

The Faster We go the _____ We get...

I can't swim – buy me a speedboat, throw me a line. The water's at least 2` deep....

When does it end -- the 'help me, help me' from lamed up American businesses? The Big Three automakers just got \$25 billion from taxpayers, now GM wants more from us to complete a merger with Chrysler, your guess is as good as mine for results by press time.

Reminds me of the persistent trick-or-treater we got a few years back, who stood there with his double pillowcase open after the rest of his party left. I know I put at least three treats in his bag, but he insisted he hadn't got anything yet. So I put in a few more. And still he stood there, his Frankenstein mask peering down into his bulging cache. I put in two more and closed the door. He stood there a few seconds more, and then shuffled off. I think I know his folks; apples rarely fall too far from the tree.

GM and Chrysler have been losing market share since I had long hair, despite partnerships with Daimler-Benz and Cerberus Capital. They need to be bought by Honda or Hyundai, something shocking like that. There are no synergies in merging IHOP with Waffle House. The autoworkers union needs to be slapped out of its lock-step head-butt with management. The union was born to battle back when justice required war against a ruthless management, but unions never matured to learned cooperation, and neither union nor management have ever considered the value of shared destiny. Does this remind you of the trick-treater?

Moreover, Congressional Democrats are weighing the virtues of a \$170 billion Stimulus II – another titanic government bailout, this time for debt-ridden, non-paying taxpayers. There are no virtues- repentance has no place in this economy. And the Bush Administration, George's winking 'come hither' to both Stimuli as well as GM-Chrysler aid. I feel like Dave Obey, "You can bet your last buck that the airline industry is right behind them." And the line forms here.....

I have been a Bush fan but I am ready to wheel Two Men and a Truck up to 1600 Pennsylvania Avenue and offer, bum body and all, to help them move back to Crawford. Why do all American Presidents incur this ailment? Is the prospect of becoming an American Idol reject just too much?

The only good news from this crazy year: Paul Ryan may be weighing a run for governor in 2010, but my heart remains with Scott Walker. Paul-Scott, go kick Sen. Kohl's tush, the maxed out Millionaire, our famously do-nothing Senator. The fiscal sense-maker, Ryan, is running \$1 million worth of ads in his re-election campaign against little old Marge Krupp. Only explanation: He's raising profile. He has had enough of windmill tilting amongst 435 posturing members of the Legislature, losers the entire lot.

Ryan or Walker can actually implement their fiscal horse sense here as governor. Especially important as Gov. Doyle finds himself back at the beginning again, staring down the barrel of another \$3 billion deficit – just like 2003. Run Paul, run Scott, run!

And one last bright spot: The Green Bay school levy increased only 3.2%. Asst. Super Alan Wagner called it "the lowest increase we've had since 1985-86." Ah, the pre-Nerad years. Captain Dan the Referendum Man is pitching woo in Madison now. I bet it was the Henny Youngman-esque letter of recommendation we wrote for him – "Take our superintendent of schools ... please!" Dr. Nerad is asking Madisonians for \$25 million more now and \$13 million a year more ad infinitum starting next budget – on top of a 2.74% levy boost. Better them than us. He fits in 70 square miles surrounded by reality.

Anyhow, I hope you got more treats than tricks. Write your Congressmen and Senators and say "No mas!" to bail-outs. Please don't put up your Christmas decorations until after Thanksgiving. I'll explain why later. Hot Toddy season is almost here!

Richard Parins – President

The BROWN COUNTY TAXPAYERS ASSOCIATION
Promoting Fiscal Responsibility in Government

How to Ruin the U.S. Economy.

A recent article posted on the internet by well known economist Ben Stein suggests a number of steps the Federal Government could take if it deliberately wanted to ruin the U.S. and world economy. Unfortunately it appears this list was used as their guideline. Even though these actions by our government were made in good faith for valid reasons, they and probably other factors beyond our control have led to the fiscal mess we suddenly find ourselves in.

- Have a fiscal policy that creates immense deficits in good times and bad, burdening America's posterity with staggering burdens of repaying the debt.
- Eliminate regulation of Wall Street and/or fail to enforce the regulations that already exist, instead trusting Wall Street and other money managers and speculators to manage other people's money with few or no regulations and little oversight.
- Have an energy policy that disallows producing our own energy and instead requires that we buy energy from abroad, thus making our oil prices highly volatile and creating large balance of payments deficits, lowering the value of the dollar and thus making the problem get progressively worse.
- Have Congress mandate that banks and other financial entities lend money to persons they know in advance to have poor credit ratings or none at all.
- Allow investment banks, insurers, and banks to bet their entire net worth and then some on the premise that borrowers known to be improvident will in fact repay those loans.
- Allow the creation of large betting pools called "hedge funds" that can move markets and control the outcome of trading, thus taking a forum for savings and retirement for families and making it into a rigged casino game that exists primarily to fleece suckers like ordinary working men and women.
- Have laws that protect corporate officers from being sued for misconduct but at the same time punish lawyers in the private sector who ferret out such misconduct and try to make accountable the people responsible for shareholder and investor losses. If one of those lawyers gets particularly aggressive in protecting stockholders, put him in prison.
- Appoint as head of the United States Treasury Department a man whose whole life was spent on Wall Street, who became fantastically rich through his peddling of junk bonds at his firm while the firm later sold short those same sorts of bonds.
- Scare Americans into putting up \$750 billion of their hard earned money to bail out the billionaires and their friends who created the market for loans to poor credit risks (*The "subprime" market*) and the unbelievably large side bets on those loans, promising that such a

bailout would save the retirement savings of Americans, then allow the immense hedge funds to make the market crater immediately afterwards.

