

Carty Finkbeiner

November 1, 2011

Mayor Mike Bell
City of Toledo
1 Government Center
22nd Floor
Toledo, Ohio 43604

Mayor Bell:

Since you assumed office in January 2010, I do not believe your administration has fairly reported on the City's finances, you inherited from my Administration. When I left the Mayor's office in January 2010, my administration had cut almost \$40 million from the City's General Operating Budget between 2007 and 2009. By December 2009 we had reduced the City's deficit to \$7.2 million. (See attached memo dated December 31, 2009 from Finance Director Sherburne to myself.) Further, Director Sherburne projected that because of declining revenues and labor cost increases, the deficit for 2010 would be an estimated \$30 million. A BLADE editorial dated November 19, 2009 correctly pointed out that our \$30 million deficit projection was perhaps extra conservative, and that the number on the 2010 deficit would perhaps be \$25 million. It turned out to be \$21 million, and that is the number your administration and City Council passed by ordinance on or about April 15, 2010. Yet, you, Deputy Mayor Herwat and your financial officials continue to confuse the public regarding the 2010 budget by stating you inherited a \$48 million deficit! My administration worked very hard from the last quarter of 2007 through December 2009 to reduce city costs. As a result, you were handed a \$7.2 million year-end 2009 budget deficit – not \$48 million.

After inaccurately stating and restating that the Bell Administration inherited a \$48 million deficit for most of the past two years, recently your top financial official, Patrick McLean, confused the issue further by stating that my financial officials made a \$2.8 million accounting error. I question that representation, which has taken 22 months to discover. While I appreciate the challenge your Administration had in converting from the old finance system to the new system, let me remind you that the Finkbeiner Administration did not close the 2009 City of Toledo books. That was the responsibility of the Bell Administration in 2010.

Finance Director McLean's most recent accusation, once again displays disrespect for the men and women you once worked with – the same men and women who sacrificed to cut nearly \$40 million from the City budget by taking 10-20% salary reductions, working a

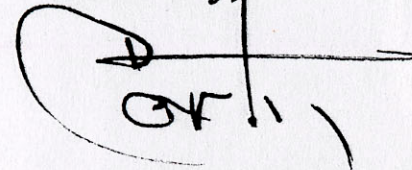
36 hour work-week, taking furlough days without pay, eliminating overtime except for police and fire, and experiencing multiple lay-offs.

It is time to bring this posturing and false accusation to closure. I believe City Council deserves clear and concise answers to these matters. I propose an immediate meeting of your financial officials, as suggested by Councilman George Sarantou, with John Sherburne and John Bibish of my finance team. My finance officials were not even contacted by Mr. McLean before he made his accusation. I recommend this meeting should be conducted by Council Finance Chair Sarantou on a basis consistent with disclosure for the November 15th budget deadline.

In closing, when I handed the keys to the Mayor's Office to you, there was a \$7.2 million deficit. The facts are available to review from the audited financial statements of the City of Toledo. In my opinion my recommendation above is the best way to bring an impartial closure to this issue. Mayor, I know you are a fair person who will want to provide accurate information to City Council so let's work together to do that.

I look forward to a phone call regarding a mutually agreed upon meeting date.

Sincerely,

A handwritten signature in black ink, appearing to read 'Carty Finkbeiner', written over a horizontal line.

Carty Finkbeiner
419.389.4940

CC: Toledo City Council
Patrick McLean
John Sherburne
John E.. Bibish, CPA