

**2010 State of the City
Mayor Michael P. Bell
February 24, 2010**

Welcome to the 2010 State of the City Address.

Thank you to the University of Toledo for hosting us this evening and to Larry Burns for his remarks.

I'd also like to recognize the members of Toledo City Council who are able to be here this evening, along with some of their family members.

- I appreciate the spirit of teamwork and cooperation that you and the council staff have embraced in working with my administration these first few months.
- While we don't always agree, I appreciate that we remain respectful of each other throughout the process.
- I consider you a partner and look forward to working in a productive manner over the next four years.

Also joined by members of my transition team and our citizen task force for the budget.

- Have volunteered their time, talent and professional expertise for the City and for my administration during what is a very challenging time in our community's history.
- They have offered many unique perspectives on the resources, opportunities and challenges of the city and suggestions for how we can continue to improve.
- Their groundwork will be important as we move forward over the next four years.

As a fire chief I learned to do a situation analysis when arriving on the scene of a fire.

- After 2 months as Mayor, I can tell you Toledo's situation analysis is dire.
- \$48 million deficit.
- Declining revenue and population.

- Little to no REGIONAL economic development outreach
- Need to maintain services.

We have taken several steps to address the budget already.

- Citizen task force has been meeting to discuss options, look for new solutions.
- “The Board” – a list of 60 items that have been suggested by our CSI to:
 - o reduce costs,
 - o find efficiencies, and
 - o generate revenue without increasing taxes on our residents.
 - o Here alone we have identified \$25 million in initiatives.
- This task force includes business and finance professionals, current and former professors, and leadership from our biggest unions.
- They have challenged us to examine the budget one expenditure at a time and questions why we spend what we spent, can we spend less or can we do without?
- They have asked us to find alternate ways of providing services that would cost less for the taxpayers.
- And they have challenged us to examine what services we must provide and what can we eliminate since our situation is so dire.
- This group is committed to our city’s future, and they have suggested ongoing meetings over the next several years to check in and make sure we stay on course.
- I will take them up on that offer and look forward to their ongoing guidance and input.

Our fiscal status is an emergency and the survival of our city is at risk. We are battling a 3-alarm fire.

- Until we begin to address the source of the blaze, new flames will continue to ignite.
- We must change the way we manage our operations.

- Private businesses around the country have been addressing these issues for years, but government seems to be the last to change.
- We can no longer afford to pursue the bad business deals of the past.
- The City of Toledo is not a residential landlord or a commercial developer.
- Each year we spend a million dollars of general fund money for debt on the Hillcrest, Commadore Perry and Museum Place apartment buildings.
- This debt continues until 2028 and represents approximate \$14 million of funding that should be spent on city services.
- We have an empty marina district on the east side of the river that has utilized \$21 million in CIP funding – yet there is no business located on that land to generate revenue back to our community.
- Our obligation is to present assets that are ideal for private investment and to work with our partners to package the competitive tools that will attract those private businesses to invest in Toledo.
- While the economic decline has been more rapid and drastic than we could have imagined, it is a reality and we must address it.

We must come together as a community to combat this problem.

- Simply closing pools, laying off workers or raising taxes will not eliminate a \$48 million deficit.
- This problem must be address on all fronts and it will take all of us working together to resolve the issues.
- I've heard from people that they don't want higher taxes, they want pools open, they don't want automated trash collection, and they don't want to pay red light tickets.
- At the end of the day, we must make changes that are going to reduce our costs and maximize our revenue.
- I need to know what you are willing to do to ensure the long-term health of OUR community.
- We have asked our unions to contribute a greater portion of their health care and pension and will have their response to that request tomorrow.

- I know they understand the gravity of the situation we are facing and want to contribute to the solution.
- We've have worked with directors to reduce non-personnel costs in every general fund department.
- This unfortunately means reduced resources for our police and fire services and making outdated technology last a few years longer.
- We've also worked with the municipal court system to find savings in their operations.
 - o They too realize the gravity of the financial situation we face and have stepped up to the plate to reduce costs by over 10% already.
 - o I thank Judge Kuhlman and Clerk of Courts Bowman English for their participation in this process.
- Now let me be clear.
- Our workforce is among the leanest and hardest working among Municipal workforces around the state.
- Toledo has an average of 1.8 police officers for every 1,000 citizens.
- By comparison, Akron – the next leanest city – has an average of 2.12 police officers for every 1,000 citizens.
- Toledo has an average of 1.55 firefighters per 1,000 citizens – again, the lowest of the six major urban areas in the State of Ohio.
- We have in the budget a fire class which began this January as well as a police class scheduled to begin in September.
- Both of these classes are at risk if we cannot get control of this budget.
- Nevertheless, despite the challenges our workforce faces each day in performing their jobs, I am asking for your direct participation in addressing this crisis.
- We also need the help of the citizens.
 - o CIP flexibility will become essential over the next couple of years as we work to dig out of the hole.

