



City of Columbus
Mayor Michael B. Coleman

Office of the Mayor

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November 13, 2009

Dear President Mentel and Members of Council:

Today, in accordance with Section 26 of the Charter of the City of Columbus, I present you with the estimate of the expense of conducting the affairs of the city for fiscal year 2010. As is required under our Charter, this is my 10th balanced budget, one that puts Columbus on the road to a sustained recovery and fulfills the promises made during the campaign for the voter-approved 0.5 percent income tax increase. The financial challenges we faced in 2009 as a result of the national economic recession will continue into 2010, but because of the additional revenue from the income tax, we will be able to maintain service levels and slowly rebuild and restore key city programs.

This spring, we put forth a three-point plan to ensure the future health of the City of Columbus. Raising additional revenue, while essential, is only one part of that plan. Reforming government by making operations more efficient and accountable is equally important, as is the creation and retention of good-paying jobs and the expansion of economic opportunities for our citizens.

Thanks to the support of the voters on August 4, Columbus is in a strong financial position as we slowly pull out of the recession. We will avoid layoffs in our uniformed ranks, allowing our safety forces to continue to be the best in the nation. We can now avoid further closure of recreations centers, and begin the process of opening centers on a full and part-time basis, either through public funding or private partnerships. The code enforcement officers will continue fighting blight in our city's neighborhoods. We will maintain our strong partnerships with local social service agencies and the Columbus Neighborhood Health Centers to provide a safety net for our citizens that are most in need. The bulk trash collection program will be restored so that our neighborhoods are kept free of waste, and the citywide yard waste collection program will be restored next spring.

In addition to maintaining our safety forces, our aggressive pursuit of Department of Justice grant dollars will enable us to fund a police class next year, and we expect to apply for federal funding for a fire class in 2010. As you know, we must prepare for the effects of the DROP program on our safety forces. We will maintain our police and fire staffing levels by pursuing all available federal dollars, aggressively redeploying safety forces from civilian tasks to the streets where appropriate, and adding classes in 2011 and 2012.

Critical to our financial stability and viability are the replenishment of our rainy day fund and maintenance of our AAA bond rating. Due to lowered spending and increased income tax revenues, we currently project that we will end 2009 with at least \$10 million in the rainy day fund. This will be our down payment toward rebuilding the city's savings account. Rebuilding our reserves retains our high credit rating, honors our own financial policies and provides financial stability in times of economic distress. The city's AAA bond rating was reaffirmed by the three major rating agencies this fall and we are the only city of our size to hold the highest rating from all three. City Auditor Dorrian and I will introduce a resolution along with the 2010 budget that commits to rebuilding our rainy day fund to \$50 million over the next five years.

The depth and duration of the national economic recession and its effects on employment will require patience and continued diligence in controlling the growth in general fund spending during the projected recovery. The recent income tax increase will generate only \$84.55 million in 2010. Other categories of revenue are either projected to be flat or slightly declining. The city auditor projects 2010 general fund resources to be \$655 million, only \$24.5 million more than those used to support the 2009 budget as enacted.

That is why we must aggressively work to meet the goals set forth in our 10-Year Reform and Efficiency Plan. Achieving the savings identified in the plan is crucial to the long-term stability of the general fund.

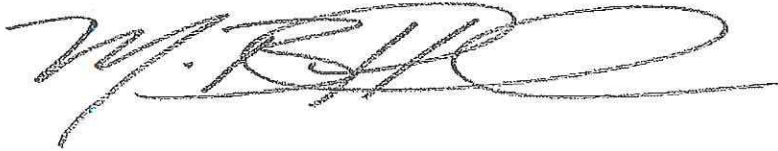
The most important action items in the plan deal with controlling personnel costs, and I am proud to say we are already making progress toward that goal. I recently announced that the MCP employees under my control will lead the way in this effort. As of January 1, 2010 all new MCP employees will pay the full cost of their retirement. The pension pick-up for existing employees will be reduced 1 percent a year over the next decade to ensure that they also pay their full share of retirement costs. These employees will also be required to increase, over the same 10 years, their health care contributions from 9 percent to 17 percent of total costs. The results of the compensation study we commissioned earlier this year will provide the empirical data necessary to achieve these same goals with our unionized employees. These changes will result in ongoing savings to the city.

Progress toward other goals in the plan will continue in 2010 as well. The Public Safety Department will closely monitor and control overtime costs and we will work to redeploy uniformed police officers and firefighters, civilianizing positions where appropriate. We will continue to drive efficient management through the use of technology by retrofitting City buildings with high efficiency lighting and building systems, expanding online auctions for the sale of City assets and utilizing the Division of Fire's computerized Distance Learning and Telestaffing systems to reduce unnecessary overtime.

I have proposed a balanced 2010 general fund budget that maintains basic city services in economically challenging times. This budget keeps the promises we made to the citizens of Columbus who supported our revenue increase. We asked for voter support, not to expand the size of city government, but to maintain basic service levels.

We once again want to thank the citizens of Columbus for voting to stabilize our finances. It is clear that even in the most difficult of times we can count on our citizens to work together to overcome whatever obstacles we face. With their support, we know our best days in Columbus lie ahead of us, and together we will ensure that Columbus continues to be the best city in the nation in which to live, work, and raise a family.

Very truly yours,

A handwritten signature in black ink, appearing to read "M. B. Coleman", with a long horizontal flourish extending to the right.

Michael B. Coleman
Mayor