


City of Toledo



Carleton S. Finkbeiner
Mayor

October 17, 2008

TO: President Mark Sobczak and Members of City Council

FROM: Carleton S. Finkbeiner, Mayor 

SUBJECT: **City Budget**

For the last several months, we have been expressing our concern with our 2008 Revenue and Expenses. We recognized that reductions in 2008 expenditures were needed.

With this in mind, we have made adjustments, held filling over 200 vacancies, and considered other options to balance the budget, including redirecting capital dollars. The Director of Finance has been reporting on our financial status to Councils' Finance Committee on a monthly basis. His reports, for the last several months, have indicated a declining economic condition that could result in a "worst case" scenario of a \$10,000,000 deficit.

Assuming that all the factors bringing about the worst-case situation would not come about, we have been projecting a \$5 – 7 M deficit, but cautioned this could in fact be higher. These issues have been discussed with Council members at the Finance Committee meetings, as well as in individual discussions with most of you.

Most recently, many hours were spent analyzing the options available to balance the 2008 Budget and not cut basic services or impact Police and Fire. It is clear that we must work together to resolve not only our 2008 Budget challenge, but also the major issues facing 2009. Since 2008 is the last year we can use capital dollars for General Fund expenditures, and in light of the current national financial crisis, structural change must be made for 2009.

With all this in mind, the comments made by some Council members at the October 16, 2008 Council Finance Committee meeting, and to the media, were totally out of line. To criticize staff members who have worked long hours, in addition to their other responsibilities, is not acceptable. The complexity in balancing a budget like ours, with restrictions that you and I have placed on staff to maintain basic service, cannot be overstated. To state that "a four-year old could do a better job" is insulting.



I recall other Mayors and Councils that had to deal with budget difficulties. The leadership of my staff has been phenomenal in cutting \$30 M from our budget. They deserve praise, not criticism.


Chicago, Columbus, Detroit, and Dayton are only a few cities that we know of who are facing much larger deficits in their budgets. Each is in much worse shape than Toledo. This is in large part due to the work done by our staff to reduce costs during the last 2-1/2 years. Again, Council members should be praising the Administration for making structural changes saving millions of dollars without impacting basic services – not pursuing personal political agendas.

The current plan before Council is intended to use CIP dollars that cannot be utilized yet this year. Some of these projects may need to be added back in 2009, but will need to be considered with other requests and available funding.

While we are working on the 2008 Budget issue, we are also preparing the 2009 Budget for submission by November 15, 2008. Cuts will be needed, so I am proposing that Council review this information and pass the Budget in very early January. To delay passage to a later date will only create a need for more cuts.

If Council members have any ideas to assist with the preparation of the 2009 Budget, they would be welcomed sooner rather than waiting for the most opportune "political moment."

I look forward to working with you to resolve our areas of mutual concern.


Carleton S. Finkbeiner, Mayor

CSF:pak

Cc: Robert R. Reinbolt, Chief of Staff
Theresa M. Gabriel, Asst. Chief of Staff
Thomas B. Kroma, Asst. Chief of Staff
John Sherburne, Director, Finance

P.S.
Have a
good week-end
Then, let's
get back to
work - TOGETHER!