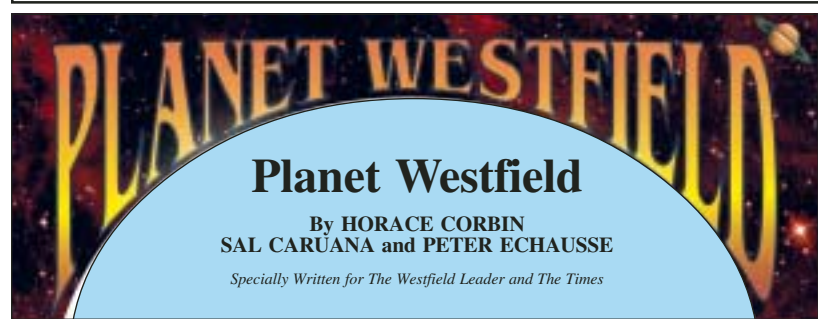


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Interactions of the Enterprise: Spending, Taxes, Debt and Priorities

Preface: Analyzing the fiscal emergency using Westfield as a model - Facing reality with all options open such as union contracts, pensions agreements, rethinking all facets of the schools, municipality and county; given state aid flat or non existing; no politics; no vested interests, "no witch hunts." This is the first in a series of articles where public participation is sought. See goleader.com/planet.

The Westfield Leader and The Times enlisted the aid of former town councilmen Sal Caruana and Peter Echausse to develop a measure of the government enterprise of Westfield to assist the public in making informed choices, assigning priorities and analyzing solutions during this period of fiscal emergency in the state.

Westfield was chosen for our model, as it is the largest town in the immediate area, considerable information exists for the town, the town is well run and the model can be extrapolated for the benefit of its neighbors. We have confidence in the figures provided; albeit they may be subject to adjustment.

Messrs. Caruana and Echausse served several years on the town finance committee and are businessmen in the financial profession. The town has a 'AAA' bond rating.

The model is designated Planet Westfield because it considers all dominant categories of consequence: municipal and county government, the public school system and the regional sewerage authority (RVSA). Planet Westfield is estimated to be 10 percent of county operations and 14 percent of RVSA.

The model summarizes steady state conditions using the enterprise's input (revenue), output (expenditure) and accumulation (debt, pension liabilities and cash) broken down by category.

Planet Westfield is a \$175 million a year enterprise based on present figures. The school system is \$90 million, municipal government is \$40 million (including the RVSA) and \$45 million is attributable to Union County (10 percent of a \$450-million budget). The enterprise grows at 4-8 percent per year compounded. For perspective, at a 6 percent compounded growth rate per year, the enterprise doubles in size every 12 years - along with its appetite for revenue.

The model provides ballpark figures of taxpayer liability for unfunded pension accounts, totaling about \$50 billion in the state. Given there are 8.5 million people in the state and Westfield's population of 30,000 with 10,000 homes, Planet Westfield's share of the pension debt calculates to be approximately \$180 million, or \$18,000 per household.

Planet Westfield has other debt (bonds) of about \$100 million including: \$28 million from the school system, \$28 million from the county (10 percent of \$279 million), \$18 million from the municipality and about \$28 million from RVSA (14 percent of a \$200 million bond, estimated present value).

Therefore, Planet Westfield's total unfunded pension liabilities and bonded debt amounts to about \$280 million, or \$28,000 per household.

As measured by the state for tax assessing purposes, Planet Westfield's property is valued at approximately \$5 billion. The state values the total county property at about \$50 billion. Westfield, with 6 percent of the county population of 515,000, pays 10 percent of the county taxes. By comparison, Elizabeth, with a population of about 120,000 (23 percent), also pays about 10 percent of the county taxes.

The concept of this series of articles is likened to Wikipedia - to encourage public participation, thinking outside-of-the-box, and getting away from politics and vested interests for the purpose of developing a basis for decision making to deal with the financial crisis.

