

ARROGANCE KILLS

“The budget should be balanced, the treasury should be refilled, the public debt should be reduced and the arrogance of public officials should be controlled.”

- Ross Perot

Once upon a time there was a master carpenter who worked for the same builder for nearly 50 years. One day the carpenter went to the builder to inform him that he wanted to retire. The builder told the carpenter how much he appreciated his lifetime of work and rewarded him with a \$5,000 bonus.

The builder owned a magnificent lot with a spectacular view and asked the carpenter if he would stay and build his dream house for him. The carpenter agreed but was disappointed with the bonus. His last building fee was enough to purchase a small cottage but he became bitter nonetheless.

Over his lifetime, the carpenter had taken great pride in his commitment to quality and craftsmanship. However, his growing resentment caused the carpenter to cut corners, ignore details and allow co-workers to do poor work. The carpenter accepted substandard and less expensive materials and pocketed the difference.

When the carpenter completed the house the builder was very pleased shaking the carpenter's hand and thanking him for a job well done. With a huge smile the builder gave the carpenter a plain white envelope containing a thank you card and a folded piece of paper. The carpenter was angry with the builder until he unfolded the paper and found it to be the deed to the house that he had just built.

The carpenter was ashamed of what he had done to his friend and to himself. He had betrayed his own values and was remorseful that he would now live in a substandard house that he had built for the rest of his life.

The parable is about character, responsibility, respect, the pursuit of excellence and keeping true to our values. One well-known construction company has bumper stickers on their vehicles that read “Character Matters.” Indeed it does.

Opposite character is arrogance. Arrogance has brought down many powerful people, including presidents, military leaders, business executives, government officials, university chancellors, professional athletes, actors and public officials to name a few.

The news today is full of stories about people, corporations and governments full of themselves and operating in blind unchecked power. However, the sleeping giant, the public who pays the bills, has awoken and is not happy.

It is becoming increasingly clear that too many of our elected, public officials and corporate executives are letting us down. Mediocrity has become the baseline of performance. Greed for power and control, greed for money, lack of leadership, lack of self-control and a bouillabaisse of bureaucratic requirements are destroying our corporate structure, our governments and most importantly, our communities.

The revelation that one city decided in 2001 to enter the mortgage business not only has the appearance of bad business practices and bad judgment, it is just arrogant. To date, the city has given loans to as many as 46 employees.

Why is the city competing with financial institutions for loans? Government employees at this level are well compensated and have a job for life. What bank would not want to loan to them? Perhaps a better question is why are municipal employees trying to purchase homes they apparently cannot afford on the open market? Is this just another perk at public expense? Doesn't this put government in competition with free enterprise?

I bought and sold several homes on a police officer's pay and I didn't need my employer to hold any paper to do it. I had three jobs when I first started out to make my payments. Back in the late 70's and through the 80's we did not have the overtime cash cow that exists today. I have no regrets and I only owe my bank, no one else. Best of all, I am not beholden to any past employer.

Clearly, recruitment and retention were and still are significant issues for many cities and counties. Obviously, cities benefit from having employees living in or near the city. Once upon a time, it used to be required for many jurisdictions. However, leveraging employees with public money is another matter.

During one recent budget debate, a police officers association called out on their budget figures. They accused officials of hiding money or as it is called on the streets, "cooking the books."

Now it should not be any surprise that cops smelled something amiss. After all, that is what cops do. Moreover, many detectives investigate financial crimes so it is no wonder that they were suspicious. It appears they may have had a valid case because the city apparently had enough discretionary cash in their reserve funds to make low interest loans to purchase homes. According to some reports, some of these loans have even been forgiven. The obvious question is what else the city is doing with discretionary public funds?

Considering the loan program now under scrutiny, is it any wonder that there are questions about redevelopment funds and what that money is really going to?

Mystifying is that officials apparently claim that "no one could have foreseen the mortgage meltdown in 2002." This is just foolish. There was no shortage of finance, banking and

investment advisors screaming about the pending real estate bubble bursting prior to it happening. Now it appears that the city was not paying attention or just chose to ignore the information.

Of course they were not alone; millions of people did the same thing, intoxicated by the pursuit for profits. Either way, the city did not stop making loans, but continued on through 2010. How can this be?

In the end the question is where is the straight count? Who do you believe anymore when it comes to public budgets and financial reports? What is the real deficit? Does anyone really know?

Is there really a deficit in the first place or just out of control management? We don't know what we don't know, but what I know for sure is that numbers do not lie, people do.