- Propose to save the situation by surtaxing the oil industry, which is owned by our fellow Americans, mostly in their retirement plans, thus penalizing Americans for investing in companies that efficiently and legally produce an indispensable product.
- Insist that the free market requires that banks and insurers with friends of the Secretary of the Treasury be saved but allow other entities not so fortunate to fail, thus creating total uncertainty and terror among financial institutions, and demolishing all of the confidence built up in financial circles since the days of FDR.
- Then have the Republican candidate say he would keep on the job the Treasury Secretary who facilitated the crisis, failed to protect the nation from the crisis, got the taxpayers to pony up to save his Wall Street buddies, and have the Democratic candidate, as noted, say he would save the day by taxing the stockholders of energy companies.

Some of these problems can be traced back through several Presidential administrations and cannot necessarily be blamed on Republican or Democrat policy. One common thread, especially in recent years seems to be partisan politics and lack of cooperation in establishing good legislation.

It would be nice if the next President and Congress will have the ability and foresight to truly get the country on track again. However this plays out things there likely will be changes effecting all of us. Any suggestions to make?

Jim Frink - BCTA

National Debt Update.

Open up the champagne, it's time to celebrate.

The U.S. National Debt has finally inched past the ten trillion dollar mark. As of November 1, 2008 the debt our country owes stood at **\$10,538,044,426,757.98**. This is an increase of a little over \$680 billion over last month at this time.

Assuming a U.S. population of a little over 305 million this means we all owe a total of **\$34,549.18**. Even little kids. The total consumer debt in the country is reported as \$13.2 trillion so this could add another **\$43,278** each of us owe. Total U.S. personal income is only about \$8 Trillion per year.

What is Congress doing about it? Well for starters they promised to give \$770 Billion to mis-managed mortgage companies, banks and brokerage firms. The economic stimulus payment last summer was supposed to make everybody happy even though it didn't help the economy much. Now Congress is considering doing it again only bigger. Got to thank everyone for re-electing them.

Promising tax cuts has proven to be a good way to get elected to Congress, so the candidates have been promising to cut taxes which will likely reduce the amount of Federal income while expenses keep going up and up.

Jim Frink - BCTA

Is Social Security Secure?

Is this good planning or irresponsible management? You decide.

Most of the Social Security contributions we--and our employers--are required to pay are immediately paid out to today's retirees. At the moment, there is money left over after these benefits are paid. That extra money is transferred to the US Treasury. To account for this, Social Security receives Treasury Bonds--promises to repay what was taken, plus interest. Then the extra money collected through Social Security is simply spent by congress through the regular federal budget. The result? There is no real Social Security "Trust Fund." No money is ever saved for those who pay in. No one has any real Social Security "account."

By 2018 national demographics will have changed. The system will start paying out more than it takes in. The Treasury will have to begin repaying Social Security. At that time politicians will be faced with two enormous problems. First, they will no longer be able to use billions in extra Social Security proceeds to supplement their regular spending. Second, having spent all the extra Social Security taxes collected up to 2018, politicians will have to find some way to repay the T-bonds. No one knows how this will be accomplished.

Around 2041 the Treasury Bonds will be exhausted--providing congress can even find a way to pay them back in the first place. At that point there will be no Social Security savings to fall back on. Benefit payments will be much higher than Social Security collections. Demographics will be even worse. Where will the money to pay Social Security benefits come from then?

Government proposals are to increase Social Security taxes (12.4% of personal income isn't enough!), cut benefits, or borrow even more to pay for what has already been borrowed. Of course, the Federal Reserve could simply print more money. Any company that managed its retirement funds like this would have its executives prosecuted for fraud and malfeasance, and then imprisoned.

Politicians have placed the solving of this multi-trillion dollar crisis squarely on the shoulders of our children and grandchildren. Meanwhile Medicare is in even worse shape. New multi-billion dollar bailouts are regular news, along with regular increases of the national debt limit. Our national politicians continue to recklessly print money and spend it, then print even more and spend even more--printing and spending without ever an honest discussion about what the long-term consequences are likely to be.

How do you think the politicians will do with universal health care?

Scott Liddicoat

"In selecting men for office, let principle be your guide. Regard not the particular sect or denomination of the candidate -- look to his character..."

. . . Noah Webster

"Government's view of the economy could be summed up in a few short phrases: If it moves, tax it. If it keeps moving, regulate it, and if it stops moving, subsidize it."