There is considerable expertise in this region that can be brought to bear for arriving at solutions and making a contribution to society.

Union County is currently finalizing its budget and taxes for the coming year. They will hold a series of public budget hearings (today from 4 to 7 p.m.; Wednesday, March 24, from 5 to 7 p.m.; Thursday, March 25 from 4 to 7 p.m.). The county Freeholders intend to introduce their budget in April.

The Westfield Public School system's proposed budget will be published in this newspaper next week. Voters will decide on the property tax for the school budget on April 20.

The Town of Westfield is also currently considering its budget for the fiscal year starting July 1. A summary of the town's budget of last year is included.

All proposed budgets and resulting property taxes are impacted by state-aid figures. Governor Chris Christie on Tuesday addressed the Legislature on his proposed state budget and aid figures, which must be in place by July 1. Due to the state fiscal crisis, the governor's budget cannot provide state aid to schools and towns at levels desired.

Something has to give based on some criteria and priorities, which is the point of this article. It is hoped that society's best priorities and solutions can be adopted as the battle rages. Traditional interests are strongly positioned and the doors are closing fast for the public to provide their input - perhaps less than one month.

Westfield, The Enterprise

INPUT, 175
School Tax, 79.3
School State Aid, 5.3
School Fed. Aid, 2.0
School Other, 3.4
Town Tax, 23.4
Town State Aid, 4.0
Town Other, 12.6
County Tax, 27
County Other, 18

ACCUMULATION (\$280 MM)	
Bond Debt	Schools, 28
	County, 28
	Town, 18
	RVSA, 28
Pensions, 180	
Units = \$million	

OUTPUT, 175
(Breakdown of services will be summarized next week)

'09 Westfield Town Budget Summary, 39.7

Gen'l Revenue, 16.3
-In-Town, 8.1
-Surplus Used: 2.7
-State Aid, 4.0
-Delinquent Taxes, 1.4
Tax Revenue, 23.4
Expense Salaries, 17.3
-Operating, 3.1
-Debt Service, 1.6
-Uncollected Taxes, 2.0
-Fire, 3.5
-Police, 5.5
-Other Salaries, 5.9

Expense Other, 15.8
-RVSA, 3.6
-PERS, 0.6
-PFRS, 1.8
-SS, 0.7
-Unemployment, 0.7
-Library, 2.8
-Health, 3.9
-Other Ins, 0.9
-Utilities, 0.5
-Hydrants, 0.6
-Street Lighting, 0.3
-Misc., 0.14

For Westfield School Budget, see: goleader.com/09mar26/23.pdf

U.S. Census 'Offends On Many Levels'

I recently received a letter from the U.S. Census Bureau stating that my response to the 2010 Census "is important" because "Results from the 2010 Census will be used to help each community get its fair share of government funds..."

This offends on many levels. For one thing, honest individuals don't seek to use the iron fist of government to legalize the theft of other folks' hard-earned money. I don't want to be provided with others' income - taken from them via armed threat of prison - simply because

my neighbors and I have filled out some government paperwork. Just as legalized slavery was still slavery, legalized theft is still theft. My fair share of funds is what I earn through my peaceful, economically productive efforts.

To the federal government I say, "Keep your confiscated funds, I don't want them." Return those funds to the individuals who earned that income.

Mark Kalinowski, Clifton North Jersey Tea Party Group

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Letters to the Editor

Gaston Award Winner Rhodes Gives 'Appreciation' to Friends of WML

The Kenneth S. Gaston award was presented to me this past Sunday by the Friends of the Westfield Memorial Library.

This award, named for the first president of the Board of Trustees of the Westfield Memorial Library, has been presented each year since 1979 to an individual or individuals who have demonstrated a sincere interest in the library and who have helped support and further its activities.

It is an honor to be in the company of past recipients and to be recognized by my peers on the Friends board.

