

The Epping Taxing Times

Made Possible Through The Generosity of Those Who Care—Good Folks Just Like You

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Unexpected Windfall Revenues and Growth Hold Tax Rate To \$3.10 Increase

In the March 2003 edition of the Epping Taxing Times (ETT), the editorial staff headlined a *potentially* large tax rate increase if every warrant article was passed at this year's town meeting. Wisely, the majority of the voters went to the polls and voted down the lion's share of these warrant articles saving themselves about \$4.50 per thousand of their assessed valuation. To put this in a different perspective, a taxpayer whose property is assessed at \$200,000, realized a difference of \$900.00 on his November 2003 property tax bill.

Then, in the July issue of the ETT, after complimenting you on the sound choices you all made, we noted that property owners still faced a \$6.50 rate increase on their final 2003 tax bill. Fortunately, several positive things occurred to trim that amount down to a \$3.10 increase; this amount is reflected as an increase to the tax bill you just received. Here's what happened to effect a lower rate:

1. Town and school departments saw the moral need to stay within their approved budgets. We applaud their diligence.
2. Several hundred thousand dollars in '*unanticipated (unexpected) revenues*' were realized. For example, revenue from the Land Use Change Tax (LUCT) exceeded prediction by more than \$120,000. This amount alone saved approximately 53 cents per \$1000 of your assessed valuation.
3. A significant increase to the town's net assessed valuation. In other words, *growth* came to the rescue. Yes, Virginia, growth can be a positive concept.

Now, the *unanticipated* revenues from LUCT and from *growth* are the result of underestimating tax revenues when the 2003 municipal (School and Town) budgets were prepared. By law they cannot be spent without telling you about them first. This fact, coupled with the pressure put upon Town and School officials by this newsletter, *The Epping Taxing Times*, helped to protect these revenues such that they would become *your windfall* and ensuring that they be used to benefit *you*. Now, while we greatly appreciate their timely arrival to help lower this year's tax rate, it is most important that we not rely on this to happen year after year. It is imperative that *you* remain tuned in as to what your government is doing and planning to do with *your* money. Which begs a further word of caution, for the following reasons:

1. We cannot rely on windfall revenues and growth to save the day year after year.
2. We must recognize the fact that the tax rate did increase more than \$7.00 per thousand over the last two years.
3. We must remain alert to the spending spree that has taken place, primarily in the budgets of the school system and the police department, over the last decade.
4. We cannot allow this spending to become a trend for the next decade. We must remain vigilant as to how School and Town officials are spending our money.

The Selectmen Meetings Are Key Indicator

By following the Selectmen's meetings on EPTV channel 22 (Monday night at 7 P.M.) you will soon know the importance of what is being urged here. At the October 20th meeting, for example, Selectman Sullivan, supported by his side-kick Selectman Susan

McGeough, led a discussion rooted in political trickery called "buying down the tax rate." At this meeting, he tried to convince the other Board members to use a significant portion of the *virtually non-existent* 'unreserved fund balance' to *buy down* this year's tax rate. While this tax scheme has been used by Selectman Sullivan to successfully deceive the taxpayers during the economic boom years of the last decade, it has finally caught up with him. It amounts to over taxing the property owners on the Town side of the budget to build up a slush fund for the purpose of allowing his political cronies to spend more. But now that the lean years are with us, the shell game is over. For there is no built-up cash in the 'unreserved fund balance' that can be used as Sullivan's silver bullet to draw down, hence rescue, the tax rate.

A Close Call Nonetheless

Thankfully, Town Treasurer Joe Foley was watching the October 20th meeting on EPTV-22. When the discussion on buying down the tax rate arose, he appeared before the full Board to strongly urge the Selectmen NOT to use ANY amount of the *unreserved fund balance*. As Treasurer Foley explained, the fund did not contain spendable cash; it consisted primarily of I.O.U.s (i.e. receivables). According to Treasurer Foley, if the Board were to do as Selectmen Sullivan and McGeough urged, it would put the town into a deficit position. This would require the town to BORROW money in order to run the government next year thereby *defeating* the true purpose of maintaining an 'unreserved fund balance.' What is that purpose? Why...simply to *avoid* the Town's need to *borrow* and pay interest rates!

We strongly agree with Treasurer Foley's position and applaud his willingness to speak up because Selectman Sullivan carries great sway with both Selectmen Susan McGeough and Tom Gauthier. Given that Gauthier was over heard explaining to McGeough that he could not ignore the Treasurer's warning, we have no doubt that Selectman Sullivan's shell game would have passed again this year with a 3-2 vote of the Board. And, we would have been in a terrible economic position going into the budget year 2004.