, , , Ronald Reagan

"You can't stop a politician, even by defeating him."

, , , Will Rogers

Advice For The Next Generation.

Although not specifically taxpayer orientated, the following is attributed to a speech by Bill Gates to a High School audience about 11 things they did not and will not learn at school. Agree or not, it seems to be good advice for anyone preparing to go out into the real world and cope with real world problems, (*like paying taxes*). Might be good advice for some of us older people also.

Rule 1: *Life is not fair - get used to it!*

Rule 2 : *The world won't care about your self-esteem. The world will expect you to accomplish something BEFORE you feel good about yourself.*

Rule 3 : *You will NOT make \$60,000 a year right out of high school. You won't be a vice-president with a car phone until you earn both.*

Rule 4 : *If you think your teacher is tough, wait till you get a boss.*

Rule 5 : *Flipping burgers is not beneath your dignity. Your Grandparents had a different word for burger flipping: they called it opportunity.*

Rule 6: *If you mess up, it's not your parents' fault, so don't whine about your mistakes, learn from them.*

Rule 7: *Before you were born, your parents weren't as boring as they are now. They got that way from paying your bills, cleaning your clothes and listening to you talk about how cool you thought you were. So before you save the rain forest from the parasites of your parent's generation, try delousing the closet in your own room.*

Rule 8: *Your school may have done away with winners and losers, but life HAS NOT In some schools, they have abolished failing grades and they'll give you as MANY TIMES as you want to get the right answer. This doesn't bear the slightest resemblance to ANYTHING in real life.*

Rule 9: *Life is not divided into semesters. You don't get summers off and very few employers are interested in helping you FIND YOUR-SELF. Do that on your own time.*

Rule 10: *Television is NOT real life. In real life people actually have to leave the coffee shop and go to jobs.*

Rule 11: *Be nice to nerds. Chances are you'll end up working for one.*

From the Internet.

VISIT OUR WEBSITE

www.BCTAxpayers.Org

E Mail, BCTA@ExecPc.Com

Suggestions For The New Legislature.

We are sure that when the newly elected or re-elected members of the Wisconsin State Legislature and Senate take office their priorities will probably be focused on items like how to impose Healthy Wisconsin and how to shift more taxpayer money towards education. All for our benefit of course.

Keeping in mind that the economy may hinder some of their ambitions, particularly as far as increasing taxes are concerned, there are a couple of items which have been discussed in the past which besides saving some money could also make life in Wisconsin a lot simpler for all of us.

First, whatever happened to the Sunset Law provision which was a hot legislative topic a few years back. The idea was to regularly review all State Statutes to determine their present value and perhaps eliminate or alter those which had become obsolete.

At one time the criteria of a good legislator was how many new laws he could introduce and have placed in the Statutes.

Things have changed in recent years as numerous business, social, law enforcement, environmental, political and whatever else interests have come to Madison with specific problems resulting in many new laws to be entered in the same statute books. The result is that what only a few years ago took just two volumes to look through to find a statute now takes 5 rather big heavy books to accommodate.

A result is that our lives are controlled by a complex set of laws; many of them irrational. These do little except provide a good income for the law profession, (who also contribute heavily towards election campaigns.) Many of these superfluous regulations appear to be responsible for the creation of needless bureaucracies, with employees keeping each other busy while making it more difficult for business to operate in the State of Wisconsin.

Another factor is that whenever a new state ordinance is proposed, be it to control illegal drugs, property usage, new building codes, business regulation or whatever the proposal usually ends with a disclaimer to the effect, "*finis and penalties to apply.*" While this may give teeth to our laws, it also helps create a compliance nightmare leaving many of us in the dark as to what is right or wrong. The cost of compliance to both individuals and government can be enormous. We then wonder why Wisconsin has a reputation of being a difficult place in which to live and do business.

One solution would be to form a commission of legislators, plus a few private efficiency experts to sit down, go through the 5 volumes, make a list of statutes which appear irrelevant, and put what remains in plain English.

The other item for the Legislature to consider could be a lot simpler. Somewhere in Chapter 59 of the Wisconsin Statutes are requirements that Governmental units publish their minutes and other official documents in a local newspaper or publication.

This is a good law and well intended as it can inform the public of what our elected officials are doing for us. Unfortunately in recent years, with budget problems on all levels, the cost of this service has risen like everything else. The local papers have helped reduce the cost by using a smaller type size and printing this information in a 10 column format rather than the usual 6 used for other news. The problem is that the type used is so small that not even a magnifying glass helps, and the lack of headlines on the topics makes it difficult to find specific items. The requirement of printing

the information is still met, but is the expense to taxpayers justified?

Since virtually all major taxing jurisdictions now have E-Mail websites, would it be practical to meet the public notification requirement through an E-Mail posting. Perhaps even on an inexpensive dedicated website. Those who are interested would have instant access, the material could easily be copied and retained, and would be available throughout the state rather than just the local area. Probably 100% of those to whom these notices are meaningful have high speed internet access. Something to think about but it would take legislative action.

