



City Of Columbus
Mayor Michael B. Coleman

Office of the Mayor

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November 5, 2010

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 General Operating Fund budget for fiscal year 2011. This is my 11th balanced budget, one that fulfills the promises made during the 2009 Columbus income tax campaign and meets the commitments put forth in our three-point plan to ensure our city's long-term health. While our financial challenges continue, we are poised to continue to deliver high quality services to our residents in 2011 and beyond thanks to aggressive job creation, sound financial policies, our commitment to government reforms and the support of our citizens for the income tax.

The safety of our residents continues to be my top priority. As a result of reduced spending through hiring controls and our reform efforts, as well as additional revenue, we are able to fund an additional police and fire class yet this year. I am also proposing two additional classes in both police and fire for 2011. These classes, when combined with those funded in 2010, allow us to offset retirements that will occur as a result of the State of Ohio's Deferred Retirement Option Plan so that we will be able to maintain force levels in our uniformed ranks. We will also work with our neighborhood partners to provide additional resources for community-based crime and violence reduction strategies.

We will also continue our aggressive economic development policies in 2011. Working with our partners, we will fight to keep every job as well as make strategic investments to bring new jobs into the city. I have also proposed additional resources for revitalization efforts on the West Side with a focus on the West Broad Street Corridor, the economic engine of that neighborhood. We will also support economic vitality through the eradication of neighborhood blight by restoring code enforcement officers and doubling our efforts to remove weeds from abandoned and foreclosed properties.

I am happy to report that funding is provided in the proposed 2011 budget to operate all our recreation centers for the entire year, ensuring a positive, safe and productive environment for our young people. And we will provide the necessary maintenance at the centers to keep them safe and efficient for the long term. Further, we will set aside resources to begin to realign our Recreation and Parks Department to engage in greater outreach to teens and young adults for intervention programs and services through an office of Youth Services. June of 2011 will mark the opening of the Scioto Mile, which will complete the connection between our existing riverfront parks and serve as a focal point for families visiting our Downtown. We propose funding in the 2011 budget to ensure that those visiting the park have a safe, clean and rewarding experience.

While the city's finances have stabilized thanks to the support of our voters, we realize many of our residents continue to struggle due to the national economic recession. Local social service agencies such as the Community Shelter Board are our partners in meeting this need and we will continue to support their efforts with enhanced funding in 2011.

The Columbus Neighborhood Health Centers will also be fully supported in 2011 so our most vulnerable citizens can receive much needed health services.

Fiscal responsibility begins with the replenishment of our Rainy Day Fund and is reflected in the maintenance of our Aaa bond rating. Through reduced spending we will be able to make a deposit of \$7.5 million into the Rainy Day Fund in 2010. We are proposing an additional deposit of \$10 million into the fund in 2011 bringing the balance to \$33 million by the end of the next fiscal year. Our commitment to rebuilding our reserves and honoring our financial policies has allowed us to retain our high credit rating, even in times of fiscal stress. The city's Aaa bond rating was reaffirmed by the three major rating agencies this summer and we continue to be the only city of our size to hold the highest rating from all three. It was only through the use of our Rainy Day Fund that core neighborhood services such as safety and refuse collection were maintained during the last two recessions. These deposits put us ahead in our commitment to restore the balance in our Rainy Day Fund to \$50 million by the end of 2014.

It is clear, however, that additional revenue alone will not guarantee the long-term health of the City of Columbus. Our job creation and retention efforts are essential to the long-term revenue stability necessary to maintain core neighborhood services. It is equally important to continue our efforts at transforming city government through the goals set forth in our 10-Year Reform and Efficiency Plan. Realizing the savings identified in the plan is also vital to the long-term stability of the General Operating Fund.

We will continue our progress toward controlling personnel costs, the largest category of expenditure within our budget. Non-union employees under my control continue to lead the way in this effort. As of January 1, 2010, all new MCP employees pay the full cost of their pension contribution. The pension pick-up for existing employees was reduced by 1 percent in 2010, will be reduced by an additional 1 percent on January 1, 2011, and will continue to be reduced 1 percent each year until they pay their entire share. Over this same period, their health care contributions will increase from 9 percent to 17 percent of total costs. It is our clear intention to pursue these same goals with our unionized employees in order to create ongoing savings to the city.

Progress toward other goals in the reform plan will continue in 2011. The Mayor's Office, the Finance and Management Department and the Department of Public Safety continue to coordinate on strategies to control overtime costs within the Divisions of Police and Fire. Funds have been set aside to continue the redeployment, where appropriate, of uniformed police officers and firefighters, civilianizing non-safety related positions. Through our Capital Improvements Budget, we will continue to retrofit city buildings with high efficiency lighting and building systems to reduce utility costs, and we will maximize the use of technology to reduce costs and create efficiencies.

I have proposed a 2011 General Operating Fund budget that is balanced and keeps the promises we made to the citizens of Columbus who supported our revenue increase. We were able to maintain basic service levels in 2010 and can now begin the process of responsibly restoring key services in 2011. Thanks to hard work and the support of our citizens, 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

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