

(SUBMITTED AS AN OP-ED PIECE)

### **CIVIC ASSOCIATION OPPOSES PROPOSED TAX-RATE INCREASE**

The Singer Island Civic Association has formally adopted a position opposing any property tax-rate increases to make up the budget shortfalls referred to by the Post on May 28; "County's Crunch: Layoffs, Tax Hikes," according to Anthony J. Gigliotti, President.

As reported by "Tax Watch," cumulative property tax increases totaled 187% over the ten-year period ending 2007 compared to a cumulative 27% increase in inflation and 27% in population over the same period. Staffing levels grew from approximately 9,000 to over 12,000 and the County budget more than doubled growing from under \$1.8 billion to over \$4 billion during this period.

At a time when property values are plummeting, retirement and investment savings vanishing, jobs disappearing and incomes dropping, it defies all logic and comprehension that the County would now suggest any tax increase let alone a whopping 13.2% increase, after engaging in such an unprecedented and unrestrained level of spending. What is more troubling is the notion that all of the cumulative tax increase represents vital and essential services which cannot be cut or frozen or that those employed in the public sector must be spared from the economic realities that taxpayers are now facing every day. That is not to suggest that public employees don't pay the same taxes, but it does suggest that we do not all work for the government. The County should do exactly what many of the taxpayers are doing in their own households and with their families. Cutback and Rollback! Is it too hard to find 10%, 13%, 15%, or even 20% out of a 187% cumulative increase? We will be told that there are contractual obligations, collective bargaining agreements and debt service obligations that have to be met. Well, these were not made or assumed in a vacuum, nor should they have been made without some sense of economic consequences. The remedies should now be rather obvious - difficult and painful, but obvious.

One of the biggest surprises of the now universal financial collapse is that anyone should be surprised at all. It is as if the laws of physics, the business cycle, the laws of supply and demand and human behavior itself have been suspended or somewhat altered over the past 15 year boom.

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Indeed, at several past SICA meetings, some going back over five years ago, questions were raised about the sustainability and wisdom of an economy and tax base dependent on housing development and population growth. We now have the answer.

Other questions were raised about the viability of the attractive public pension system in light of the growth of numbers of public employees and salary levels. We now have that answer too. In a recent article published in Forbes magazine, Florida was listed as having a 22 percent deficit in assets necessary to cover the present value of future pension liabilities. By law and absent a robust economy and investment environment, the amount of current pension contributions made by government will have to increase to meet this deficit and future pension calls. Where will this come from?

Whether as elected officials or citizens, we have all participated in the process that brought us to this point. Talk to elected officials and they say they were merely responding to the wishes of the electorate. Talk to the electorate and they will say it wasn't my district or me; it was those guys over there. What is required now is for our elected officials to get back to basics, demonstrate real, competent leadership and make the hard choices. This will not be easy, but then paying property taxes in Palm Beach County during the boom years wasn't easy either.

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SINGER ISLAND CIVIC ASSOCIATION

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