

State of the Municipality 2009

In his early days as president Teddy Roosevelt said “A man with a surplus can control circumstances, but a man without a surplus is controlled by them, and often he has no opportunity to exercise judgment.”

In the past 10 years we have prepared the road for Cecilton’s future, with careful financial planning, exceptional partnerships and utilizing core values that guide us in our responsibilities of governance. Over this time, I have expressly forbid this administration from placing the burden of excess spending on the backs of the citizens we govern. It may take longer to accomplish some of our goals, but we shall be better prepared for it. All too frequently these days we have seen government intrusion be some of the cause of the problems. I believe that government should not be the problem or the solution, but rather provide guidance and help sustain the principles and rules that allow personal prosperity to establish itself uninhibited by the invasion of democracy.

Thanks to the talents of your town administrator Brenda Cochran, she has put to work our long-term plan for Cecilton without increasing expenses. Ensuring essential services while cutting the money you generate is not easy. Only by using consistent long term spending plans are we able to make it through

these difficult financial times. Government should not exist to be a profitable business, it should be there to provide and preserve the most basic rights and services of its citizens. Essentially, I have tried to govern on the basic principle of generating a revenue neutral spending plan, something I would like to see more governments aspire to achieve.

I feel great confidence in our financial security and preparation for the future because of frugal spending habits and careful planning of these core government functions. In these financial times services must be provided efficiently to our citizens. Careful planning and negotiating is required to supply our residents with cost effective services that actually give them a benefit to living in our municipality. By considering various partnerships, financial implications and processes ahead of time, spending on necessary services can be provided without a burden on our town. No knee jerk reactions will eliminate a problem that took a decade to create. Sound long term planning is the only sure way to preserve the success we enjoy.

Today we shall be cognizant of the needs of our citizens. By reducing the tax rate and using careful spending, we will assist our residents in preserving their own financial stability and still provide the highest quality services available. By reducing the constant yield we can continue to support our town in preparing its

finances for long-term security. Through regulated spending habits and maintaining current credit risks, we can control our budget expenses and maintain our new tax rate.

In front of you is a plan to curb spending and provide for efficient delivery of services for fiscal year 2010. Over the past 10 years we have made continuous improvements to the services we provide. What we need to accomplish next is a comprehensive review of our insurance coverage on all of our capital assets. I have asked LGIT, our insurer, to review the entire towns liabilities as it relates to municipal services for this review. In the next few months you will see a recommendation for improvements to our coverage and responsible protection for our capital improvements.

Our administrator has completed an inspection of all of the sidewalks in town. This year we will not need a plan for a major improvement to sidewalks in town. This will facilitate a major reduction in the line item funding for cost savings to the town. A modest amount must remain for the maintenance and upkeep of the existing infrastructure.

The maintenance building has had a long life and is need of attention. Our contractor has advised us, that the heating system has outlived its service life. In this years budget you will see funding for a new heating and duct system to replace the old unit.

We will also make improvements to the building by renovating the storage area in the rear of the unit. We have seen that over the years of upgrades and reorganization of services, that we need a more efficient method of archiving old records. This year we will make a storage room specifically designed for records keeping. This will help the town staff operate more efficiently by providing them room to purge unneeded records from town hall. Until the town reaches the need to digitize all the previous documentation, this is the most cost effective method of storage.

This year we are fortunate to have had only modest inflation nationally. In this budget year I would like to recommend an increase of 4% for full time and 3% for part time employees. It is essential in these times to have and maintain experienced employees that can reliably deliver services. We have an excellent staff working for the town and they are to be commended for the jobs they accomplish. I would like to thank them publicly for the work they do on a daily basis. Thank you.

The Town administrator has presented us with an employment contract for your review. All the budget numbers in this years line items do reflect acceptance of this document. The opinion of the council will ultimately decide the acceptance or rejection of the final contract separately from the budget. The

annual employee evaluations will be provided at the organizational meeting for your review.

Once again we will continue to prepare a stable business plan for water and wastewater by including a modest 2% increase in these services. This essential raise in revenue will keep up with our long-term plan to provide payoff of the USDA loan and provide working capital for future improvements to these services. This includes an increase in the connection fees as well. The improvements that we have accomplished over the past 5 years will provide safe drinking water and efficient services for waste for many years to come. It is important for us to consider the future of these treatment facilities so that future administrations aren't burdened with unfunded needed improvements as we were.

The most painful cost of services this year is refuse removal. In past years we have made attempts to catch up to the cost of providing these services. Even with an increase over the past 2 years, we are still operating in the red on this line item. In 09 the cost to provide this service was \$162.48 and we could only raise our revenue stream to \$125 per unit. Anything further would have created undue burden on the residents (sticker shock). This year our cost of services will rise to \$ 173.64. I am recommending that we raise the user rate again this year to \$150, and fund the remaining amount from the general fund. Anything further may be

too alarming an increase for our citizens to bear. It's the responsibility of the elected officials to bear the burden of good judgment in decision making for the benefit of all. We need to remain vigilant to the needs of our constituents and attempt to keep costs down while being fiscally prudent. In recent years we have had enough cost savings in operations of the general fund in order to make the refuse line item solvent, without touching the investment account. This year should prove no different. Careful execution of the budget will be needed in order for us to remain financially safe with this line item.

As you review this years budget proposal, rest assured that we possess the skill and expertise to utilize this funding properly. The town staff that work to carry out our executive orders are second to none in their performance. We can, with your help, continue to ensure that Cecilton is prepared for the long future ahead of it. With continued support of its citizens, we will prepare for tomorrow by safeguarding our financial future today. Prudent spending and living within our means is the responsible example to display to the people we represent!

As Aristotle said "It is better to rise from life as from a banquet — neither thirsty nor drunken."

Thank you!