

RESOLUTION NUMBER R-303797

DATE OF FINAL PASSAGE J U N 2 3 2008

RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO ADOPTING THE MAYOR'S FISCAL YEAR 2008-2009 BUDGET, MAKING MODIFICATIONS THERETO, AND AUTHORIZING AND DIRECTING THE CITY CLERK TO CAUSE SUCH FISCAL YEAR 2008-2009 BUDGET, AS SO MODIFIED, TO BE DELIVERED TO THE MAYOR AS SOON AS PRACTICABLE

WHEREAS, on April 14, 2008, the Mayor submitted the budget for the expense of conducting the affairs of the City of San Diego for the year commencing July 1, 2008 [Fiscal Year 2009 Proposed Budget] to the City Council in accordance with Charter sections 265(b)(15) and, 69; and

WHEREAS, on April 29, 2008, the office of the Independent Budget Analyst [IBA] issued its report entitled "Review of the Fiscal Year 2009 Proposed Budget" [IBA Report No. 08-41], which contained a review and analysis of the Fiscal Year 2009 Proposed Budget; and

WHEREAS, the City Council and the Budget and Finance Committee held several public hearings between April 16 and June 4, 2008, at which public hearings the Mayor's Chief Financial Officer or Financial Management Director, together with department directors, presented budget overviews and responded to questions and comments from members of the Council and the public; and

WHEREAS, the Mayor issued an additional budget document revision for the Council's consideration entitled "Mayor's May Revision to the Fiscal Year 2009 Proposed Budget" [May 16, 2008]; and

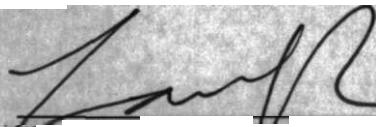
(R-2008-1145)

WHEREAS, on May 30, 2008, the IBA issued a report entitled "Recommended Revisions to the Fiscal Year 2009 Proposed Budget" [IBA Report No. 08-57], and such report was heard at the Budget and Finance Committee meeting of June 4, 2008; NOW, THEREFORE,

BE IT RESOLVED by the Council of the City of San Diego that the Mayor's Fiscal Year 2009 Proposed Budget, including the Mayor's revisions of May 16, 2008 and modifications to the Mayor's Revision in the Memorandum from the CFO of May 29, 2008, together with then modifications to the Mayor's Fiscal Year 2009 **Propo3cd** Budget iciLumiliiiiiluJ by-Ujg-
-fcttfeftcildiiiiil Dudget Analyst and aa fuilhu auminmiiLul in IBA Report No. 08 61, page, **J** —
—thereto, released on June 6, 2000, is hereby approved.

BE IT FURTHER RESOLVED, that the City Clerk is hereby authorized and directed to return, as soon as practicable, the Mayor's Fiscal Year 2009 Proposed Budget, as modified as stated above, to the Mayor in accordance with section 290(b)(2)(A) of the Charter.

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By 
Lawrence V. Tomdnek
Chief Deputy City Attorney



LVT:jdf
06/09/08
Or.Dept:IBA
R-2008-1145

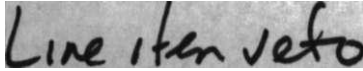


I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of JUN 09 2008.


ELIZABETH S. MALAND
City Clerk

By 

Deputy City Clerk



Approved except for the line(s) excluded
on page 2 of 3: k-1U'tX
(date)


JERRY SANDERS, Mayor

Vetoed:

(date)

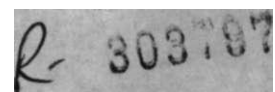
JERRY SANDERS, Mayor

On June 9, 2008, at a duly noticed hearing, the City Council adopted the Mayor's Proposed Fiscal Year 2009 Budget with modifications. Pursuant to Charter Section 290 (b)(2) the modified budget was returned to the Mayor.

On June 16, 2008, pursuant to Charter Section 290 (b)(2)(A), the Mayor Line-Item Vetoed the Council's modifications and returned the budget to the Council.

On June 23, 2008, at a duly noticed hearing, the City Council reconsidered Council's modifications of the Mayor's Fiscal Year 2009 Proposed Budget; considered the Mayor's Line-Item Veto of Council's modifications, and; pursuant to Charter Section 290 (b)(2)(B), the City Council voted to Override the Mayor's veto; NOW THEREFORE

Pursuant to Charter Section 290 (b)(2)(C), the Fiscal Year 2009 Budget as modified by Council is the controlling document for preparation of the Annual Appropriation Ordinance.





**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.

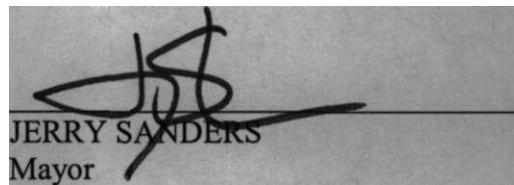
The City Council authorized adding nearly 62 full time equivalent positions and other non-personnel costs that totaled \$4.3 million. These include adding a new position in the Office of the IBA and another position in the Office of the City Clerk. Council also authorized adding 9.80 FTE more positions 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,



JERRY SANDERS
Mayor

June 16, 2008

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

R-303797