

Mayoral Veto of 2011 Amended Budget

Every time we see a glimmer of hope in the national and world economy, the reality of the dire financial circumstances we face is driven home in the form of persistently high unemployment rates, home foreclosures, business closings and the ballooning government debt. We still live in very dangerous and uncertain economic times, especially now that a consensus is forming that this country is facing the distinct possibility of a double-dip recession which, if it occurs, will find Illinois among those states least capable of enduring it. Taxpayers have been forced to tighten their belts and will need to continue doing so. And everybody in government has to continue tightening their belts as well, including all of the City's employees.

Meanwhile, even though we are facing these economic pressures here in Park Ridge, we must continue to move forward towards addressing our chronic flooding and other infrastructure issues. Addressing these problems will require the expenditure of many millions of dollars which will be difficult to find, especially since the state and federal budgets are already swimming in oceans of red ink. Every dollar we spend on something that is non-essential is a dollar we cannot spend on flood control or other critical infrastructure needs which will continue to be a part of our lives. Since I have not heard an outcry for a large tax increase to pay for maintaining, upgrading and improving our infrastructure, that means the only way to make sure we have the resources to take care of those needs is to continue to cut spending, including eliminating all spending on anything which is non-essential.

I have carefully considered the Amended Budget passed by this Council on May 25. I am pleased we finally have a realistically balanced General Fund budget for the first time in

years. I also appreciate the \$315,000 in spending cuts and the reduction in the budgeted property tax levy approved by this Council. But while I believe it is a big improvement over the budget passed by the previous Council, it does not go far enough. More needs to be done before it is a budget which truly reflects the best interests of the taxpayers. Therefore, I am exercising my line item veto power over approximately \$275,000 of additional expenditures contained in the Amended Budget.

First, I am vetoing the across-the-board 3% wage increase for non-union personnel. Those line items total \$185,766 and are set forth in Sections 7-13 and Section 19 of the Amended Budget. I value the efforts of our staff, both union and non-union, but my responsibility, and your responsibility, is not to them, but to our taxpayers. I am afraid to say that this lesson was lost on the Council when it voted to approve the pay increase.

This Amended Budget, like any budget, involves weighing priorities and ensuring that every dime of taxpayers' money is spent as efficiently as possible for the benefit of the taxpayers. In this case, the Council chose to approve the pay increase without any discussion about the cost of the raise that the taxpayers will be paying in terms of increased taxes and reduced services. Instead, the sole focus during the Council's discussion was on fairness to the employees. However, not one of you discussed whether it was fair to the taxpayers to spend that \$185,000 on employee raises instead of further reducing the proposed property tax levy or restoring tree-trimming, reforestation, and sidewalk maintenance. These are all essential city services, no less essential than our valued employees, and you should have engaged in that discussion. You will have the opportunity to do so in two weeks.

While we are at it, let me talk about the “fairness” issue. I do not mean to be flippant when I say that these employees all have well-paying jobs with attractive benefits such as health insurance. And that makes them very fortunate. There are countless municipalities around us which have been slashing personnel and even outsourcing city services. There are not all that many openings for municipal employees. It is a misleading emotional argument to say there will be a mass exodus of City employees if they receive no raise. And if employees do leave, there are many out-of-work municipal and private sector employees who would jump at the chance to take the jobs.

Fortunately, we have been able to get through this budget process without laying off a single employee. That is plenty fair, especially since many of our taxpayers have received no salary or wage increases and, unfortunately, while all too many of them have been out of work for some or much of that period of time. On top of that, the taxpayers are suffering increased tax burdens from various levels of government, and we as a City government continue to add to that burden. The residents of Park Ridge are looking to us to spend their tax money as wisely and frugally as possible, and this raise does not meet those standards.

I reject the argument that we need to compensate the non-union employees because the union employees have been receiving pay raises over the last two years while the non-union employees have not. In fact, two of the union contracts had 0% raises last year, and the last police union increase was paid for with the loss of four jobs which offset the cost to the taxpayers. The year before that, the firefighters’ contract did have a 4% raise which was

accompanied by a furlough requirement which offset that raise. And think for a moment what union negotiators and labor arbitrators will say if this Council announces to the world that the City of Park Ridge is supposedly financially healthy enough to give 3% raises to non-union personnel in these difficult times. It is a financial quagmire waiting to happen, and it sends the wrong message to our struggling taxpayers.

Ultimately, however, it all comes down to priorities. There simply is no way to justify giving pay raises at the same time you are cutting services and funding for infrastructure. Period.

I am also vetoing the line items for contributions to community groups which total \$65,776 and are set forth in Section 7, Program 1041 of the Amended Budget. I have repeatedly stated my philosophy about this type of compulsory taxpayer contribution to selectively-favored organizations. What gives elected officials the right to decide which charitable organizations a taxpayer must contribute to? How did these organizations get selected out of all the other social service and cultural organizations in the City? If this money was truly available, which it is not, the right thing to do would be to return it to the taxpayers in the form of a property tax levy reduction and then let the individual taxpayers decide if they have the ability to make charitable contributions and, if so, to whom they should go. It is not the business of government to decide this for the individual.

And if this Council decides those organizations provide services which are, in fact, essential functions of City government, then those services should be purchased by the taxpayers like any other services, through a bidding and contract process. Yet, what we are left with now

is a gratuitous payment of taxpayer money without any oversight as to how that money is spent, and no debate over whether those services could be provided in a more cost-effective manner.

I am also vetoing Section 7, Program 1021 under City Administration Training. While some of the \$9,000 expenditure might be justified, the expense of sending both a city manager and deputy city manager to two separate conferences is an extravagance that we cannot afford. I call on the Council to establish a City policy to send a single representative, if any, to such conferences, and that if a second city official wishes to attend, then he or she can do so at their own expense. Therefore, I ask the Council to uphold this veto and then approve on reconsideration a lower amount sufficient to pay for one official to attend each of the two conferences at issue.

I am also reiterating my veto of Legislative and Human Resources training expenditures totaling \$8,600 which are detailed in Section 7, Program 1011 and 1024 of the Amended Budget. Finally, I am reiterating my veto for the \$20,000 expenditure for materials for the Uptown Station which are found in Section 11, Program 3062 of the Amended Budget.

I am not going to veto the remaining line items for training, recruiting and testing and part-time hiring which were vetoed in the original budget or the allocation for the new position in the Community Preservation and Development Department. I believe staff has made a case for the retention of those training and part-time expenditures, that the Council considered the matter and that the expenditures can be justified. I also believe staff made a case for including the new CP and D position. However, in return, there must be a commensurate increase in the efficiency

and overall performance of the Department. As discussions regarding budgeting for the next fiscal year begin to unfold, a close eye will be kept on the return on investment to the taxpayers for that expenditure.

In closing, I want to thank you again for your efforts over the past four weeks. My comments tonight should not be taken personally. But it is important you understand the budgeting and spending principles which I believe are not only in the taxpayers' best interests, but which embody absolute rights possessed by the taxpayers. If we get our house in order, when the recovery truly comes, we will be in a position to take full advantage of it rather than having to play catch-up because we failed to do the smart thing now when the chips are down. If you adhere to the principle that your job is to spend every dime of the taxpayers' money in the best interests of the taxpayers, and not anyone else, then you will vote to sustain these vetoes.