



OFFICE OF THE MAYOR

April 27, 2009

TO: Mark Sobczak & Members of City Council

RE: Attached

Last Friday we met with a Fact Finder and TPPA. We will discuss the next step at Council Executive Session on April 28. The Fact Finder, not the City, set the next session for May 28.

City Council has had the Administration's Balanced Budget Plan for weeks. We still have a \$20.8 million budget deficit.

On Friday, Saturday and Sunday of this past weekend, Michigan, Ohio and national newspapers all carried stories of the impending bankruptcy proceedings of General Motors and Chrysler. Economists are now projecting 2013 as the year the economy and employment levels will return to normal. If that is close to accurate, this automotive city will have ongoing belt-tightening for the next four years.

I do not wish that – nor do you. However, the attached Sunday editorial in The Columbus Dispatch is as applicable to Toledo as it is to State officials and legislators in Columbus.

The Cleveland Plain Dealer also had an interesting story, from the union's perspective, discussing how the union must work with management to help cut costs. I agree with AFL-CIO Council 8 President John Lyall.

On Tuesday, I urge you to pass three initiatives that will reduce our budget by almost \$10 million.

The three initiatives are:


1. Exigency on PERS Rollback for 12 months - \$4.57 million in savings.
2. Tax reciprocity - \$3.2 million in revenue.

3. Trash Fee Increase - \$1.6 million in revenue. If no action is taken by May 1, the fee will decrease and create a larger budget gap.

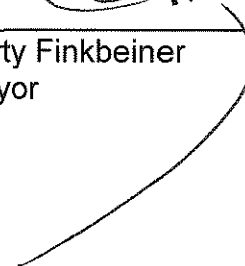
There will be vigorous positive momentum to our budget resolution by doing so. The sooner we act, the greater is the gain on our budget deficit.

Per Councilman Szollosi's plan, we have scheduled severe lay-offs in the General Fund, to include 150 police officers. These cuts will realize \$6.28 million in savings, but will not close the budget hole. Unless action is taken by Council, a further round of lay-offs will be necessary. With Council action, we may be able to reduce the number of lay-offs.

The citizens await our collective leadership.



Carty Finkbeiner
Mayor



Attachment

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