To summarize: First, rather than dreaming up unnecessary new programs along with new taxes to make our life miserable, the Legislature should take a closer look at the laws already on the books. It is time to streamline what we already have and remove duplicate, obsolete and archaic legislation from the state statutes.

Second, it is time to allow government units to place their official minutes on the internet rather than local publications. This would save taxpayers in the state millions of dollars each year while making this information more accessible.

Jim Frink - BCTA

More Thoughts On Social Security.

While there was much criticism during the recent Presidential campaign of proposals made and which were popular several years ago to allow private investment accounts of one's Social Security account, some politicians forgot that this was at a time when the stock market was generating larger returns than the Social Security Trust Fund. At that time, an amount equal to an employees payroll deduction for Social Security plus the employers contribution if invested privately could conceivably provide a much better retirement fund than waiting for Social Security. Medicare may have been a different problem. Please correct me if I am wrong on this.

Federal law, through the Employee Retirement Income Security Act of 1974 (ERISA), establishes that private employee benefit account have sufficient secured funding to meet all prescribed liabilities. Subsequent legislation simplifies workers transferring vested interest accounts from one employer to the next. Unfortunately Social Security does not provide the safeguards requiring secure funding.

Further complicating Social Security are widespread reports of identity theft of SS numbers to fraudulently obtain benefits plus Congress allowing increased benefits to those who have not contributed to the plan through employment. In other words, providing benefits without providing the funding. **JF**

A politician needs the ability to foretell what is going to happen tomorrow, next week, next month, and next year. And to have the ability afterwards to explain why it didn't happen."
... **Winston Churchill**

Every government interference in the economy consists of giving an unearned benefit, extorted by force, to some men at the expense of others."
... **Ayn Rand**

"Here comes the orator! With his flood of words and his drop of reason."
... **Benjamin Franklin**

October Meeting Notes. *Representative Montgomery Speaks to BCTA.*

Monthly BCTA meeting held October 16, at Titledown Brewing Co.

State Representative Phil Montgomery addressed the October BCTA meeting. He represents the 4th Assembly District, which includes Allouez, Ashwaubenton, and De Pere. He chairs the Assembly Committee on Energy and Utilities. He also chairs the Special Committee on Nuclear Power. He co-chairs the Joint Committee on Information Policy and Technology and he chairs the Speaker's Task Force on Information Technology Failures.

Representative Montgomery began by explaining that the state cell phone GPS (E911) fee was ended in July of this year. When funds for all the necessary equipment for E911 had been collected, he felt the fee collection should be terminated. However, the Wisconsin Alliance of Cities wanted the fee collection to continue, and actually be increased, to collect millions of dollars of additional revenue for them. Fortunately for taxpayers, the Legislature agreed that the project had been completed and collecting the fee should end.

Higher than necessary costs for energy result from intervention by environmental activists, Representative Montgomery stated. He explained that We Energies is paying out \$100 million for environmental causes in order to keep construction of its new Oak Creek power plant on schedule. The Sierra Club and Clean Wisconsin threatened to halt construction with a lawsuit because a judge in New York had ruled that a similar plant in New York needed cooling towers. Even though the Public Service Commission, the DNR, the governor, and the state legislature had approved construction of the new Oak Creek power plant without cooling towers, We Energies agreed to pay out the \$100 million the environmental activists wanted instead of litigating over the installation of \$400 million of unnecessary cooling towers. The \$100 million payoff adds to the cost of future energy produced by the new Oak Creek power plant.

Representative Montgomery noted that the Kewaunee and Point Beach nuclear power plants produce about 18 percent of Wisconsin's electricity requirements with fuel costs of about 2 cents per kilowatt hour. He strongly supports lifting Wisconsin's moratorium on nuclear power plant construction. Construction of 19 nuclear power plants is underway in other states. He is very skeptical that the Global Warming Task Force Report goal of producing 25 percent of Wisconsin's electricity needs from renewable energy by 2025 is attainable.

Representative Montgomery explained that the Public Benefits item on our electric bills is for energy assistance and energy efficiency improvements for utility customers. He said that utilities collected \$579 million for the Public Benefits fund and then Governor Doyle took \$55 million from the fund to balance the state budget.

Rich Carlstedt reported that the Green Bay Public Schools Enrollment Task Force has completed its study. The final report is to be given to the Green Bay School Board on Monday, October 27th. There is no new high school in the recommendations, but rather a complete redistricting of the high school boundaries, or an 8 room expansion of Preble High School, which is only a short term solution. Growth in elementary grades will probably mean 3 small additions on the east side.

The next meeting of the Brown County Taxpayers Association is scheduled for Thursday, Nov. 20, at Titledown Brewing. Details on back page of this *TAX TIMES*.

Dave Nelson -Secretary

Articles and views appearing in the "TAX TIMES" do not necessarily represent the official position of the Brown County Taxpayers Association. We want to encourage discussion and input on current issues of taxpayer interest and invite your comments or articles suitable for future "TAX TIMES." Please send them to the BCTA, P.O. Box 684, Green Bay, WI 54305-0684, or call Jim Frink at 336-6410.