A Wise Majority Prevails

But fortunately, that didn't happen as the wise majority voted 3-2 NOT to buy down the tax rate prompting Selectmen Sullivan and McGeough to stubbornly motion for a second vote on the issue. Again, the Board said NO not even at a lesser amount! It seems Selectman Sullivan has become just a little too fond of using this scheme to improve his public image; this year being an especially

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“Veritas” - Reporting On The Facts - By Sal Barbasso

ETT Commitment

I would like to begin this documentary by expressing my pride in all those who voted responsibly last March to help keep the tax rate from choking our town. The editorial staff at *The Epping Taxing Times (ETT)* has one objective, namely: to keep informing Epping voters of the truth behind the issues thereby revealing the true agenda of those who work at keeping the facts from the voters. Our one and only cause is to make certain that the taxpayers have the information they need to make intelligent voting decisions each March.

Unlike some in town government who see you as *sheep*; we respect you. We do not hold a gun to your back forcing you to vote one way or the other. Nor do we try to end run your spoken will by sneaking through late night changes to warrant articles at town meeting deliberative sessions stacked with a few hundred spenders claiming to represent the voting majority. The elite who think they ought to call the tune to which the rest of us must dance.

Be aware that these same people now threaten to overthrow your right to vote by secret ballot. They long for a return to the old ways – the town meeting hand vote – where they can control the politics that go on there and ultimately your wallet. Their worst nightmare is an informed electorate and your voice in the Epping Taxing Times. So they resort to name calling; for example, they call the newsletter a “*hate rag*” and say it misinforms the people. Yet, they have never been able to come up with a single instance of misinformation. Therein, lies the proof that we have made a big impact on their worldly plans. So, as I said at the beginning, we are proud of you all and we will keep the information flowing, rooted in truth, as long as we continue to receive your support.

History...The Great Teacher

Now, let’s get down to business. A little history will be helpful here right at the beginning. Back in the **1994/1995** school year, the total cost to operate the Epping school system was **\$5,264,337**. At that time, we had a school population of **868** students yielding a per student cost of **\$6,065**. Four years later, in the **1998/1999** school year, the budget to educate **961** students rose to **\$6,227,560** with a per student cost of **\$6,480**. A quick analysis of the two school years reveals an 18% spending budget increase against an 11% increase in the student population. The disparity between the two percentage increases is related to two factors: 1) the normal rate of inflation; and 2) the Epping-Fremont cooperative school initiative pushed by the School Board (the true cost of which we have yet to learn).

Over the next half-decade, (1999-2003) the school budget skyrocketed to its current **\$10,279,153** level based upon a school population of **1098** students and yielding a per student cost of **\$9,362!** In that short 5

year period, the budget rose by \$4.1 million, a whopping 65% while the student body grew at a mere 14%.

Who Pays For All Of This?

You do! The local property tax covers about 75% of the school budget with the balance coming from State, Federal and other miscellaneous revenue sources. Now, before someone starts yelling “*misinformation*” let me clarify my numbers because they will be different from those reported on by the state. This is because the Department of Education (D.O.E.) calculates a per student cost based upon an *equalized* cost basis giving them a standard rate of comparison throughout the state.

My figures reflect the *ACTUAL* cost to educate a student in the EPPING school system, as reported by the School Board. I don’t care about other towns nor where their money comes from. My concern is Epping only. I make this point to let you know that I am not using accounting tricks to try and explain the \$4.1 million increase to the school budget over the last five years. Also, that it *cannot* be explained merely by inflation; it being unusually low for the past several years.

More for Less

I can tell you that the support for this order of magnitude increase in spending, comes from the generous response of the taxpayers responding to the hue and cry of those who plead for more money so that they can do more “FOR THE CHILDREN!” Remember the rhetoric? We can expand the curriculum; reduce class sizes; give the children a BETTER EDUCATION; and place Epping academically among the top schools in the state. And so you gave, and you gave, and you gave. What DID you get for your money?

Well for one thing, you got more teachers. Their numbers rose from 65 to 95 along with a comparable increase in support staff. Then you got higher salaries and benefit costs to go along with the increase in teacher population. Oh sure, we know that Special Education costs are up but that alone cannot explain the 65% increase. And, although Fremont tuition rates only cover about 80% of the cost to have Fremont students attending Epping schools, it also cannot be blamed. Rather, it is a combination of all these factors in addition to some others such as SAU 14 administrative costs.

But, more importantly, we need to look at just how well our money has been spent by the school system. Has education improved as the School Board promised it would?

