

Good Evening:

Madam Mayor, distinguished members of the City Council, and to the citizens of Lynchburg, it is with great concern that I come before you tonight to address a matter of utmost importance. I speak before you tonight as President of the New Towne Home Owners Association Inc. which is comprised of approximately 129 single family homes and 25 town homes in the City of Lynchburg. New Towne is a quite family oriented community where our residents enjoy the daily benefits of city life including the excellent services provided and afforded to us by the City of Lynchburg. I feel it is my duty to address our concerns with the implementation and management of the FY 09 Adopted Budget by the City Manager Kimball Payne III.

As Thomas Jefferson once said "Follow truth as the only safe guide, and... eschew error, which bewilders us in one false consequence after another" (1). Manager Payne has reported that the FY 09 Budget will have a shortfall at the end of the City's fiscal year. My duty is not to point or place blame, but rather to state the facts as they have been presented to me either by facts contained in the current year FY 09 Adopted Budget or from statements or remarks made by Manager Payne himself. In his budget message for FY 09 Manager Payne asked City Council for approximately 4.5 million dollars in additional spending for anticipated revenue shortfalls and contingencies and was granted by council approximately 1.8 million in the FY 09 Adopted Budget. In his FY 09 Budget Message Manager Payne stated in his introduction,

"The proposed budget responds to the precarious nature of the national economy and its impact on state and local revenues. Revenue streams, such as sales and meals tax, that have been relied on to provide modest increases from year to year are flat at best."(2)

He later states:

"During the preliminary preparations, a number of issues that would affect the FY 09 Budget were identified. They included: The national economic picture with the bursting of the housing bubble, increasing federal deficits, challenges to federal programs that provide state and local funding, and an actual perceived or imminent recession" (3)

It is clear from his message that Manager Payne was in fact aware of the imminent global recession and short falls of Federal and State funding, not to mention reductions in the City's local revenue sources. His implementation of the current years budget and management has been dubious.

To illustrate the point as detailed in the FY 09 Adopted Budget Council Manger Offices budget has by increased 16%, well ahead of the majority of other departments listed under the General Government Services. This may well be the result of the addition of an assistants position to the Manger which pays approximately 52,000 dollars a year and a Parking Manager position which pays approximately 70,000 dollars a year while the FY 09 Adopted Budget shows parking fines revenues of only \$100,000. In a time when revenues for government are decreasing exponentially, I have to question this decision by this council and support by the Manager to approve these additional positions, which in my opinion only serve to further strain the City's ability to deliver and maintain critical service areas.

On the 10<sup>th</sup> of February 2009 Manager Payne addressed City Council in response to the FY 09 City Schools Budget. Manger Payne reported that he had assumed that, as in years past, the City Schools Budget would have a surplus in their general fund expenditures approved by the City, and in his words, "he error" and did not wait till the audit was complete and transferred approximately 1.5 million dollars to their Capital Improvements Fund. I might point out to this Council that the Manager has projected revenues shortfall for FY 09 of approximately 4.0 million dollars. Although he has taken actions to trim approximately 2.0 million in savings from departmental reductions in spending, I can only speculate how avoiding this costly mistake may have better positioned the City to end the FY 09 fiscal year with a balanced budget and enter into the FY 2010 process with a better financial foundation.

In the January 09 copy of *The City Source*, a Newsletter Publication for the Citizens of Lynchburg, the Manager announced, with little warning to citizens or affected business alike, that he would be moving forward with an ambitious capital improvement project with the construction of the roundabout at 5<sup>th</sup> Street and Federal Street. This is of note because the Manger clearly knew or, choose to ignore the concerns he outlined in his FY 09 Budget Message about declining revenues, the national and global financial data available to him showing a national recession, and evidence of declining City revenues as he has stated the revenue reports have shown. In a time when we are in the mist of a financial crisis and will no doubt be forced to make tough choices for the coming fiscal year, I have to question his decision to go forward with this project when it is in my opinion not necessary to maintain the City's critical infrastructure.

In closing, it is apparent to me that the Manager has made several decisions in the implementation and management of FY 09 Budget that make me uncertain of his logic and reasoning. While I do not believe that Manager Payne has intentionally taken these steps without the best interest of the citizens and those who provide the services to them, I believe that it is our duty as citizens to see to it that these misfortunes are not repeated in FY 2010. I respectfully ask this Council to review, discuss, and implement improvements to the Budget process so that we can restore transparency, honesty, and accountability this process. As Abraham Lincoln stated in the Lincoln Douglas debate of August 1858 "Public sentiment is everything. With public sentiment, nothing can fail; without it nothing can succeed." I urge this council to make future processes open, honest, and available to public, as well as, provide a mechanism for citizens to be able to access updated information related to the budget throughout the budget year so that we may all participate in this great experiment called Democracy. I look forward to working with this council and Manager Payne to present ideas and solutions that will assist you in the hard work that each and every one of you do. Thank you for your service and commitment towards continuing to make Lynchburg one of the top places to live and raise a family in the United States.

Good night.