

November 13, 2019

Mayor Andrew J. Ginther:

Contained herein is the 2020 Budget totaling \$1.96 billion, of which \$965 million is for general fund operating expenses. Overall, the proposed 2020 general fund operating budget is 5.56 percent higher than 2019. While the percentage increase in the 2020 general fund budget is larger when compared to 2019, there are a number of significant deposits to reserve funds in the 2020 budget.

Due to your continuing leadership and the support of City Council, the City Auditor, and the taxpayers, I am pleased to report that the City of Columbus remains financially sound. The Mayor's 2020 Budget is balanced, while reserve funds (Rainy Day, the 27th pay period, and Basic City Services) continue to grow. The city reached the original goal of \$75 million in the Rainy Day fund in 2018, and more importantly, because of your leadership, the city will meet the amended Rainy Day fund goal of \$80 million in 2019, a full year ahead of schedule.

While the Columbus economy is in a time of prosperity, it is imperative that we prepare for future economic changes. Therefore, due to better than estimated 2019 revenues, the 2020 Budget establishes a new "Rainy Day" fund goal of \$90 million by 2024. In addition, this budget deposits \$5.6 million into the Basic City Services fund, bringing the total balance to \$20.4 million in 2020. In May of 2019, Columbus voters approved a \$1.03 billion bond package which included for the first time \$50 million for affordable housing.

Finally, Columbus retained the AAA bond rating from all three major rating agencies (Moody's, Fitch, and S & P), one of only five peer cities our population size to receive such a financial rating.

Columbus and the surrounding region are in a time of unprecedented growth. The city has a large and diverse local economy that benefits from being the seat of state and county government, as well as having a significant number of large education and research institutions. Overall, the greater Columbus area remains service oriented with major employers in insurance, public utilities, retail, health care, and banking.

The population of Columbus continues to increase, and it is estimated that the region will grow by approximately one million people over the next 30 years. The monthly unemployment rate of the greater Columbus area has averaged below 4 percent for all of 2019. This rate is lower than the State of Ohio and close to the overall national unemployment rate. Revenue growth is largely dependent upon income tax, which makes up approximately 78 percent of the total general fund revenues. The income tax growth rate for 2019 is projected at 4.5 percent, which is a significant improvement over both the 2018 actual increase and the Auditor's original estimate of 2.3 percent for 2019. For 2020, a 3.0 percent income tax growth rate is projected.



No major organizational changes are projected for 2020 at this time. However, funding for a number of initiatives referenced in the Division of Police operations review is contained herein. City organizations created during your first term as Mayor, such as the Department of Neighborhoods, the Office of Diversity and Inclusion, CelebrateOne, and the Parking Services Division, continue to help with neighborhood revitalization by connecting residents to resources, to reflect your emphasis on operational efficiencies and diversity and inclusion, and to ensure a decrease in infant mortality rates in Columbus. Also receiving funding in Public Safety are the Safe Streets Initiative and an expansion to the cadet program, the latter of which helps increase diversity recruitment of police officers and firefighters.

New funding for recreational programming, proactive code enforcement, community planning, women's health, and post-natal home visits are included for 2020. Partnerships with Experience Columbus, the Greater Columbus Arts Council, One Columbus, and Rev1 Ventures will continue to receive support from the city.

The 2020 budget continues to reflect your priorities and commitment to the people of

Columbus for vibrant neighborhoods, public safety, early childhood education, decreased infant mortality, a more diverse workforce, delivery of basic neighborhood services, innovation, and economic development all to accomplish your goal of making Columbus America's Opportunity City.

I want to express a special thank you to the outstanding and dedicated Department of Finance and Management budget team, department directors, as well as departmental staff in preparing this budget.

The Department of Finance and Management will continue to monitor economic conditions and help ensure the future health of the city's finances.

Respectfully submitted,



Joseph A. Lombardi
Director
Department of Finance and Management



THE CITY OF COLUMBUS

ANDREW J. GINTHER, MAYOR

CITY OF COLUMBUS PROPOSED 2020 BUDGET

Mayor Andrew J. Ginther

Presented to Columbus City Council
November 13, 2019

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January 1, 2019

Christopher P. Morill

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Columbus, Ohio for its annual budget for the fiscal year beginning January 1, 2018. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we will submit it to the GFOA to determine its eligibility for another award.

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