More Social Security Facts.

- The original act was submitted in 1935 by President Roosevelt.
- He promised that participation in the program would be voluntary.
- That the program would be paid by contributions from the government, deductions of .5% of the first \$1,400 in annual salary and an equal contribution from employers.
- That the money participants elected to put into the program would be deductible from their income tax.
- Participants would be a U.S. Citizen with at least 5 years residency to receive benefits.
- That the money the participants put into the fund would be kept in an "independent trust fund" rather than the general operating fund, so that the funds would only be used for Social Security recipients and no other government program.
- That payments to participants would never be taxed as income.

Changes to the plan include.

- In 1958 Congress voted to remove funds from the Social Security fund for transfer to the general fund. Their logic was that the fund contained more money than it would ever need.
- During the 1990s, Congress passed laws making social security benefits subject to income taxes.
- The deduction from wages has grown through the years until is now 6.2% of wages to \$102,000 to be pay by both the employee and employer. In addition employees and employers each "contribute" 1.45% towards Medicare.

HELP WANTED.

BCTA MEMBER or MEMBERS who would be interested with and possibly assuming responsibility for publishing the monthly *TAX TIMES*.

Requirements are a personal computer with internet access. Writing skills and a little extra time each month. If interested call Jim Frink at 336-6410. Frink@execpc.com.

Things That Make Us Wonder.

It doesn't seem like many years ago that most banks were locally owned. We knew the president and got all of the banking services we needed.

A massive merger trend began in the 60's and 70's creating mega chain banks, with the promise we would receive many advantages accordingly. They should have mentioned more service charges and that any profits would go out of town.

The present financial crisis has caused the Federal Government to take more of a hand in the merger or purchase of a number of the huge financial institutions we have left. They are even planning to us \$250 Billion of the bailout package to buy stock in some of the larger banks. To what the extent the government will oversee this industry remains to be seen but it is certainly something to make us wonder.

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The Government is supposed to regulate all business to protect against monopolies and unfair trade practices. As a result we have only a handful of airlines, railroads, auto manufacturers, communication companies and even retail chains remaining. Bigger is not necessarily better.

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The Presidential Debates were interesting but rather inconclusive due to the homogenized questions asked and the stock answers given by the candidates.

What would really be interesting and perhaps more helpful to voters would have been to ask them to account for all of the acquisitions made against their opponents by them or on their behalf. Their would also be ample time to explain their record and any charges made against them by their opponents.

Could even be a great first step towards campaign ethics reform.

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After a lengthy and expensive trial the State of Nevada found O J. Simpson guilty of armed robbery. Not that anyone really cares, but it always seems like a complete waste of taxpayers money that is spent on these high

profile trials when jails are full of common people waiting their chance to go through our crowded legal systems.

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While not necessarily a taxpayer issue, the now-settled dispute between the FOX Network and Time-Warner could still effect our pocket-books. Should the cable network pay to use the signal from a commercial TV station, or does the station pay the network because they give exposure to their programming. Do advertisers pay the broadcasting or cable companies? Will increased cable and satellite charges now be passed to customers?

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It will be interesting to see how much money will be budgeted for next years school bus and snow plowing budgets.. While the price of fuel has gone down somewhat next years budgets have already been prepared.

Maybe they will have something left over for a rainy day fund. Ha!

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While our politicians keep telling us we need better health insurance coverage, the U. S. Census bureau reports that Wisconsin has the third lowest rate of uninsured residents in the country.

While we acknowledge that health insurance is a serious problem there must be 47 states with a where it is worse and they don't even have a Healthy Wisconsin plan.

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One industry which must be doing very well despite the economy is the sale of TV advertising. At least if all the disgusting campaign ads we have been subjected to are any indication.

The Milwaukee Journal reported that Milwaukee and Green Bay have been in the top 4 nationally for the amount of presidential campaign advertising carried. As if the ads aren't bad enough we keep receiving letters from parties begging for money to buy even more TV advertising.

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Home values have been dropping and it doesn't appear that the market will rebound anytime soon,

How low will they have to go before reassessments will be in order

to reflect realistic values for tax purposes?

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The price of gasoline has finally dropped well under \$3.00 and seems like a bargain. However it is still higher than a year ago. Does it seem the price of gas goes up faster when the price of crude increases than it goes down when the price of crude decreases?

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Despite problems with voter fraud in previous elections and huge amounts of state and federal spent to clean up voter registration lists and establish honest voting procedures it appears the November election could be as corrupt as others.

Reports are coming in of questionable registrations, corrupted lists, and all sorts of voter eligibility problems. Some of the problems seem to be related to a group called Acorn has had 450,000 new voters which they tried to register disqualified for various reasons.

Encouraging all people to register to vote their choice is one thing but using government money to register target groups is something else.

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A federal judge in Ohio has ruled that homeless people can use park benches or other non-building locations as their address as qualification to register to vote.

One question is, if an address cannot be verified by a drivers license or other form of identification, what is to stop anyone from registering to vote at multiple locations?

