November 14, 2018

Mayor Andrew J. Ginther:

Contained herein is the 2019 Budget of $1.85 billion, of which $912 million is for general fund operating expenses. Due to your 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 2019 Budget is balanced, while reserve funds (“rainy day” and the 27th pay period) continue to grow. The city reached the original goal of $75 million in the “rainy day” fund this year. Indeed, the city is on schedule to meet the new financial goal of an $80 million balance in the fund by year-end 2020. In addition, Columbus remains one of the largest cities in the nation with a AAA bond rating by all three major rating agencies (Moody’s, Fitch, and S & P), which was re-affirmed again this year.

Columbus continues to be a vibrant and growing city. It 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 continues to be service oriented with major employers in insurance, public utilities, retail, health care, and banking. Unlike other major cities in the Midwest that have experienced declining populations, the population of Columbus continues to grow in overall number and diversity. The monthly unemployment rate of the greater Columbus area for 2018 has averaged at or below four percent for most of 2018. 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 for 2018. The income tax growth rate for 2018 is projected at 1.4 percent, which is below the past several years’ actual average of 4.3 percent. While the income tax revenue growth slowed in 2018, other sources of revenue significantly increased, such as property tax collections and investment earnings. For 2019, a 2.25 percent income tax growth rate is projected over the original 2018 estimate. Overall, this proposed 2019 general fund operating budget is two percent higher than 2018. However, due to conservative fiscal practices, the city historically outperforms the budget, resulting in expenditure savings each year.

Altogether, the 2019 budget reflects your priorities and commitment to the people of Columbus for safe and vibrant neighborhoods, a more diverse workforce, public safety, and delivery of basic neighborhood services, all to accomplish your goal of making Columbus America’s Opportunity City.

With the exception of the newly created Parking Services Division in Public Service, no other major organizational changes are projected for 2019. The Department of
Neighborhoods will continue to help with revitalization in neighborhoods by connecting resources to residents. As such, two additional liaison positions were added to the Neighborhoods Department budget to further this initiative. CelebrateOne will continue your emphasis on decreasing infant mortality rates in Columbus. The Safe Streets Initiative within Public Safety will receive additional resources. Public Safety will also receive funding to begin a cadet program to help increase diversity recruitment of police officers and firefighters.

Additional funds for the harm reduction program in the Health Department increases the commitment to address the problem of opiate addiction in Columbus. Partnerships with Experience Columbus, the Greater Columbus Arts Council, Columbus 2020, and Rev1 Ventures will continue to receive support from the city in 2019. These programs and partnerships allow the city to attract and create new jobs.

Finally, this document largely represents a continuation budget that supports the priorities of your administration, while preserving resources that keep the city financially strong.

I want to express once again a special “thank you” to the outstanding and dedicated Finance and Management Department budget team, department directors, as well as the departmental staffs in preparing this budget.

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

Respectfully submitted,

[Signature]

Joseph A. Lombardi
Director
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Mayor Andrew J. Ginther
Presented to Columbus City Council
November 14, 2018

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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.