

So, Everyone But Me Wants a Tax Increase?

Evidently, everyone in the city is for a tax increase but me. The proposed tax increase has been the subject of many articles in both The Cleveland Daily Banner as well as the Chattanooga Times Free Press.

The city council held two council meetings concerning a proposed tax increase, and not one person was there to offer any objections. However, I did write the letter below stating my opposition, but the council still voted 6-1 to proceed with a referendum for an increase in the sales tax.

December 4, 2008

Dear City Councilmen and Mayor:

Due to my work schedule, I was unable to attend the recent council meeting where the proposed sales tax referendum was passed on the first reading.

I realize this referendum is not a vote to increase or not to increase sales taxes, but rather to have the voters

decide between a sales tax increase or a property tax increase. It is my understanding no matter which tax is increased, a significant portion of the increase will go toward the construction of a multi-million dollar science wing at Cleveland High School.

Normally, in a good economy, I could agree at least somewhat with your thinking. However, I usually read three newspapers a day and the following are all titles of a few of the stories published in those papers on December 2nd, 3rd, and 4th:

1 in 6 Tennesseans now receive food stamps, UTC slices \$700,000 to offset shortfall, Recession deepens reports indicate, Thomas Nelson lays off 55 staff, Volkswagen might close for three weeks due to weaker demand, Aggressive bank job cuts expected, Manufacturing index drops to 26-year low, State officials say food stamp use

increased 9.5% from January to October, UT may cut athletic programs at UT-Chattanooga and UT-Martin to save money, UT orders thermostats lowered to save money, Bredesen vows no new tax, Abitibi Bowater shutting down two machines at Calhoun, Tennessee sales tax growth rate is the worst since 1961 and School board wants science wing started sooner.

In schools, teachers often give students a group of words or phrases. All of them will have a similar meaning with the exception of one, and the student picks out the one that doesn't match. What story line above clearly does not match all of the others?

We are in a recession, and most reputable economist's project we will continue to be in one for a minimum of eighteen months, and it could possibly last for five years or more. I, and probably you, can afford a tax

increase. Unfortunately, most families you represent are not as fortunate, and have had to make cutbacks in their lives. Even worse, many have lost their job, home, car, or other possessions as well. If economic predictions are true, it will get much worse before it gets better.

I urge you to do as Governor Bredesen has done for the people of Tennessee and show a measure of good faith to the citizens you represent. You can do this by instituting measures of conservation, cut backs, and project delays before you continue to move forward with any type of tax increase at this time.

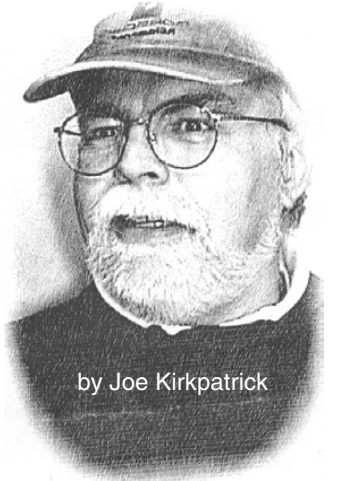
Only after these measures have been implemented should a tax increase be considered. After that, if taxes must be increased, I urge you to use them to build reserves instead of spending on new projects, until our country's economy stabilizes.

Sincerely,
Joe Kirkpatrick

In an article in the Chattanooga Times Free Press, Cleveland City Manager, Janice Casteel, stated an increase in the sales tax is needed for budget shortfall which has been created by declining sales tax collections.

Does this mean if we vote for a sales tax increase, and in 2009, 2010 or 2011, the council decides to go ahead with the proposed science wing, we could possibly end up with both a sales and property tax increase if sales tax revenue continues to fall?

As I stated in my letter above, I would rather not have a tax increase. However, I would not oppose the sales tax increase as long as the Cleveland city council will commit to using it to build reserves, and will not use any of it to fund anything that requires spending of new capital,



by Joe Kirkpatrick

until the current recession is over. The only exception should be the \$1 million committed by the city to in 2010 to move 500 jobs here for Maytag. However, in light of the current economic climate, that could very easily fail to materialize.

If you would like to voice your opinion, either for or against, you can e-mail the city council: council@cityofclevelandTN.com.

Any comments? Contact Joe Kirkpatrick at: tristateim@aol.com

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