We currently have 10 Gaston Award honorees serving on our board and they certainly set the standard for all our board members. This is a group of dedicated hard-working women who have a love for the Westfield Memorial Library and who wish to give back to the library and to their community.

Each year the Friends raise over \$30,000 from the support of more than 450 members and through their Annual Book Sale, coming up April 17 through April 24. All the money raised is donated back to the library in many ways. The Friends present a number of adult pro-

grams, the Anne Hale Speakers Series, and the very popular children's winter programs. We fund the successful Museum Pass Program, which offers free admission to 17 area museums. In recent years, the Friends have contributed funds for the purchase of equipment, materials, and the new children's room mural. This year, the Friends redecorated the library meeting room and installed framed posters representing the museums in their Museum Pass Program. The Friends also have presented \$26,000 in Scholarships for Future Librarians.

In addition, the Friends sponsor a wide range of community services: the paperback book exchange at the train station, the Friends' Book Discussion Group, Books-on-Wheels, the Metropolitan Opera Group, and the annual Friends' Trip to locations of cultural interest.

I would like to express my appreciation to the Friends for this prestigious award, and I would like to recognize the many projects, donations and events sponsored by this exceptional organization.

Linnea Rhodes, Co-President, Friends of Westfield Memorial Library, Westfield

WF BOE Incumbent Leiz Outlays Challenges for Strategic Plan

Last fall, the Westfield Board of Education (BOE) and administration conducted a community survey to understand our residents' opinion of our schools. The survey results formed the basis for developing a new strategic plan for Westfield's schools.

Work on the plan began in February, when all BOE members joined a group of teachers, administrators and Westfield parents of current and former students, in a full-day planning conference. Using the survey results and additional 'state of our schools' information, the group created visions for the future and stated beliefs about learning, educational excellence and the roles of parents, the community and school staff. The planning group also identified Westfield's strengths, our schools' accomplishments, current district challenges and critical issues for our children.

In several weeks the planning group will reconvene. The group will discuss our school district's mission statement, target goal areas for future activity, and identify action steps to achieve our goals. At that meeting I will highlight the following challenges that deserve critical attention in the new strategic plan.

1) Manage the enrollment bubble as it moves through the intermediate and high school levels. Review the impact of projected enrollment growth at Edison Intermediate School and at Westfield High School. Develop programs to help all students feel included in the life of their school. Identify instruction and support requirements. Assess the impact on co-and extra-curricular activities. Identify the cost impact.

2) Cut expenses and increase revenues. Assess the efficiency of delivering mandated programs and services. Increase

non-traditional funding to replace future cuts in state aid. Assess the impact of creating a tuition-based pre-school program and bringing more out-of-district students back into Westfield classrooms.

3) Prepare students for success in the 21st century. Embed executive functioning skills (e.g., time management, critical thinking, task organization, self-advocacy, collaboration, leadership and negotiation) into each student's educational program. Emphasize personal adaptability to changes in individual circumstances, the economy, technology and globalization.

4) Expand and strengthen school-parent and school-community partnerships. Reinforce awareness of school programs through enhanced outreach programs. Extend understanding and deepen pride in Westfield schools as a cornerstone of community vitality and quality of life.

The strategic plan is a road map for the future that reflects the values of the community. The plan will guide the district's future goals and priorities. Including these challenges as critical goals in the new strategic plan will help Westfield sustain the tradition of academic excellence, which is at the heart of a Westfield education.

Ginny Leiz Westfield



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All of The Rules in Ed. Funding From The State Have Changed Today

I am sure that all of the citizens of Westfield are aware of the state budget deficit. We have made great strides in the Westfield Public Schools to gain efficiencies in the operation of our school district and to control costs.

We continue to have a lower than average cost per pupil in the state, we see ongoing savings in our energy conservation program (\$862,000 less spent on electricity and gas), and we will experience \$1 million in health insurance savings as a result of successful negotiations with employees.

