



New York City Comptroller
Scott M. Stringer

NEWS

New York City Comptroller Scott M. Stringer's Remarks Before
New York Financial Control Board – July 29, 2014

It's a pleasure to join all of you this afternoon at the Financial Control Board's annual meeting. For me, being here is an honor--an aspect of my job as Comptroller that I undertake with resolve and respect.

The creation of the FCB grew out of the city's brush with bankruptcy in the 1970s – and the fiscal crisis that almost brought New York to its knees.

Let's never forget – that crisis was preventable.

Today's meeting is a continuation of the vitally important review and accountability that has governed New York City's budget for the last 36 years.

Our culture of fiscal oversight has been enriched by the work of the Independent Budget Office and non-government monitors like the Citizens Budget Commission.

It's no exaggeration to say that these controls have ensured on-time City budgets which are balanced in accordance with rigorous standards.

As a result, New York City today has one of the nation's most closely watched, scrutinized and monitored budgets.

This oversight helped spur a significant improvement in our credit rating and borrowing costs. And it's helped our finances remain robust during the ups and downs of various economic cycles.

The checks and balances built into New York City's budget process are also vital to its success and stability.

I'm pleased to report that the FY 2015 Adopted Budget is balanced and responsible. And I commend Mayor de Blasio for his prudence in adding another \$864 million to the Retiree Healthcare Benefit Trust.

This is in addition to not withdrawing the \$1 billion in FY 2014 as was planned by the City last fall.

It is important to note that the Trust balance is now higher than at any point since FY 2011.

The Adopted Budget includes the funding necessary to pay wage increases to our City's hard working public employees – which they went without for several years.

By fully accounting for these costs, we now have a budget that shows a clear picture of the City's long-range finances.

It would be easy for a new Administration to identify new sources of revenue and spend, spend, spend.

But the Mayor found ways to fund critical programs and services – while also setting aside money for the city's future.

He and the City Council should be commended for finding resources to expand programs like UPK, afterschool, arts education, and summer youth employment programs.

They have also begun new initiatives like a rent cap for HASA housing, Vision Zero, and Municipal Identification cards.

On the pension side, I'm pleased that the 17.4% returns from this past fiscal year that we've just announced will further reduce our projected out-year budget gaps starting in FY 2016.

This will ultimately save the City \$17.8 billion--more than \$1 billion in the current financial plan alone.

I'm also encouraged that New York City continues to surpass the nation in growth and job creation.

My office is projecting higher revenues that will more than offset the risks of higher uniform overtime costs, and the difficulties in claiming federal Medicaid funds at DOE.

These revenues will further reduce our out-year gaps to manageable levels.

But we must remain vigilant.

While the economy looks stable now--with the national growth forecast to improve--there is increasing evidence that this recovery may never return to full speed above 3% GDP.

I'm also concerned about the nature of jobs that are being created in our City. They reflect an increasing tilt toward lower wage industries.

Successful fiscal management requires that we use all of the tools available to us—including an agency efficiency program to achieve savings.

Only by accumulating resources can we cushion ourselves against unanticipated future downturns.

From FY 2009 to FY 2013 the City needed over \$7 billion of prior-year resources to overcome its operating deficits.

Again, it is a pleasure to meet here today with the members of the FCB.

By working together, I know that we will protect the integrity of New York's budget process – and ensure our City's fiscal future.

That mandate is no less urgent now than it was when the FCB first met – and I am proud to be part of this important, ongoing process.

Thank you very much.

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