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NOV 29 2004
BY: V.A. 8:30AM

CITY OF ATLANTA

55 TRINITY AVENUE, S.W.
ATLANTA, GEORGIA 30335-0300
TEL (404) 330-6100

SHIRLEY FRANKLIN
MAYOR

RECEIVED

NOV 29 2004
JCP
MUNICIPAL CLERK

November 23, 2004

Council President Lisa Borders
Members of the Atlanta City Council
55 Trinity Avenue, Suite 2900
Atlanta, Georgia 30303

Dear President Borders and Members of Council:

I hereby return with my vetoes of two line item appropriations made by two amendments to Ordinance #04-O-1919. The appropriations that I am vetoing are:

1. Changes to appropriations made by Amendment #4 (Martin #1) (to add 100 police officers); and
2. Changes to appropriations made by Amendment #3 (Moore #1) (to fund an additional 3% salary adjustment for General Fund full-time employees effective January 1, 2005, except for police officers).

These items are vetoed under the authority granted to me by the City of Atlanta Charter, Section 2-403, which states: "the mayor may veto any item or items of any ordinance or resolution making appropriations."

I appreciate the very serious consideration the Council has given to the financial needs of city employees and their families while considering our obligation to taxpayers and their families to operate government efficiently and without waste. In fact, I agree with these goals and recognize the current budget debate centers around approximately 2% of the proposed \$519 million general fund budget. It is only after a thorough review of the tapes of Council meeting, the city's legal obligations and the rigorous financial standards we, the Council and I, have set for city budgeting that I have exercised the line item veto for only those appropriations that put the city at risk financially beyond our known funding means. I consider it irresponsible for me to do otherwise especially given the dire financial condition of the city when I assumed office in 2002 and the very difficult steps the Council and I have taken to restore the financial stability of the City.

As stewards of our taxpayer's dollars, we each have a responsibility to operate with fiscal accountability when proposing and adopting the annual budget. The budget must consider the needs of our residents, the valuable concerns of our hardworking employees and the current as well as the long-term fiscal health of our City.

When I came into office in 2002 the City of Atlanta was in the worst financial condition since our country's Great Depression. For numerous years prior to that time, the City of Atlanta spent more money than it received from various revenue sources. It is incumbent upon us to remember the hard lessons learned during this period. In that vein, since becoming Mayor, I have consistently offered budgets designed to shepherd Atlanta toward fiscal health. As you know, in early 2002, my administration along with the City Council acted swiftly to close an \$82 million budget gap and to restore the reserve account that was seven (7) million dollars in the red. We spent an enormous amount of time and resources to stabilize the City's finances, which has resulted in us operating in the black for the last three years. Additionally, we implemented a variety of initiatives:

- Adding 100 police officers and 50 firefighters
- Raising salaries for our lowest paid full time-employees (approximately 8%) from \$17,000.00 to \$23,000.00
- Instituting the Trash Troopers to make Atlanta cleaner
- Increasing training programs for all employees, particularly Fire & Rescue, Police, Public Works, and others
- Investing in technology to increase efficiency
- Making needed repairs to many of our parks and recreation facilities
- Making the salaries for over 60% of City of Atlanta full-time government employees comparable to similar municipal employees in other jurisdictions

At years end there may be a surplus that can be used in 2005, but the actual amount is unknown at this time. If funds exist above the anticipated reserves, we will recommend to the City Council after professional reviews (to be conducted by the Department of Human Resources), the implementation of salary adjustments for the remaining 40% of the full-time work force. In addition, as contained in the Muller amendment in conjunction with elements of the Starnes/Maddox amendment, we will present a proposed roll back of property taxes. Finally, any remaining funds will potentially include payment for additional police officers; additional corrections officers (to replace private security guards at Grady Hospital); additional Information Technology investments; critical motorized equipment purchases; upgrade/conversion of six (6) Fire & Rescue Department engine companies to paramedic units; and Phase II of the Law Department's five-year plan to continue to provide best-in-class legal services.

President Lisa Borders and
Members of Atlanta City Council
November 24, 2004
Page 3

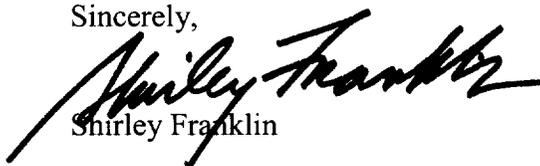
The amendments at issue added additional spending without a corresponding cut in spending elsewhere, the only place from where such funding could come is the Non-Departmental budget. This approach affects projects and activities that perhaps seem more anonymous, but are no less critical than other activities of the City. The effect is no less severe than spending cuts elsewhere, as the items funded in this area are vital to many of the core functions of the city.

The actions I have vetoed would cut a combined amount of over \$8 million of operating funds from the Non-Departmental category, and would restore a *portion* of those dollars *only if* funds are available at the end of the year. These steps were taken against the recommendation of the Department of Finance, and I cannot support speculative spending. If we were to take such a gamble and lose because funds did not materialize, then the critical Non-Departmental fund would end up under funded even if we realized a surplus at the end of the year. This would not only impede the city's advancement toward a higher standard of service and sound fiscal management, but would also impair our ability to conduct day-to-day business.

