

City budget the incoming administration will inherit

Written by Michael R. Bloomberg
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BALANCING New York City's annual \$70 billion-plus budget can be a pretty hard puzzle to solve.

But last week, we made that job a lot easier for the incoming administration of Mayor-elect Bill de Blasio; in fact, we've already balanced the next mayor's first budget even before he takes office.

And that's a first in modern memory — and maybe even a first in the city's entire history.

Here are the details.

Five months ago, when the city adopted its current budget, we projected that there would be a gap of roughly \$2 billion between revenues and expenses for the next budget — for what will be called Fiscal Year 2015, beginning next July 1.

But thanks to the economic growth our administration has encouraged — and also because of our major cost-saving reforms in how city government operates — we've now been able to close that gap, well ahead of time.

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Our growing economy is certainly good news for our city.

It means more jobs for New Yorkers, and also more tax revenues to pay for the city services that we all rely on.

And the personal income and real estate transaction taxes that the city collects are running well ahead of the projections we made earlier this year — something that's helping balance next year's budget.

At the same time, a number of steps we've taken to reduce city government expenses are also starting to pay off, big time.

A good example is our proposal to seek competitive bids in selecting the primary health insurance provider for city employees and retirees.

That prompted the current provider not to ask for increases in the insurance premiums that the city pays — something that hadn't happened in the previous 15 years.

And that's going to save taxpayers \$364 million in the next fiscal year alone.

The budget for Fiscal 2015 also includes funds to settle currently expired contracts with city unions, and pay realistic raises to city workers.

As part of such settlements, employees would have to agree to make reasonable contributions to their health care costs.

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Currently, more than 90% of city employees pay “zero” toward their health care premiums; taxpayers cover the entire cost.

That’s in sharp contrast with state employees, who typically pay a substantial share of their health insurance premiums.

During the past 12 years, we’ve weathered some of the worst economic calamities New York has ever seen.

And we’ve charted a steady course toward economic growth in all five boroughs and fiscal responsibility at City Hall.

We’re proud of all we’ve achieved — and now we want the next administration to do even better.

The balanced budget we’re handing off to them now — more than seven months before the next fiscal year begins — will help them get off to the best possible start.