



City of Long Beach

2014-2015 Proposed Budget Summary

Rebuilding for the Long-Term



The Proposed operating budget for the Fiscal Year 2014-2015 is \$84,609,564 for the City of Long Beach. This budget falls within Governor Cuomo's New York State Tax Cap and includes another year of reduced discretionary spending.

Proposed Budget Highlights

- ✓ **Reduces Tax Burden**
 - ✓ City property taxes will be reduced by approximately 1.2%
 - ✓ Inherited deficit surcharge will be retired a year early.
 - ✓ The tax levy remains within Governor Cuomo's Tax Cap.
- ✓ **Maintains the Right-Sized Workforce**
 - ✓ The City has reduced its workforce by 12%, to the lowest level in decades.
 - ✓ Personnel costs as a percentage of the overall budget have decreased to 60%, from an unsustainable 83%.
 - ✓ Early retirement incentives continue to be offered.
- ✓ **Reduces Departmental Spending**
 - ✓ Departmental spending has been reduced from the prior year.
 - ✓ All departments were tasked with holding spending at or below fiscal year 2013-2014 levels.
 - ✓ There were 546 discretionary lines; we reduced 129 of them for total cuts of over \$1.5million from requested amounts.
- ✓ **Increases and Diversifies Revenues**
 - ✓ This year's proposed budget includes \$2.1 million in grants, an increase of \$1.3 million, or 175%, from the prior year.
 - ✓ The relationship between various user fees and the cost of providing the related services are aligned.

Rebuilding for the Long-Term– Implementing our Long-Term Fiscal Recovery Plan

- ✓ Additional department consolidations are being explored to provide long-term efficiencies and further cost savings.
- ✓ Management employees will continue to pay into their healthcare.
- ✓ The City's newly formed Local Development Corporation is working to identify and promote economic development opportunities to assist local businesses and create non-property tax revenue.
- ✓ The inherited deficit will be eliminated, and plans to establish reserves are being formulated.

Restoring Credibility

- ✓ Moody's recently changed the City's outlook from negative to stable citing "improved fiscal controls and policies implemented by a new management team", "management has improved budgeting practices which led to the declines in recent years" as well as the City's "manageable debt burden" and that "debt is retired at an above average rate."
- ✓ The City is well on its way to full fiscal recovery. While the road is long, the City council has put the required foundation in place.

Important Upcoming Dates

- **5/20** Public budget hearing is held by the City Council.
- **5/31** City Council shall vote on final adoption of the budget on or before this date.