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An offer in an internet ad proclaims "Underground Cash Secrets." We assume this means you don't report any income. For a price you could learn how to make money at home while using your computer.

Perhaps the IRS should audit the guy making the offer.

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The Presidential Candidates have been outdoing each other promising tax cuts and rebates, in order to entice voters with their platforms.

It was not too many years ago in Wisconsin that taverns had to remain closed until after the polls closed because politicians would buy drinks for the house and then take them all to the voting place to vote for him (or her).

Question: What's the difference?

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Even the city that knows

what's best for all of us, Madison, WI, is having problems with next years budget. An article in the *Badger Herald* relates how city departments are being asked to cut their budgets by 5% in anticipation of reduced revenues. We feel their pain.

The *Capitol Times* reports that opposition groups are forming to oppose a proposed referendum requesting additional operating funds for the school district.

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With winter approaching,

there are 2 things I have wondered about. One is just where do all of our summer birds go when they fly south and second, where does the Dept. of Transportation find space to store all of their orange barrels when it starts to snow?

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As the Presidential campaign

roars to a close, the question of how and by whom donations to candidates are made comes up. It appears there are many ways of exceeding the federal limit of \$25,000 per donor. Soft money and loopholes are often overlooked. One obvious fact is that business interests and individuals with something to gain from the winner and his administration will be very generous on his behalf.

Unfortunately it will be difficult to sort out who the deep pockets belong to until after the election, but no doubt there will be the usual outcry for campaign finance reform. Don't expect changes any time soon.

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State law requires that work-

ers on municipal, county, state, etc., construction jobs be paid "prevailing" (Union) wages for their work. The justification given being better workmanship by qualified and certified employees.

An article in the *Daily Reporter* which serves as a clearing house for construction bids and building news reports the state is now pushing to require that the prevailing wage also be paid to workers on private jobs such as construction of parking lots and streets in shopping centers and residential complexes. While it is possible there is not much difference in wages between un-

ion and private contractors due to competitive factors, it would create additional paperwork and compliance certification.

Right or wrong, this is probably a reason that it is expensive for taxpayers living here and anyone else trying to do business in Wisconsin.

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An article in the *Post-Crescent* reports that the average Wisconsin Legislator earns \$49,943 annually, plus expenses. This ranks among the 10th highest in the nation.,

While we acknowledge this is not a great salary, especially considering the responsibility, time and grief involved. Doesn't it make you wonder why anyone would raise upwards of a half million or more to run for the job in the first place?

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When considering obsolete state laws, just why are the positions of County Clerk, Clerk of Courts, Sheriff, D. A. and Treasurer elected on a partisan basis while the county executive, county board, city council and village and town officials are not?

The positions of Clerk, Sheriff, etc. should be elected strictly on their qualifications to do the job, and treat all residents equally regardless of their political affiliations and whether or not they contributed to their election.

On the other hand, the county executive, county board, etc., which are voted non-partisan, and still have an obligation to serve the people on a fair and equal basis often let their political beliefs and affiliations show through in their deliberations and actions.

This is not a new problem but certainly something to think about.

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While Wisconsin and most other states have severe budget problems, California is possibly the worst. In addition they allow "Citizens Initiatives" which allow just about anyone to propose a statewide referendums which can become law if passed by a majority of voters.

The latest is proposition 2, initiated by animal rights activists which would require that chickens, pigs and beef be allowed room to roam while

being raised rather than confined to cages and pens. The California meat and egg industry is one of the nations largest, and claim the huge extra cost imposed would cause an immense hardship on their business, the cost of food and the states economy,

So far millions have been spent on advertising by both sides and the Proposition has a good chance of becoming law. What next?

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So far it seems that most of the municipalities and other taxing jurisdictions which have announced their 2009 budgets have been somewhat prudent with their proposed levies and equalized tax rates. We commend those elected officials who have made an extra effort to control spending.

This is good considering the economy is shaky and many home valuations have probably depreciated.

As usual, it is difficult to tell what to expect until you receive your property tax bill just before Christmas.

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The Green Bay School Enrollment Tax Force has completed its work and submitted a report to the District Board and Administration for their consideration. Recall this was a group of citizens formed to make a recommendation after the referendum to build a \$60 million high school failed by a margin of 2 to 1. The Brown County Taxpayers Association also had a representative on this committee.

The basic recommendations of the committee were first, hold off on an additional high school until a more definite need is determined. This finding will save taxpayers millions in bonding and construction costs. While some additional space should be constructed at Preble and with a few boundary changes there is ample capacity for immediate needs.

While an additional elementary school may be needed, most overcrowding issues can be solved by changing boundary lines.

The school district was also proposing \$75-85 million in remodeling and repair work which would have to be bonded. The committee recommended this work be prioritized with a portion

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each year in order to spread the amount of outstanding debt. This could also save millions of dollars over a period of time. All in all, appears the committee and its expertise made some viable recommendations to the School District and saved taxpayers a few million dollars in the process.

