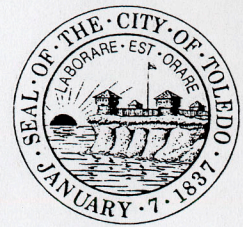


# CITY of TOLEDO

CARLETON S. FINKBEINER, MAYOR



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John E. Sherburne, Director of Finance

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December 31, 2009

TO: Carleton S. Finkbeiner, Mayor  
THROUGH: Theresa M. Gabriel, Assistant Chief of Staff  
FROM: John E. Sherburne, Director of Finance  
SUBJECT: PROJECTED YEAR END FINANCIAL POSITION - 2009

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The Finance Department has been collectively reviewing activity leading up to year-end in an attempt to estimate our financial position. The Division of Taxation & Treasury has been closely following our income tax collections and now projects that for 2009 our collections will be \$138.2 million.

You will recall that we amended our original projection for 2009 to \$145 million. This decline is reflective of the continued deterioration of our local economy. Collections for 2008 were \$154.4 million, while \$169.7 million was collected in 2007.

Total revenue projections for the General Fund are estimated to be approximately \$221.3 million for the year. The original passed revenue budget was estimated to be \$249.3 million.

As you are aware, the Accounts Division has attempted to clear all payables from the system in an effort to not only make the financial system conversion easier, but also to project our yearly expenses. While I believe we have processed the overwhelming majority of outstanding payables from divisional operations, we are still seeing belated invoices being forwarded. Payrolls for December amounted to \$11.3 million and the remaining CIP transfer is projected to be \$7.3 million. We estimate that our total General Fund expenses for the year will be approximately \$228.5 million. Note that expenses for 2008 were approximately \$240 million and expenses for 2007 totaled \$242.7 million.

These final projections from our divisions cause our year-end deficit for 2009 to be \$7.2 million. I'm reminded that if City Council had passed the 50% tax credit reduction in February as we proposed, its value was estimated to be \$6.1 million annually. I believe that if these projections are close it says a lot for your Administration in that the passed expense budget for 2009 was \$249.3 million. Expenses have been cut by \$20.8 million during the year.

While it is unfortunate that the deficit will continue to grow without economic growth or expense reductions, I believe that cutting that amount out of operations and having the City continue to provide quality services to its citizens speaks highly of Toledo's leadership.

JES/db

cc: Robert R. Reinbolt, Chief of Staff/Safety Director  
Lourdes Santiago, Assistant Chief of Staff  
Adam Loukx, Acting Director, Law Department  
Peg Wallace, Acting Director, Human Resources