- By changing the CIP allocation, we avoid raising income taxes and can still maintain a capital improvement program by leveraging grant and stimulus funding.
 - This ballot initiative will have a sunset clause ensuring that we do not resort to this funding beyond 2012.
 - Voter approval on this ballot issue will be essential to maintaining services without tax increases.
- You've also heard about proposals for eliminating the tax reciprocity or increasing the garbage fee.
 - They are just that – proposals.
 - I am open to other suggestions that will address this deficit in the here and now – but we can no longer afford to turn down viable proposals without recommending alternate measures to secure fiscal stability.
 - Will the economy rebound?
 - Eventually, yes.
 - But Toledo cannot sit idly by and hope that it will happen before we make the changes necessary to preserve our community.
 - In the meantime these measures become necessary to ensure safety and services for the City.

While we work to cut costs, we must also work to increase our tax base – rather than our tax rate.

- Toledo has been absent from the regional economic development scene for too long.
- Our Deputy Mayor for External Affairs, Dean Monske, has begun to work with his team to rejoin the regional conversation with the Economic Development partners around Northwest Ohio.
- Working with the Port Authority, Chamber of Commerce, LCIC, RGP, NORED, the State of Ohio and the area universities, we can continue to present a united effort with multiple willing partners to attract jobs to the greater Toledo area.
- We have mended many fences in 45 days and that work continues.

- People frequently ask me what am I going to do to create jobs.
- Jobs are created by businesses.
- The City of Toledo can ATTRACT jobs.
 - o We must make our self an attractive location and be competitive with communities outside of this region.
 - o Have to access the “competitive tool box” that has been assembled by Toledo and our partners.
 - o We cannot do this alone – we need to work with others in the region, and we need to be a good partner bringing skills and assets to the table.
- How we present ourselves is key – we must be collaborative.
- As an example, we received a call a few weeks ago from Mark Connor and Mark Connor Jr. with MAC II Enterprises.
- They are here tonight with us.
- The Connors own a successful auto supply corporation with major operations in China and Mexico.
- Being native Toledoans, they wanted to bring jobs back to this community.
- Based on their experience working with members of our economic development team, and knowing that we are building relationships with other development agencies in the area they called us.
- We in turn picked up the phone and called our partners to come to the table and work with the Connor’s to bring an operation to Toledo.
- The group met yesterday at MAC II’s new facility and are now working to bring new jobs to Toledo.
- For every example like this we have received 10 other calls and we continue to reach out to employers and our partners in the region to work on attracting these businesses to the area.
- We’ve received half a dozen calls from people who want to come back to downtown.

- We've received calls from neighboring communities looking to develop joint economic development zones around Toledo Express and Metcalf field.
- These relationships are a win-win situation for Toledo and our neighbors in the region.
- And our regionalism extends beyond Lucas County.
- We are part of a mega-region that extends beyond northwest Ohio thanks to relationships built between the Toledo Regional Chamber of Commerce and the Detroit Chamber of Commerce.
- By working together we can team our assets to sell the region internationally.
- This initiative is a long-term effort, but it is still important to nurture.
- Mega-regional partners can be a source of referral for new business. If we can't accommodate the facilities that a new business needs to locate in the area, but our neighbor can, we will still receive some benefit by referring them to a nearby regional community where some Toledoans will ultimately be employed.
- We cannot overuse words like partnership and collaboration when talking about our economic development efforts.
- We continue to fine tune our system and we see those efforts making a difference.

Part of making sure we are tapping into all viable resources for the City includes making sure Toledo gets its fair share of federal funding.

- These are the tax dollars that Toledoans pay and they are tax dollars we need to make sure come back to our community.
- 2010 is a Census year, and it is vitally important that our residents are participating in the Census.
- Please **MAKE SURE TOLEDO COUNTS** – fill out the form and send it back.
- It is one of the shortest Census surveys in recent history – only 10 questions.

- This survey will ensure that we get money for roads, highways, bridges, schools, hospitals, job training, childcare and senior centers.
- It also determines our representation in Congress – our voice at a national level.
- With the current financial state of our city, Toledo cannot afford NOT to count in this year's Census.
- All of Northwest Ohio needs to stand up and be counted to ensure we are receiving our share of federal resources.

As you can see, the challenges we've been dealing with are mounting, but we are dealing with them as they come.

- There are solutions out there.
- They are not easy, and they are not without pain for all of us.
- But we are all affected by these problems.
- We will all be positively affected if we all act together.
- I'm asking for your patience and your help.
- Before we close the program, I want to leave you with a few examples of the things I see that tell me we're on the right track.
- Our employees are taking initiative to solve problems and provide better service.
 - o Ed Moore; snow plows; power wash business.
 - o Toledo Diocese; automated cans; accessibility program; help neighbors.
- It is the demonstrations of kindness like these, people showing that they care to make this city better that tell me we can collectively impact our future for the positive.
- It will take time, but we can turn the City of Toledo around and get moving in the right direction.

Thank you again for being here tonight and thank you for your support.

Good night.