To answer that question we need to look at the standardized test scores to check out Epping School System’s academic performance. For this I turn to the NH Statewide Assessment Test which is administered by the New Hampshire Department of Education. The re-

corded test scores provide a long-term comparison as well as the answer to the question we seek.

Assessment Tests Understood

The assessment test measures student capacity to understand a given subject. The scores fall into four (4) categories, two failing and two passing categories. The scores themselves range from a low of 200 to a high of 300. Students scoring in the range 200-239 fall into the Novice category; students scoring in the range 240-259 fall into the Basic category. Both of these categories reflect below grade level work, or failure. Students scoring 260 and above fall into the Proficient (grade level capacity) and Advanced (above grade level) categories.

Said another way, students scoring below 260 have failed the test knowing less than 60% of the subject content. With this information under our belt, let’s take a look to see how Epping Students scored on the State Assessment Testing.

Epping Student Performance

TABLE 1 (below) shows the percent of Epping Students who completed the 2000/2001 school year at **below** grade level for each of the subjects tested. This means that more than half the student body comprising the 3rd, 6th and 10th grades completed the school year failing in these core subjects. How much did these appalling results cost the taxpayers? **\$7,685,271!** To pay this kind of money for these results begs the question: “Why do we need a school system? Kids can stay at home and watch TV and learn as much.

| Subject Tested | 3rd Grade % Failing | 6th Grade % Failing | 10th Grade % Failing |
|----------------|---------------------|---------------------|----------------------|
| English | 56% | 59% | 79% |
| Math | 53% | 70% | 86% |
| Science | N/A | 72% | 91% |
| Social Studies | N/A | 60% | 92% |

Yet, the screaming continued: “MORE MONEY – WE NEED MORE MONEY TO FIX THIS PROBLEM. DON’T YOU CARE FOR THE CHILDREN? So what did the generous Epping taxpayers do? They gave the School Board more money.

Now, let’s look at the 2003/2004 academic school year to see if “more money” improved academic performance. For this I ask that you refer to TABLE 2 (opposite page). Here too, a quick analysis reveals some improvement in grades 3 & 10; but, behold the 6th grade! Here the performance is worse off by as much as 17 percentage points in some subjects!

Given that in the intervening years between 2000/2001 and 2003/2004 the school budget increased by **\$2,539,882**, is it now

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safe to make the assumption that MORE MONEY is NOT the answer? Who are the real losers in this scenario? THE CHILDREN! Which begs the next question: "Who's looking out for them?" Can you believe that a competent school board would put up with these results year after year after year only to blame you? We now have highly paid administrators, curriculum development specialists, large budgets, etc. and still these horrifying results. Home school parents put these "experts" to shame!

A Monday Morning Quarterback...

Well it's easy to criticize; so, a fair question from the opposition to yell at me right now is: "What's your answer, Mr. Know-it-all?" Glad you asked. Let's start with the new teachers' contract coming due this March. You know their Union will be looking for salary & benefit increases, etc.

Okay, that's what having a Union is all about. BUT, if they want something more from the taxpayers, it's fair to ask what do they plan to offer the taxpayers in return? I would venture forth, at this juncture, that ANY salary and benefit increases be tied to, thereby contingent upon, a significant improvement in student performance. I say that if the School Board has any competence among its members, they ought to FIGHT LIKE HELL for "THE CHILDREN!"

My answer is that they ought to hold the teachers' feet to the proverbial fire. I say junk all of the touchy-feely garbage that passes for curriculum expansion and get back to teaching the basics that are so important to delivering a traditional education. Isn't it evident from the test scores that re-

sources are not being applied according to their best use to benefit the student? I don't pretend to have all the answers, but I do know these suggestions would make a good start.

A Word To The Wise

But, be forewarned! For, there is another BIG problem looming just over the horizon. It seems, the Fremont School Board can't decide whether to keep sending their students to Epping or seek greener pastures. They have been negotiating with the Sanborn Regional School System to take Fremont students. Just so you know, the towns involved in that system will vote this March on the Fremont proposition. If the vote goes through, the Fremont students will go elsewhere for the 2005/2006 school year. Now here's the rub—a budget issue for the taxpayers to track and stay on top of: "What will Epping do with the surplus of teachers the School Board hired to take care of the 132 Fremont students?" Will they keep these teachers or lay them off? What is the School Board's plan of action if Fremont leaves? The taxpayers should not be burdened with the cost of excess teaching staff.

