



CITY OF PARK RIDGE

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OFFICE OF THE MAYOR

September 7, 2010

To: Park Ridge City Council
From: Mayor David F. Schmidt

RE: Mayoral Veto of Allocation of Taxpayer Funds to Community Groups

I will begin with a quote:

I cannot undertake to lay a finger on that article of the Constitution which granted a right to Congress of expending, on objects of benevolence, the money of their constituents....Charity is no part of the legislative duty of the government.

Despite what some might think, those are not the words of Ayn Rand. Rather, they are the words of James Madison, one of our Founding Fathers and the principle architect of the U.S. Constitution.

This message applies to each allocation of taxpayer funds to individual community groups approved by the City Council on August 23, 2010. By the authority vested in me as Mayor of Park Ridge, I am vetoing each allocation.

We are facing unprecedented financial difficulties as a nation. Our national debt is unsustainable and federal government spending has spiraled out of control. The State is also teetering on the brink of financial disaster and has informed us that the money we expected to receive a few months late will be delayed even longer than previously forecast. Clearly, we as a city are in no way immune from the effects of the state and national financial crises.

Over the past two years, the City has laid off over two dozen employees and discontinued or reduced city services such as brush pickup and traffic patrols. We are facing recurring and increasingly serious cash flow problems caused by diminishing revenues and wild uncertainty about the timing of payments due to us from the State. This has caused us to run a negative balance in our general fund and required borrowing from other funds just to make payroll.

It is no different than you or I dipping into our savings accounts on a regular basis just to make ends meet. That is a dangerous practice which has caused many individuals to become insolvent and businesses to fail. We have a duty to make sure the City does

Our Mission:

THE CITY OF PARK RIDGE IS COMMITTED TO PROVIDING EXCELLENCE IN CITY SERVICES IN ORDER TO UPHOLD A HIGH QUALITY OF LIFE, SO OUR COMMUNITY REMAINS A WONDERFUL PLACE TO LIVE AND WORK.

not end up in the same hole. It is simply fiscally irresponsible to spend taxpayer money on private organizations in the face of this crisis.

The limited financial resources available to us should only be used to fund essential city services such as fire, police, water, sewers, tree trimming and road construction and repair. Those limited resources should not be used to fund non-essential services, no matter how noble the cause.

Indeed, that principle is embodied in the City's own Policy No. 6, which expressly states that "[i]n general, public funds should not be used to support any private non-government organization." Departure from that general policy is authorized only when the Council has expressly found that there is:

- A. a "community need for [the] offered service(s);
- B. a "community benefit for such service(s);
- C. significant "[p]rivate financial support for the service(s); and
- D. significant "[c]ommunity volunteer support for the service(s).

I have thoroughly reviewed the record of our budget process and see no such findings as to any of those four requirements, the first two of which go to the heart of the "essential services" issue.

To those public officials and citizens who insist that some or all of these private community organizations *do* provide "essential" services to our residents despite the lack of Policy No. 6's required findings, I respectfully suggest that, if you are correct, then the City is obligated to pay for those services – not in the form of some vague and indiscriminate "donation" but in the form of a contractual relationship such as the City enters into with its other outside vendors of goods or services. That way, the City can ensure its receipt of the specific services for which it is paying, and the organizations can ensure that they will get fair value in return.

In the absence of the required findings under Policy No. 6 that these various services are truly "essential," however, I reiterate what I said at the August 23 meeting when the Council approved these expenditures: if the taxpayer funds which the Council seems intent on distributing to community groups are really available, then they should be used to restore those basic city services which were eliminated or reduced just this year alone; or, alternatively, they should be used to help restore the fund balances that have been so depleted by years of irresponsible deficit spending.

It is my hope that the members of the City Council will finally accept the fact that the days of business as usual are gone, and that, armed with that realization, they will sustain this veto.