



## MAYOR JERRY SANDERS LINE-ITEM VETO MESSAGE

June 16, 2008

On June 9, 2008, the City Council approved my recommended Fiscal Year 2009 Budget, along with the addition of \$4.3 million in restoration and additions recommended by the Independent Budget Analyst. This action included restoring and/or adding 62 positions to the budget, including an additional position for the IBA. The expenses I had eliminated to balance the budget for the next fiscal year were not made lightly but were critical as I look forward to fiscal year 2010 and beyond. **By way of this message and consistent with the powers given to me by the City's Charter, I hereby line-item veto the Council's budget modifications that were recommended by the IBA in the June 6, 2008 Report (08-61).**

These changes to the budget are not fiscally prudent due to the uncertainty surrounding the state budget deficit and its potential effect on the City, the possibility that the current economic slowdown in the region could further reduce the City's fiscal year 2009 revenues, and the projected budget deficit contained in my Five Year Financial Outlook for fiscal years 2010 through 2013.

The City Council authorized adding nearly 62 full time equivalent positions and other non-personnel costs that totaled \$4.3 million. These include adding a new position in the Office of the IBA and another position in the Office of the City Clerk. Council also authorized adding 9.80 FTE more positions to the budget in the Fire Rescue Department—positions that the Fire-Rescue Department has stated it does not need. I have already allocated \$1.4 million in additional funding in my Proposed 2009 Budget to the Fire-Rescue Department to staff the additional helicopter and the department will add the needed shifts using existing personnel. The City Council authorized adding back positions and expenses that I cut only after considerable review of the City's critical priorities in a time of decreasing revenues, increases costs, the need to fund the eight priority areas that have been neglected for years, and uncertainty of how the State will balance its \$15 billion deficit which we probably will not know until August.

Adding back expense at this time is not in the best interests of the City as we face a year where the economic forecast includes the possibility of a recession and where sales tax, transient occupancy tax and other key revenues may further decline. Reduced economic activity in the region may still negatively impact the growth in the City's major revenues and the City needs to maintain a fiscally prudent approach in establishing a budget.

Should additional revenues be identified, I have stated that the City should keep these dollars in reserve as a cushion against the unanticipated and increased cost of doing business. For example, to maintain a buffer to pay for spikes in fuel costs, the increased costs of road repairs and for any emergencies that could arise during the upcoming fire season. If tax revenues decline, we will need all available resources to maintain the City's programs and initiatives that I have included in my 2009 budget. As such, I disagree fundamentally with the IBA's recommendations and City Council's changes to my Fiscal Year 2009 Budget.

Therefore, I hereby line-item veto all of the changes to my Fiscal Year 2009 Proposed Budget as approved by Council and summarized in IBA Report 08-61.

Respectfully submitted,

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JERRY SANDERS  
Mayor

June 16, 2008

This Line-Item Veto Message is attached to Resolution R-303797