of 191 are reduced under the Administrator's recommendation totaling \$79,899 of savings. However, \$60,000 of that was from two line items that are not regular expenditures, meaning he cut a mere \$19,000 from \$7,079,959 in requests!

Of the remaining line items, 96 are level funded (no increase or decrease) and a whopping 81 items are increased... with 13 requests exceeding what the department heads asked for.

So what will the extra budget stuffing money be used for? Wage increases for his department heads.

Armed with a Personnel Committee survey suggesting our department heads are being paid below market compared with fifteen other towns, the Town Administrator is proposing a 12-percent increase of \$7,000 for the Town Clerk, \$10,142 for the Town Planner, an 18-percent raise, and \$14,769 for the Finance Director, a 23-percent increase.

Now I'm not saying that those employees don't deserve fair wages for their positions. They're all fine people and assets to the town. But these department heads, in their own budget requests, asked for increases far less than he is seeking.

True, a leader needs dedication and cooperation from his staff, but I don't see how declaring we've been paying them less than the average of 15 other municipalities for all these years will do much good for their overall morale or our checkbooks.

Just imagine a food critic moving into town and after enjoying his first meal at one of our favorite restaurants, yelling out to the owner "Boy that meal was great and your prices are 25 percent lower than any restaurant in the state," then turning to the staff and saying, "Customers at other restaurants pay a 25 percent tip for this level of service."

Why disrupt the apple cart? Just because other towns happen to overpay their employees to put up with poor management practices doesn't mean we should follow suit, especially when we've been managing our town pretty well.

It's appropriate that pay rates are based on an economy of scale. In the private sector, a store manager in a low volume store is paid less than a manager in a high volume store. Certain positions have a wage

## Proposed budget decisions explained

By Bruce Keiser

In the accompanying opinion piece, Sav Rebecchi has challenged components of the proposed Town Budget and suggests that the proposed expenditures are not merited. I would like to respond to some of his observations.

### State property tax levy limit

To slow property tax growth to fund school and municipal services, state law has established a 2009 property tax levy limit of 5 percent over the current year, declining to 4 percent in 2013. Other cities and towns are raising serious questions about their ability to live within the cap due to rising service demands and inflationary cost impacts. Despite frozen or decreasing state aid, Jamestown is not confronted with these fiscal pressures and will continue to maintain a stable tax rate. This stability is one of the key reasons why Moody's investor service upgraded the town's bond rating to Aa2 in 2007. Without service cut-backs, annual property tax rate increases at 4 percent or less are attainable into the

foreseeable future.



### Proposed spending

Mr. Rebecchi says that we are "stuffing the budget" in order to spend to the property tax cap limit. On the contrary, with the added debt service to fund town approved projects (Town Hall, farm preservation, highway barn) and fixed expenditures, we have had to structure spending to keep under the levy limit.

He also recommends a budget strategy based on finding more individual line items to cut than to increase. This approach would only make sense if the primary budget goal were to curtail services to reduce overall spending. This is not the premise of the proposed budget. The spending plan is based on maintaining the current level of previously adopted programs and services. As in each year, department heads are instructed to get the most "bang for the buck" where possible through economies and efficiencies.

### Alternative revenues

With frozen or decreased state aid, and faced with significant loss of other town revenues (e.g. investment income is projected to drop by \$50,000 due to a decline in interest rates), we do need to look at alternative non-property tax revenue sources that are user-driven. A few examples include transfer station, building permits, and camper fees.

The annual cost of a transfer station sticker is \$65. With just over 1,000 users last year, the town received \$67,000 in sticker sales. However, staffing and hauling costs topped \$90,000. I have proposed an increase in fees to balance the income with the operating expenses. If this action is not taken, the general fund will continue to underwrite the expenses of a specific benefit service.

Building permit fees for new construction (last set in 1998) are based on house square footage, not on value as is the standard in most other towns. For example, the owner of a 4,000 square foot house with a construction value of \$1 million in Jamestown would pay \$1,200 in permit fees. In Narragansett, South Kingstown, and Charlestown, the same permit fees would exceed \$3,500.

Fort Getty trailer sites currently rent for \$3,175 from May through September (\$635 per month). The Recreation Department has a waiting list for seasonal rentals. We are proposing a 10-percent increase to reflect the market value of this unique summer campground. The Recreation Director reports that the sites are already filling up with repeat customers.

### Salary adjustments

The budget approved at the Financial Town Meeting last June included a line item: Salary Study Adjustments for \$45,000. During the budget workshops in March 2007, I explained that many of the department head salaries were substantially lower than compensation paid in other towns. This observation was made by the two prior Town Administrators and, as requested, the Personnel Board had already initiated a pay evaluation study.

The prior Town Council recognized the salary disparity and approved the requested appropriation, which was included in the FTM adopted budget. The Personnel Board has prepared a report on comparative salaries that documents the inter-town variances.

I believe in a management philosophy that says

## A Jamestown Chamber of Commerce Event

### YOU ARE INVITED TO The Winter Breakfast Series "Jamestown Vision: Next Steps"

Join Lisa Bryer, Jamestown Town Planner and Mike Swistak, Town Planning Commissioner, to learn more about the Jamestown Vision Process and proposed updates and changes to our Planning and Zoning Codes.

**Who Should Attend:** Jamestown business owners, whether in commercial or residential districts, to find out how your business could be affected.

**Where:** The Bay Voyage, 150 Conanicut Ave., Jamestown, RI

**When:** Thursday, April 3, 7:30-8:45 am

**Cost:** \$15.00 for Chamber members and \$20 non-members, includes hot buffet breakfast, payment may be made at the door by cash or check

**RSVP:** by Monday, March 31 to [info@jamestownRIchamber.com](mailto:info@jamestownRIchamber.com) or 423-3650

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