Since I am responsible for presenting a budget to the board of education, I have been following the discussions in Trenton on a daily basis and attended the Commissioner of Education's meeting on March 2, along with members of our board. At that time, districts were told to prepare to lose 5 percent, 10 percent or 15 percent of state aid. For the past few years, Westfield has received approximately \$5 million in state aid on an annual basis. If Westfield had lost 15 percent of state aid, we would

have been cut \$750,000. Although some of the cuts would have been difficult, I had worked with the Finance Committee of the board of education and we had created a budget that anticipated this cut.

In this afternoon's (March 16) budget address by the governor, he announced that current total budgets of school districts could expect a 5 percent cut. A cut of 5 percent of our total budget is a loss of \$4,200,000 and translates to a 95 percent cut in state aid for Westfield.

As I write this letter on March 16, we are still awaiting the official state aid figures, but we are required to present a budget to the county superintendent by March 23. In short, an additional \$3,450,000 must be cut from the budget in the next few days.

All of the rules from the state have changed today. I am committed to providing quality education to our students as we in Westfield face this unprecedented challenge together.

Margaret Dolan, Ed.D. Superintendent of Schools

'The Constitution Does Not Give Fed. Gov't Authority Over Healthcare'

Editor's note: This letter was sent to Senator Nicholas Scutari, Assemblyman Jerry Green and Assemblywoman Linda Stender and copied to the newspaper. It was edited for brevity.

I urge you to work with your fellow state legislators to reassert New Jersey's state's rights under the United States Constitution. I think everybody can agree that the federal government is trying to exert more control over the states [by linking funding for education, mandated tests and teaching standards or enacting healthcare laws]. Many of us do not want [our lives controlled by Washington].

The United States Constitution was adopted by New Jersey as a way of [limiting] powers of the federal government. This was done specifically to protect the rights that we have (or had) as citizens. Each state has the right to decide for itself how to do things, other than things clearly needed by a central government, such as currency, import and export duties, the Post Office and national defense.

Healthcare is a great example. New Jersey has a specific set of laws which require health insurance to be available for every New Jersey resident who is not eligible for Medicare. Any health insurance company operating in New Jersey

have to offer at least three basic plans. New Jersey's laws require that policies be renewed regardless of health status; rates cannot be set based on health status or personal situations (other than age); and insurance companies are required to cover pre-existing conditions after the first year of the policy. Now Washington and politicians from all over the country are deciding that what we have ought to be changed.

Washington does not have the authority [for this]. The Constitution doesn't allow it. The Constitution does not give the federal government authority over healthcare or education. If the federal government doesn't have to follow the Constitution on this point, what's to stop it from, say, telling us that states are limited in their taxing authority (because every dollar a state takes in taxes effects "commerce") or that only certain types of people can be hired for certain jobs (again, because hiring effects "commerce")?

You, our other state legislators and the governor, should condemn this action by Washington. It is time to start re-asserting our rights as a state. Tell Washington that we will no longer accept its dictates.

Richard Fortunato Scotch Plains

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Jon Bramnick
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Thursday, April 8 7:30 pm
Town Hall Community Room

Jeff Torborg
Former Catcher & Manager For Major League Baseball & Westfield Native
"The National Pastime: Major League Baseball and Its Players"
Thursday, June 3 7:30 pm
Town Hall Community Room

Dr. Thomas Farley
New York City Health Commissioner Westfield Native
"Prescription for a Healthy Nation"
Thursday, September 30 8:00 pm
Westfield Memorial Library

Arthur S. Lefkowitz
Researcher and Author
"George Washington's Indispensable Men: The 32 Aides-de-Camp Who Helped Win American Independence"
Wednesday, November 17 7:00 pm
Westfield Memorial Library

Open to the public. Register on the Library's website at www.wmlnj.org and click Online Calendar, or call 908.789.4090 x 4140.