

Press Advisory

For Immediate Release: June 23, 2009

Contact: Charlie Winburn at 513-884-7832

URL: www.WinburnReport.com

Winburn calls for resignations at City Hall \$60 million record budget deficit could have been prevented Taxpayers will be the biggest losers in this fiscal chaos

Cincinnati, Ohio - Former Cincinnati City Council member Charlie Winburn is calling upon city officials to resign because of inaccurate city budget projections, failure to fully fund the Cincinnati retirement system, all contributing to fiscal chaos at City Hall.

“Accepting resignations of top city officials is about facts, it’s about holding our city leaders accountable and keeping the trust of the taxpayers, and it’s about Cincinnati’s future,” said Winburn.

Fact 1

Failure of the City Administration and Finance Director to make accurate financial budget projections in December 2008 for years 2009 and 2010 resulted in a projected a \$20 million deficit for 2009 and \$40 million dollar deficit for 2010. A \$60 million budget deficit is unacceptable. The Finance Director's budget guessing is not based on facts. This will undoubtedly undermine the quality of city services for all citizens and may result in police, fire, and sanitation workers being laid off.

Fact 2

Failure of City Council in December 2008 to demand that the City Manager and Finance Director provide them with accurate budget projections for 2009 and 2010 during budget discussions and planning. Council should have known at this time that there would be a significant decline in future city income tax revenues. The City Council, City Manager, and Finance Director should have factored in the major economic decline warning signs that occurred in the last six months of 2008 and made the appropriate budget adjustments. Instead, they ignored the economic indicators and continued to rapidly spend taxpayer dollars at a time of shrinking city revenues.

Fact 3

Failure of the City Administration, Finance Director and City Council, especially over the last two years, to adequately fund the Cincinnati Retirement System (CRS). CRS funding levels were less than half of the approximately \$51 million required each year. The city administration and Finance Director failed to insist that City Council fully fund CRS. The latest report now indicates these shortfalls will require nearly \$125 million per year just to catch up.

Fact 4

Failure of the Finance Director to adequately manage his department, resulting in the lack of accountability and financial controls in the retirement system. The finance director failed to present to the Mayor and City Council a plan to make certain that CRS cannot be further compromised by city employees who have a fiduciary responsibility to protect the financial integrity of the city's retirement system.

Fact 5

Failure of the City Council to provide clear budget policy directions and priorities to the City Manager, which has resulted in the fiscal chaos the city now faces.

Fact 6

Failure of the City Administration and Finance Director to create a workable plan to make the CRS solvent. The City Administration should stand up and take full responsibility by holding those responsible for what they have and have not done.

CONCLUSION

“These facts can lead to no other conclusions,” Winburn said. “The City Manager should immediately conduct a self-analysis of his management and administration structure. Resignations from top to bottom, especially in the retirement division, would begin the process of returning order to city government and regaining public trust. Something has to change at City Hall and we cannot continue down a path of fiscal irresponsibility, wasteful government spending, and no accountability at Cincinnati City Hall.”