

## **Press Release**

# **Brown County Taxpayers Association**

February 25, 2010

For immediate release

Information: Call Rich Carlstedt (920) 499-4899

## **Taxpayer Group Will Not Endorse or Oppose School Referenda**

### **Group Cites Many Questions, Concerns**

At a press conference held today, leaders of the Brown County Taxpayers Association said the group could not endorse passage of the upcoming Green Bay school referenda, citing numerous concerns over School Board financial management, decision making and spending. Speaking for the group, BCTA President Richard Parins and Schools Committee Chair Rich Carlstedt further said the association will not advocate for defeat of the referenda, acknowledging some building repair needs are long overdue and have become urgent.

“I expect voters will really need to wrestle with this decision,” said Parins. “There are repairs and replacements that must be done, but the School Board’s own decisions and lack of spending control have created this situation and voters will have to decide if they want to slap down the credit card for a district bailout.” Parins acknowledged the favorable interest rate climate which currently exists, and the fact that the school district proposes to keep the debt repayment to a “reasonably short 6-year period”, but chided the Board for an “unwillingness to acknowledge money in the current budget which could be used for these needs” and an “unreasonably stubborn determination to keep millions of taxpayer dollars in the district Fund Balance.”

Schools Committee Chair Carlstedt presented a list of concerns and questions raised by the BCTA which “have yet to be answered to our satisfaction.” The list included questioning of why the Board has failed to establish a proper annual maintenance and replacement program, why district spending has grown much faster than inflation without money being made available for maintenance, and why the district started a costly 4-year-old kindergarten program when buildings and computers were falling into disrepair and obsolescence.

Parins concluded, “I can tell you we looked hard for ways to get behind these referenda, because we know the work has to be done. But we cannot find evidence that the School Board has accepted fiscal reality, taken actions available to them to avoid this need for more debt, and penetrated their finances in the manner we’d expect of those leading a 240 million dollar enterprise. Endorsing these referenda would seem like rewarding mismanagement. Voters have reason to be skeptical and I hope they make a real effort to get informed before April 6<sup>th</sup>, and make their wisest decision.”

(end)

# Brown County Taxpayers Association

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## **Press Statement by BCTA President Richard Parins, February 25, 2010**

I'm here today to speak about the Brown County Taxpayers Association's examination of the upcoming Green Bay School District referenda to issue bonds for the funding of building repairs and computer replacement. Let me get right to the bottom line: our organization will not endorse passage of these referenda, nor will we work toward their defeat. We feel this choice is best made by the voters without campaigns, interference or contentious debate.

We acknowledge that the roofs are failing and the computers have become obsolete – so something must be done. We also acknowledge the favorable interest rates available and the district's intent to pay down the debt in a reasonably short 6-year period. So, the question would follow, "why not support the referenda?"

In our view there are repairs and replacements that must be done, but the School Board's own decisions and lack of spending control have created this situation and voters will have to decide if they want to slap down the credit card for a district bailout. The Board has not tended to the condition of our schools, displays an unwillingness to acknowledge money in the current budget which could be used for these needs, and presents an unreasonably stubborn determination to keep millions of taxpayer dollars in the district Fund Balance.

I am going to let our Schools Committee Chair, Rich Carlstedt, talk about the concerns and questions raised by our members for which we have not heard satisfactory answers. When Rich completes his statement, we will be happy to take your questions.

As I close my prepared remarks, I can tell you we looked hard for ways to get behind these referenda, because we know the work has to be done. But we cannot find evidence that the School Board has accepted fiscal reality, taken actions available to them to avoid this need for more debt, and penetrated their finances in the manner we'd expect of those leading a 240 million dollar enterprise. Endorsing these referenda would seem like rewarding mismanagement. I expect voters will really need to wrestle with this decision. Voters have reason to be skeptical and I hope they make a real effort to get informed before April 6<sup>th</sup>, and make their wisest decision.

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## Press Statement by BCTA Schools Committee Chair Rich Carlstedt, February 25, 2010

Ladies and Gentlemen:

I want to review for you a number of concerns and questions raised by our members when they heard about the School Board's plan to ask voters in April for bonding authority. These concerns have yet to be answered to our satisfaction. We have gone to board meetings, attended district information sessions about the referenda, and met with members of school district administration in pursuit of a better understanding of these matters.

The overall question for us is not about the need for the repairs and the new computers, but about the Board's failure to take care of this part of their responsibility and why it puts us in a position where we are so far behind on these items. Given this same Board wanted to drive taxpayers far into debt to build an unneeded 5<sup>th</sup> high school, it is not unreasonable to approach their spending proposals with a close examination and seek understanding of why we have arrived at this point. Among the questions raised by our members are:

- The Board is responsible to maintain the district's physical assets. Why has the Board ignored these ongoing needs? Any large responsible operation preserves their assets through a regular maintenance program, adequately managed and funded. Why has this Board failed to do that, and should taxpayers now shoulder a debt burden to provide the Board a "bail out"? At this point the Board hasn't acknowledged this shortcoming and shown commitment to fixing the problem. As far as we can see they'll be back looking to bond for every maintenance and computer replacement need in the future.
- Why did the Board start up an expensive new 4-year-old kindergarten program when they were fully aware that computer replacement and building maintenance requirements were not being done? Why didn't they first respond to the known maintenance deficiencies before expanding programs?
- At a time when inflation is zero, and fixed-income residents on social security are getting zero increase, the Board increased its expenditure budget by 6.1% over last year's actual spending. That resulted in property taxpayers facing a 3.5% increase in the tax levy. Why? We told the Board in October that increase was outrageous and we still feel that way. With that spending increase, why should citizens believe the Board cannot find money to fix the buildings?
- It appears to us that the Board has built this year's budget on an assumption of increasing wages/benefits by 5%. That is not reasonable, and certainly not justified in today's economic environment. If the Board settles its contracts for a reasonable, justifiable increase it can free up millions of dollars to put against computers and buildings. The

Racine district settled recently with teachers at a 2.6% increase in wages/benefits. If Green Bay did the same, over 4 million dollars could be immediately made available.

- Why does the Board persist in stashing taxpayer money into their “fund balance” when there is no demonstrated need for this? The board took an eight million dollar surplus from last year and kept it in the fund balance, which is supposed to serve as a “rainy day fund”. Well, the rainy day is here, thanks to problems being ignored for too long. Now the Board wants to spend 1.5 million from the fund balance to address these building/computer needs. Why not more? Why not 8 million? If these needs qualify as appropriate fund balance spending, why not use last year’s surplus rather than borrow ... how does that make any sense?

These are some of the questions and concerns raised by our taxpayer members and, as I said, we’ve not been able to get satisfactory explanations that would justify enough confidence in the Board to endorse their borrowing plan.

Richard and I will be happy to take your questions now.

(end)