



City of Long Beach

The Cost of State Senate Inaction: \$183 Per Year, Per Household



Given the City's inherited fiscal deficit, the new administration initiated a thorough and thoughtful budget process — working around the clock scouring the budget, line-by-line, to find potential savings. Through significant spending cuts and personnel savings, the City passed a balanced budget for 2012-2013. However, the City still must pay the cost of the deficit it inherited from the previous administration.

State Senate Majority Leader Dean Skelos Let Long Beach Taxpayers Down

- ✓ State Senate Majority Leader Dean Skelos did not pass the routine deficit financing bill that he sponsored.
- ✓ An identical bill sponsored by Assemblyman Harvey Weisenberg easily sailed through the State Assembly with overwhelming bi-partisan support 134-6.
- ✓ The deficit financing bill would have been no cost to the State.
- ✓ Had the State Senate fulfilled our request, the City would have been able to pay out the deficit over 10 years instead of 3 years.
- ✓ The bill would have saved each taxpayer approximately \$183 a year for 3 years.

What State Senate's Failure will Cost Long Beach Taxpayers: An Inherited Deficit Surcharge

- ✓ **An additional \$183 a year for 3 years**
- ✓ Not a permanent tax increase, temporary surcharge to pay off the inherited deficit

How Did We Get Here?

The previous administration ran a multi-million dollar annual deficit, culminating in 2011's estimated \$10 million deficit. In December 2011, the previous administration was unable to make payroll after completely depleting the City's reserves. This caused an unprecedented and alarming five-level downgrade of the City's bond rating by Moody's Investors Service. After years of mismanagement by the previous administration, an extraordinary financial burden was left for residents to pay. The previous administration was responsible for:

- ✓ Wasteful overspending (*"no purchasing requests were ever denied"*)
- ✓ Hiring unfunded positions (*e.g., five firefighters late last year*)
- ✓ Unfunded promotions (*the current administration rolled them back earlier in the year*)
- ✓ Hiring more part-timers than necessary (*there was a dramatic increase in 2011*)
- ✓ Over-estimated revenues (*every year*)
- ✓ Under-estimated expenses (*every year*)
- ✓ Exorbitant overtime (*the current administration instituted a strict pre-approval procedure in January*)

The current administration's fiscal responsibility has reduced the size of the inherited deficit by several million dollars.