

## Editorial: Port St. Lucie takes gamble to address taxpayer concerns

By editorial board

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It was easy. Maybe too easy.

After months of discussion and negotiation and public dissent over the Port St. Lucie city budget for the coming year, City Council members in a brief special session Wednesday endorsed a plan to hold the city's tax rate at this year's level and to balance the budget by cutting reserve funds.

The council had previously OK'd increasing the city's tax rate by 26 percent to bring in the same amount of revenue as this year due to a steep decline in property values. But, the size of the rate increase, which some equated with an actual increase in taxes, brought anger among many residents battling the difficult economy.

With the council's decision to leave the rate unchanged, tax revenue is expected to decline from \$25 million to \$18 million for the coming year.

To make up for that reduction, the council agreed to reduce its contingency funding from 8 percent to 4 percent. The rate was set at 8 percent following the hurricanes of 2004. Compared to about \$8 million in the contingency fund now, the upcoming fund will be just \$3.5 million, with \$1 million of that set aside for potential insurance claims.

The loss of backup funding is a major gamble.

"That is going to cause some problems and it's not something I would recommend," said City Manager Don Cooper.

If all goes well, the city will face a \$10.5 million shortfall in the 2010-11 budget. And, though union employees will get their contracted raises in the coming budget, Council members warned that there will have to be at least a freeze on all salaries in the following year.

The budget — its first public hearing will be Monday — represents a one-time fix to appease upset taxpayers. Next year will be a different story even if economic conditions improve.

The gamble is one that City Council members seem relatively comfortable with. Whether taxpayers will feel the gamble was justified won't be known until next year which, coincidentally, is an election year in the city.

Council members heard from their constituents and reacted. The city manager has heard from council members and will present a budget to them that reflects decisions made last week.

Unfortunately, council avoided making some tough decisions to make deeper cuts. Only the future will tell whether council's actions were prudent, or whether it risked the city's financial stability by delaying painful decisions.

Hopefully for the residents of the city, the former will be the case.



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