



City of Long Beach

2013-2014

Adopted Budget Summary



The Adopted budget for the Fiscal Year 2013-2014 is \$83,370,914 for the City of Long Beach. This budget contains a real and significant year-over-year cut in expenses, having been reduced from last year's \$85,135,237, without cutting essential services which are needed now more than ever in the wake of Superstorm Sandy.

Highlights of the Proposed Budget

- ✓ Even with continually increasing fixed costs such as healthcare, payroll taxes, and contractual costs, that account for almost \$3.5M in the upcoming fiscal year, we've cut spending by \$1,764,324 below last year's levels.
- ✓ We have right-sized the workforce, reducing headcount by 12%, to the lowest levels in over a decade, reducing labor and personnel costs from 83% of the budget down to 63%, placing the cost structure of government on a more affordable and sustainable trajectory.
- ✓ The City Council tasked this administration with staying within Governor Cuomo's New York State Tax Cap of 2.19%, and this budget accomplishes that goal with an increase of just 1.49%. *The average additional cost per house equates to \$43. This is necessitated because of the circumstances detailed above.*
- ✓ Expected revenues have been reduced due to Superstorm Sandy — anticipated storm-related loss of revenue (e.g., beach park, department fees, programs) is reflected in this budget.
- ✓ The worst of the fiscal crisis is now over — the City's finances are on the comeback trail.

A Return to Fiscal Responsibility - overcoming the inherited fiscal crisis

- ✓ Departmental spending was slashed across the board.
- ✓ Productivity is up and overtime is down.
- ✓ A series of reforms helped streamline City government, including consolidating various departments, such as public works, allowing entities with like duties to utilize each other's skill set thus expanding the scope of citywide services and projects.
- ✓ Concessions were negotiated with our union partners.
- ✓ Early retirement incentives were offered and accepted.
- ✓ Additional personnel reductions were required
- ✓ Management employees began paying into their healthcare.
- ✓ 71% of closing the inherited deficit was accomplished through a mix of budget cuts and new revenues.

Restoring Credibility

- ✓ Moody's lauded the current administration for the response thus far — declaring a fiscal crisis and "slowing expenditure growth," specifically by saving the City millions of dollars in reduced overtime costs, departmental spending cuts, lower overall management salaries, and amortizing state pension payments.
- ✓ The road to recovery is a long one, but as Moody's stated in their last report on Long Beach's status, "the City is on the right track and making progress on returning to structural balance."

Important Dates

- 5/7 & 5/21 Public budget hearings are held by the City Council.
- 5/31 City Council shall vote on final adoption of the budget on or before this date.
- 7/1 The new budget, for fiscal year 2013-2014, takes effect.