This was an excellent example of a citizens committee with diversified interests coming to a conclusion the majority could agree upon. Also a good example for all of our elected officials.

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It will be interesting to see how a Nov. 4, referendum in Milwaukee which would mandate employers to give 1 hour of paid sick leave for every 30 hours worked. This would amount to about 9 days per year of a 40 hour per week employee. It would only apply in the City of Milwaukee, and was initiated by a coalition of trade unions.

Most employers already have a plan of their own, and the feeling among employers was the cost of mandating such a plan would have an adverse effect on competitive business.

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The Controversy over the City Hall Nativity scene has apparently been settled with no one the real winner. Fortunately there were not a lot of legal fees for taxpayers to pay. At least the anti-religious groups still allow people to put up all the displays they want in their front yards.

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It was reported that NBC conducted a poll asking if the country should continue using "In God We Trust," as a motto as well as reciting the "Pledge Of Allegiance" at civic events.

The results were 86% yes and 14% no. Apparently close enough to keep catering to the other 14%.

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The Hoan Bridge in Milwaukee was constructed in 1977, a couple of years before Green Bay's Frigo Bridge at a cost of \$75 Million. It never really went anywhere but it looked nice .

Now it needs all kinds of repairs so the Dept. of Transportation paid \$175 thousand for a consultants study.

Their recommendation was to tear the bridge down and replace it with

a causeway and a low level lift bridge. This would also make 500 acres of land available for commercial development estimated to be worth as much as \$1 Million per acre in taxable real estate.

Just think how much money they could have saved if they had hired the same consultants back in 1977,.

* * * * *

Is more money the answer to better schools? Not if you use the Milwaukee schools as an example.

The Milwaukee Public Schools, (MPS) have always had big time problems that defy mandated state and federal programs to remedy. They have tried them all. Unfortunately they cost other school districts in the state money and mar Wisconsin's statewide reputation for excellence in education.

For example, a recent report from the Legislative Audit Bureau found that about half of the districts students are truant, or traditionally absent from school. In one school the chronic truancy rate was 98% two years in a row. Graduation rates in recent years have been around 50%.

The 2008 SCHOOL FACTS by the Wisconsin Taxpayers Alliance lists the annual cost per K-12 student in the district at \$12,150 while the state average is \$10,937. (This is still about \$1,000 more than the national average.)

State aids to the MPS were \$8,351 per pupil while the state average was \$6,853. In other words, they receive a greater proportion of state aids than the rest of us. MPS teachers earn from 5 to 10% more salary than the those in the rest of the state. Despite the greater cost per pupil their average classroom size is 17.3 pupils compared to 14.7 statewide.

A recent article in the *Journal-Sentinel* claimed that retirement, sick-leave, part time employee pay, and other benefits were considerably higher than in other school districts or employment.

The MPS board seems unable to solve either their financial or educational problems. The J-S article mentions vacant buildings being remodeled and school board members flying around the country at taxpayer ex-

pense but who are never seen in any of the schools. One of their solutions was to break the district into several smaller districts, perhaps to spread their problems throughout the city.

One analyst blames their problems on the state formula for distributing aid money. They claim they don't get enough. My suggestion would be for them to form a committee as was done in Green Bay,. Go as deep into the problem as they have to, and come with a final report.

One other suggestion would be to appoint at least one person with an engineering background on the committee. It helped in Green Bay.

Their committees focus should be on making their schools work with what they have, not a wish list of what they could do if they only had more money. There might not be any more available right now.

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The term "Responding to the real issues", is used quite frequently during election campaigns. The question usually is, who's issues are they talking about?

One party may claim health care, as the primary issue of voter concern while others list the economy. Abortion, taxes, national defense, the environment, energy, education are all important and enter into the equation. The environment was overlooked this time in contrast to the past.

A couple of items which were overlooked or simply avoided during the race were controlling the national debt, and illegal immigration.

While doing something about health care, lowering taxes and even additional rebates were popular topics and probably earned a few votes, no concern was given to the National Debt and the effect on our economy. Even worse, how to keep Social Security and other entitlement programs active was also somewhat ignored, although there was plenty of blame placed for the systems problems.

The problem of illegal immigration was also ignored, perhaps not to offend anyone. While most people seem to tolerate controlled immigration through legal channels, problems at all levels are being blamed on those who enter the country and set up residence

illegally.

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Just heard that Walmart was dumping a supply of eggs they received from China because they were contaminated. **WHAT?** The United States has to import eggs from China. They have a surplus and we don't? Walmart is headquartered in Arkansas which is one of the top egg producing states in the country. Isn't it time someone sets a good example of supporting American business with a little loyalty? What next, importing toilet paper from China for Green Bay?

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Various Government agencies have been examining the methodology used to determine poverty rates. They claim the present method used, mainly family size and income does not include sufficient factors such as other aids and benefits received, location, age of individuals, etc. The goal is to more accurately determine benefit qualification.

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It will be interesting to see if the \$700 Billion Federal bailout program does any good. The whole deal was done in a couple of days time with a 451 page document we question whether anyone read or understand.