A System In Crisis

The school system is in crisis; and only a floundering School Board will look at these results and cry MORE MONEY IS THE ANSWER! More money is NOT the answer and business as usual is no longer an option. The 'more money' card has been played too long and too often to the detriment of delivering a sound education to Epping's kids. We need a competent School Board, competent teachers and

competent administrators that are up to delivering a sound curriculum that reflects a traditional education. But no change is forthcoming, unless we the taxpayers stand up and rescue the school system from its long history of incompetent leadership.

-Sal Barbasso

Water & Sewer Commissioner Explains Impact of Failed Bond Issue - by Henry DeBoer

In the year 2000, the Epping voters passed a warrant article allowing the selectmen to borrow \$1 million to cover the State Grant share of the construction of the new waste water plant. The total cost of this plant was projected to be \$5,200,000 with a Federal Grant of \$3,950,000; the town paying 2% and the State paying 20% of the total.

The engineers and state personnel told the Water & Sewer Commission and the Selectmen that the state total could not be paid until the project was completed and upon requisition, would be paid in a lump sum basis. A \$1 million loan was taken from the Town's General Fund with the idea it would be replaced by the Federal Grant Money when that money came in, after being requested with proper documentation.

When asked about the \$1 million loan, the Water & Sewer Commission was told that it had been decided to wait until the end of the project to see if it was needed; whereas the State would then pay and the money would not need to be borrowed.

The construction went well, actually \$2 million below budget; this was with great diligence and oversight by the W & S Commission.

However, a problem arose when the State said they would be paying their share over 10 years, as this was how they had budgeted to pay Epping back. They did make the 1st payment of slightly over \$100 thousand leaving the General Fund having to pay the balance of close to \$900,000.

The main problem was that the original \$1 million approved loan was never borrowed and the warrant article [approving it] was not held over to the next year. It expired.

This past year a \$900,000 warrant article was put forth and voted down. In this writer's opinion, it was due to lack of understanding that the bond and interest would have been paid for by the State (probably). It is common procedure for the State to pay 20% of water & sewer projects upon approval, which Epping had [secured] for this project. [So], the \$900,000 would not have had a true impact on the tax rate.

Whether it is too late to try again [another warrant article] for the bond is not known at this date. It is worth the research to see if the State would still pay the interest. If so, put the bond question in front of the voters again with a clearer understanding that it will save money...not cost us!

Henry DeBoer, currently serves on the Epping Water & Sewer Commission.

MERRY CHRISTMAS

Please remember to pray for the safe & timely return of American troops
Serving on foreign soil this holiday season
Season's Blessings To All!

Table 2: School Year 2003/2004

Budget \$10.3 Million - Per Student Cost: \$9,362

NH State Assessment Test Scores: Epping Public School

| Subject Tested | 3rd Grade % Failing | 6th Grade % Failing | 10th Grade % Failing |
|----------------|---------------------|---------------------|----------------------|
| English | 50% | 76% | 66% |
| Math | 45% | 85% | 78% |
| Science | N/A | 88% | 85% |
| Social Studies | N/A | 77% | 82% |



Editors Note: The Friday, November 14, 2003 edition of *The Union Leader* published a list of 140 New Hampshire public schools that have not made adequate yearly progress under the NO CHILD measure and the State's assessment test. State schools officials reported that 60% of all students are "expected" to reach the *Basic* category this year. The Epping Taxing Times staff wonders why not the *Proficient* category? *Basic* means the student is NOT working to *GRADE LEVEL!* Does this mean that only 40% of New Hampshire students will move on to the next grade at the end of the current school year?

This is unheard of! Especially at the cost of public education to the taxpayers. We would not accept this performance from any other product on the market! We would return a computer, a calculator, a TV or DVD player that only worked 40% of the time. Why do we put up with this nonsense?

According to the Union Leader, Epping Middle School (grades 6-8) failed to make the grade in the two core subjects tested at the 6th grade level: Language Arts and Math. We ought to watch this closely, for schools that miss the mark 2 years in a row face a series of corrective actions that could go so far as a state enforced reorganization plan. The news is disturbing given the amount of money that has flowed to Epping from the coffers of the Statewide Property Tax. Where did it go? Obviously not to the benefit of all the students.

MAKE EPPING'S GROWTH WORK FOR ALL OF THE PEOPLE _Paul Spidle

Epping Ranks As The State's 9TH Fastest Growing Community In New Hampshire.

According to the NH Economic and Labor Market Information Bureau, Epping is the 9th fastest growing community in the State with a population increase between 2000 and 2003 of 524 persons, or approximately 9%. By contrast, the growth between 1990 and 2000, the previous 10 years, was 314 persons or 6.1%.

