



May 10, 2018

The Honorable Mike Tangney  
Acting City Manager, City of Long Beach  
City Hall  
Long Beach, NY 11561

Dear Acting City Manager Tangney and Members of the City Council:

On behalf of National Taxpayers Union (NTU) and our members on Long Island and across New York, I write to offer comments regarding the fiscal challenges facing the city and provide NTU's views on the proposed budget. Years of excessive spending coupled with a series of natural disasters have undoubtedly taken their toll on the community and city finances. However, the budget, as proposed, only continues the tradition of out-of-control spending and includes tax hikes that will leave the city worse off and in a weaker long-term position.

Long Beach faces a \$2 million budget deficit and a debt burden of \$92 million. Despite these fiscal hurdles, the proposed budget calls for \$95 million in spending - a 1.75 percent increase over FY17 and a 10.2 percent spending increase over FY16. However, since 2010 population has only grown by 1.3 percent, at an annual average of just 0.21 percent, and real income has declined 0.74 percent since 2013. Rather than make the fiscal situation worse in future years with irresponsible spending today, the city should embark on serious budgetary reforms, starting with government employee salaries and benefits. If the City Council were to simply adopt a budget that binds spending to FY16 levels, new taxes would not be necessary. Further, any extra revenue could be used to pay down existing debt or put it in a lock box for future emergencies.

Instead of adhering to sound budgetary policy through spending cuts, the proposed budget calls for higher tax burdens on middle-class homeowners. If enacted, this plan would increase the real property tax rate by 12.1 percent, which would be an additional \$400 tax burden for a middle-class homeowner annually. The recommended increase completely busts the property tax cap set at 2.64 percent, an important taxpayer protection against tax increases.

Lawmakers should be sensitive to the prospect of tax increases due to the recent changes to the State and Local Tax deduction (SALT) included in federal tax reform. The SALT deduction, as NTU has [written](#), subsidizes state and local governments, especially those with high tax burdens. Since taxpayers could previously write off these taxes, it made it easier to swallow higher tax burdens. However, now that SALT is capped, taxpayers in high-tax jurisdictions are exposed to a larger amount of state and local tax.

Rather than increasing the tax burden on Long Beach taxpayers, NTU urges the City Council to reevaluate existing programs, improve efficiency, cut waste, and bring expenditures down to responsible and affordable levels.

Sincerely,

Thomas Aiello  
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