One question is how they arrived at \$700 Billion in the first place. It must have just sounded like an amount that sounded acceptable, as they are still trying to decide how to spend it.

First Congress called it a housing mortgage bailout but decided "economic stimulus package" sounded better. When word of package got out, everyone lined up for their share. For example, mental health care will now be mandated in health insurance coverage as a result, even though it has nothing to do with economic stimulus.

After the amount of the package was approved, it was decided to buy stock in a number of large banks, which could mean more government control over the banking industry. Also a number of industries not related to housing or banking are making a claim for some of the money. The auto and airline industries have their hands out. What next, Credit Card Debt.

At times the Govt. through the

Federal Reserve has adjusted interest rates whenever the stock market or economy needed adjustment, The effect was seldom long lasting, however.

It has been reported that executives of some of the companies that are being "bailed out" are still receiving multi-million dollar bonuses.

They now say this money is being "loaned" as an investment. How much of it do you think we will see come back?

* * * * *

The Packers have postponed building an underground garage for their players until the economy improves.

Maybe at that time they will also be able to put some backs on the seats and handrails on the steps for the comfort and safety of their fans who pay the bill.

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The Wisconsin DOT has begun work on Highway #172 and the Allouez-Ashwaubenon bridge. To be completed in 2010, at which time they will probably continue work on US #41.

It was not clear what enhancements would be made to improve safety, but they will include drive-off areas for accident investigations so as not to hold up traffic as often as present.

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It was bound to happen sooner or later. Incumbent U.S. Senator Norm Coleman of Minnesota has sued his opponent, comedian Al Franken for definition of character for so-called false accusations made in Franken's television commercials.

While it is difficult to believe half of the negative commercials we have seen in the recent campaign, it is apparent the only factor preventing lawsuits is the fact that both candidates in each race are stretching the truth more than just a little and they know it.

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Has anyone had the impression that the media tries to tell us who to vote for rather than informing us to make a intelligent decision on our own. The press has an obligation to present the news, but do they have restrictions on not presenting stories not in their interests, such as those which may be detrimental to candidates of their choice. We are constantly fed polls

telling us where candidates stand at that point in time.

An October 31, article from the *Los Angeles Times* seems to admit that polls are not always as accurate as they would like us to believe. Assumptions are often publicized rather than conclusions, based on statistical probabilities.

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We hope that everyone has taken the time to write down all of the campaign promises from the Presidential candidates and mull the possible consequences. Especially the parts about "My tax cut would be bigger than yours," and "My opponent will raise taxes on this or that class of people," Some of the stuff they said about Social Security and Medicare sound a little far fetched also.

Both Candidates promised "change", but not necessarily the same kind of "change." We never truly know what will happen once a new President takes office. The world and the economy are changing. This time around change could be very dramatic bringing "changes" to our lifestyle we did not anticipate.

To paraphrase Will Rogers, "All we know is what we read in the papers." As usual, lots of things to wonder about. **Jim Frink -BCTA**

"Things That Make Us Wonder" consists of thoughts that occur, mostly taxpayer related, from the days news events. Some are relatively unimportant and probably not worth commenting about while others could easily be expanded to full length feature articles worthy of further study and action to protect our interests as taxpayers. We cover a wide variety of subjects in a limited space and may put a different spin on items than you read in the papers or see on TV. We acknowledge that our perspective of some issues in this column may be contrary to that of some our readers. One of our purposes is to encourage debate, as we realize there are two sides to every question. Comments are welcome as well as suggestions for items to include in this section of the "TAX TIMES."

"A people that values its privileges above its principles soon loses both." . . . **Dwight D. Eisenhower**
"We must not let our rulers burden us with perpetual debt." . **T. Jefferson**

The TAX TIMES

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and more.

The TAX TIMES - November, 2008

BCTA Meeting and Events Schedule – MARK YOUR CALENDARS.

Tuesday - November 4, 2008. Election Day. DID YOU VOTE?

Thursday – November 20, 2008. BCTA Monthly Meeting, 12:00 Noon
Titledown Brewing Co., “Frost Room.”
Program: Discussion of Election, Current Topics.

Thursday – November 27, 2008. Thanksgiving day.

Thursday – December 18, 2008. BCTA Monthly Meeting. 12:00 Noon
Titledown Brewing Co., “Frost Room.”

Thursday – January 18, 2009/ BCTA Monthly Meeting, 12:00 Noon.

Unless otherwise notified, BCTA monthly meetings are held the Third Thursday of each month, 12:00 Noon, at Titledown Brewing Co., 200 Dousman St.

Meetings are open to the public.

BCTA Members, their guests and other interested parties are cordially invited to attend and participate in our open discussions.

COST \$7.00, Payable at meeting. Includes lunch, tax & tip.

Call Jim Frink – 336-6410 for information or to leave message.



November, 2008

“Vote for the man who promises least. He’ll be the least disappointing.” . . . Bernard Baruch

“A tax loophole is something that benefits the other guy. If it benefits you, it is tax reform.”

. . . Russell B. Long

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