176 new homes have been built since 1999!

| YEAR | Population | Homes*** (New) | Proposed Homes**** | Proposed Adult Hsing |
|-----------|--------------|-------------------|-----------------------|-------------------------|
| 2000* | 5476 | 97 | | |
| 2001** | 5742 | 16 | | |
| 2002** | 5936 | 43 | | |
| 2003YTD** | Approx. 6000 | 20 | 120 | 234 |

*2000 Census figures **Rockingham County *Projections*
 Epping Building Dept. Figures *Epping Planning Board Figures
 (The Epping Post Office claims delivery to 2757 mail drops)

What is contributing to this rapid growth?

Rockingham County is one of the most desirable counties in the State due to its proximity to the Massachusetts Border and the Seacoast. As land becomes less available in these locations, the growth moves North and West along the 125 and 101 Corridors respectively. At the junction of these two corridors, sometimes dubbed "the crossroads of New Hampshire", lies Epping.

With large tracts of land available for sub-division, the Epping Crossing development now under construction, with a Super Walmart and a second major retailer due to start construction soon, three other smaller retailers, and a five building Industrial Park has also been approved for that site. Two more large commercial developments are before the Planning Board, to include a hotel/conference center and another large retail store, it seems Epping is now the "Hot Spot" of development in Rockingham County.

To be expected, with commercial and industrial development comes residential growth and as you can readily see from the chart above, 176 new homes have been built in the last 4 years. Three hundred and fifty new homes and/or other residential units are currently before the planning board seeking approval. While all these homes may not see completion in 2004, the next 2-3 years will potentially see an explosion of all types of building construction in Epping.

Possible Side Effects To Growth

All this growth will greatly increase our tax base and therefore lower your property tax bill, RIGHT? Possibly; but remember, growth will necessarily require additional services; and, it will most likely have an impact on the schools. Based on that, you can expect a proposal for a new High School to be presented within 2 years. Additional fire, police and highway personnel & equipment will also be requested. Other impacts to personnel, equipment and miscellaneous expenses will be needed for rubbish disposal and sewer treatment. You may even see a proposal for curbside trash and recycling pick-up come before Town Meeting within the next 2 years.

Think About Getting Involved

For certain, if you want to make this growth work for you, that is to reduce property taxes, prepare to **BECOME INVOLVED** in overseeing how your local boards go about spending this new revenue. Restraint must prevail in the minds of those responsible in discerning wants from needs. Fortunately, a good portion of this projected growth is Adult Communities (over 55), which will NOT negatively impact Epping's largest tax burden, the public school system. This type development will provide a positive revenue source for Epping.

YOU ARE IN CONTROL! Elect only fiscally conservative town leaders, get involved, run for office; attend board meetings to make your views known. Don't overlook your duty to attend Town and School District deliberative sessions. Most of all, say "NO" to excessive or "wish list" spending, and then VOTE TO ASSERT YOUR WILL.

We CAN make growth work to reduce taxes. It only takes a com-

mon sense approach to planning, budgeting and spending. Demand this and accept no less from your public officials; after all, as public servants, they work for you.

Paul Spidle is a former Selectman and 3 term Planning Board member. He currently serves you as an alternate member to the Zoning Board of Adjustment.

The Epping Taxing Times

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We graciously accept whatever YOU can afford to give.



Thanks!

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Epping Citizens for Principled Government

PO Box 198

Epping, NH 03042

Windfall Revenues ~ Growth/Tax Rate _ Don Sisson

(Continued from page 1 - Windfall Revenues ~ Growth)

important one to support is his highly likely bid for re-election this coming March.

Tax Rate Projections

With respect to the lower than projected tax rate increase, the staff of the *Epping Taxing Times* wishes you to know that we adhere to the premise that increased spending results in increased taxes. But we do not agree with playing political tricks with the people's intellect. Therefore, when we do projections on the tax rate, they are done using figures **taken directly from the budgets prepared by Town & School government officials**. We use the numbers they report as being the *official revenues, spending projections, cost of proposed warrant articles, and net assessed value* for the Town.

Faith In The Voters

Unlike Selectman Sullivan, who has publicly called Epping voters "brain-dead" for not supporting his spending ways, we respect your intelligence. We take great exception to his publicly chastising you because we sincerely believe that when the people are given all the information about issues affecting them, they will use it to vote wisely.

Be assured that *The Epping Taxing Times* always uses figures provided by state and local government officials. Just as we do not deal in political shell games, we also do NOT make up our own!

_Don Sisson, Serves on The Epping Budget Committee

Good News! The Epping Budget Committee has taken a taxpayer friendly stand by requesting that Town and School Department Heads prepare their 2004 budgets with a zero increase to the bottom line. Hopefully this will make unnecessary yet another large increase to the tax rate in 2004!