Together, my administration and the Council have diligently worked to restore integrity and rigor to the budget process as well as the financial management of government. The rewards are obvious; operating in the black, increased emphasis on public safety, greater efficiency, a current millage rate of 8.25 down from 9.02, and a reduction of the 2005 water/wastewater rate to 1% as a result of the passage of the sales tax.

Based on the rationale as outlined in this letter, I urge you to sustain my vetoes of the line item appropriation changes as adopted in the two amendments to Ordinance #04-O-1919 as listed above.

Sincerely,



Shirley Franklin

**AN ORDINANCE ADOPTING THE 2005 TENTATIVE BUDGET;
AND FOR OTHER PURPOSES**

WHEREAS, the Department of Finance has established tentative estimates for 2005; and
WHEREAS, the Mayor has submitted the 2005 Budget recommendations; and
WHEREAS, the Tentative Budget shall be effective until a final budget is adopted in 2005.

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA as follows:

SECTION 1: That the following revenue estimates of 2005 revenues shall be used for the 2005 Tentative Budget:

General Fund	512,377,442
Airport Revenue Fund	240,000,000
Water and Wastewater Revenue Fund	319,717,916
Parks Facilities Revenue Fund	609,000
Internal Service Fund	42,593,746
Underground Atlanta Facility Revenue Fund	9,076,105
Solid Waste Services Revenue Fund	44,991,143

SECTION 2: That the 2005 anticipations and appropriations for the various funds herein, based upon the estimates of revenue for 2004 and cash and anticipations carried forward from 2004, be and are hereby adopted for each of the funds of the city listed above.

SECTION 3: That this Tentative Budget shall remain in effect until replaced or modified by a "Final" budget adopted under provisions of the city charter and the 1937 Budget Law.

SECTION 4: That all ordinances and parts of ordinances in conflict herewith be and are hereby waived.

A true copy,



Deputy Clerk

November 15, 2005
November 23, 2005

ADOPTED as amended by Council
APPROVED by the Mayor Excluding
Amendments which were VETOED as Line Items

December 6, 2005
Mayor's VETOES SUSTAINED; Motions to override
both line item vetoes were DEFEATED

RCS# 6308
12/06/04
5:11 PM

Atlanta City Council

Regular Session

04-O-1919

2005 TENTATIVE BUDGET
LINE ITEM 2 (COUNCIL AMEND #3 MOORE #1)
OVERRIDE VETO

YEAS: 7
NAYS: 8
ABSTENTIONS: 0
NOT VOTING: 1
EXCUSED: 0
ABSENT 0

N Smith	Y Archibong	Y Moore	N Mitchell
N Starnes	N Fauver	Y Martin	Y Norwood
Y Young	N Shook	N Maddox	Y Willis
N Winslow	N Muller	Y Sheperd	NV Borders

04-O-1919

RCS# 6272
11/15/04
7:50 PM

Atlanta City Council

Regular Session

04-0-1919

2005 TENTATIVE BUDGET

ADOPT SUB AMEND

YEAS: 13
NAYS: 1
ABSTENTIONS: 0
NOT VOTING: 1
EXCUSED: 0
ABSENT 1

Y Smith	Y Archibong	Y Moore	B Mitchell
Y Starnes	Y Fauver	Y Martin	Y Norwood
Y Young	Y Shook	Y Maddox	N Willis
Y Winslow	Y Muller	Y Sheperd	NV Borders

04-0-1919

(Do **04** **1919** **1919**)
(me)

AN ORDINANCE BY
FINANCE/EXECUTIVE COMMITTEE

AN ORDINANCE ADOPTING THE 2005
TENTATIVE BUDGET; AND FOR OTHER
PURPOSES.

12/6/04
* *Motion to Override Line Item has*
VE TO Defeated 7ys 8ays
12/6/04
* *Motion to Override Line Item has*
VE TO Defeated 7ys 8ays
VE TO SUSTAINED
VE TO SUSTAINED

ADOPTED BY
NOV 15 2004

COUNCIL

Substitute

- CONSENT REFER
- REGULAR REPORT REFER
- ADVERTISE & REFER
- 1st ADOPT 2nd READ & REFER
- PERSONAL PAPER REFER

Date Referred *11-01-2004*

Referred To: *Finance/Executive*

Date Referred

Referred To:

Date Referred

Referred To:

Committee *FIN* *First Reading*
Date *11/15/04*
Chair *John Stearns*
Referred to *FIN*

Committee
Date
Chair
Action

John Stearns

Fav, Adv, Hold (see rev. side)
Other *Substituted*

Members

John Stearns
absent
Hand Shook

Refer To

Committee

Date

Chair

Fav, Adv, Hold (see rev. side)

Other

Members

Refer To

Committee

Date

Chair

Fav, Adv, Hold (see rev. side)

Other

Members

Refer To

Committee

Date

Chair

Fav, Adv, Hold (see rev. side)

Other

Members

Refer To

FINAL COUNCIL ACTION
 2nd
 1st & 2nd
 3rd
 Consent
 V Vote
 RC Vote

CERTIFIED

NOV 15 2004

CERTIFIED

NOV 15 2004

Rachel Blum
MUNICIPAL CLERK

MAYOR'S ACTION
APPROVED

NOV 13 2004
Mayor Stearns
MAYOR

* LINE ITEM VETO AS
DETAILED ON THE INTERIOR
COVER