

Mayor of Yonkers, New York calls for draconian budget cuts

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Confronting the same economic crisis plaguing many American cities, Michael Spano, the Democratic mayor of Yonkers, delivered a speech Monday calling for \$89 million in budget cuts from a total \$940 million budget. This amounts to a nearly 10 percent reduction in the city budget.

The mayor stated that these cuts will slash 114 jobs from a total municipal workforce of 1,753. This includes 34 jobs in the public works department, 36 in the fire department, 37 in the police department, and seven in the parks and recreation department. He said that he is imposing 5 to 10 percent cuts in virtually every department.

Two out of 18 fire companies will be closed. The head of the firefighters union said that the fire department has already had significant cuts, and he does not know how it will protect Yonkers.

The mayor proposed that the city raise property taxes by 3.72 percent. This would amount to an extra \$295 in property taxes for the average homeowner. There is also an increase in municipal water fees projected to pull in \$5 million.

He refused to call for an increased income tax on the wealthy.

Spano also called for property reassessment, a project that the president of the city council stated could yield the city up to \$12 million annually. This could only be accomplished by substantially raising the property assessment on a large number of low income and senior citizens who reside in the city.

The city council must vote on the mayor's proposal by June 1.

The \$89 million figure is supposed to close the budget deficit for fiscal year 2012-2013. For the next three years, however, it has been estimated that the city will have a projected accumulated debt of about \$465

million, growing to \$550 million over the next four years. The city just had a downgrade in its bond rating.

Yonkers, with a population of almost 200,000, is just north of New York City and is the fourth largest city in New York state. It is one of a number of cities in the state that are facing a severe fiscal crisis.

Buffalo, the second largest city, is confronting the possibility of insolvency. Utica and Long Beach, in addition to Yonkers, have had their credit ratings downgraded, raising the threat of bankruptcy. The mayors of Syracuse and Rochester, two cities confronting the possibility of insolvency, are considering having their cities placed under the control of state-created financial control boards in order to impose emergency budget cuts. Nassau County, on Long Island, is already under the financial control of a state board.

Mayor Spano is using an investigative report that he requested to justify the cuts that he announced. The report was issued recently by former lieutenant governor Richard Ravitch and former Assemblyman Richard Brodsky, from Westchester County, which includes the city of Yonkers.

They stated that the city had used one-shot asset selloffs worth more than \$500 million since 2004. The report also maintained that the city had borrowed to pay pension costs and property tax refunds, and assumed future state aid. They concluded that the city might go bankrupt or should be taken over by a state financial control board. The city has been placed under the control of such a board twice before.

The *New York Times*, in an editorial published April 12, has also used the report to demand budget cuts in Yonkers. The newspaper effectively called on Spano to make the working population pay for the fiscal crisis. It concluded by stating that in imposing cuts such as

“higher taxes, cuts in services or in pay and benefits for public employees, or whatever, the effort will have been well worth it.” Referring to other cities, the editorial states, “Newburgh, N.Y., Rockland County, Syracuse, Detroit—and you will see governments everywhere having to face up to harsh facts and excruciating decisions.”

Detroit is among the largest US cities where the threat of bankruptcy is being used to impose drastic budget cuts. Earlier this month, the city council voted to enter into a “consent agreement” with the state of Michigan. It created a Financial Advisory Board that empowers city and state officials to rip up labor contracts and impose draconian cuts in social services.

The mayor of Yonkers announced his cuts in a speech that lasted only 15 minutes. He stated that he is seeking to avoid the kind of hostile reactions by working people that previous cuts have evoked. In May of last year when former Mayor Philip Amicone, a Republican, sent out pink slips to more than 400 teachers and 300 other school employees, it produced a two-day protest by hundreds of teachers, students, parents and school staff. This was in sharp contrast to the reaction of the Yonkers Federation of Teachers, which at that time announced that it would make \$3.3 million in concessions by amending teachers’ work schedules.

While Spano is not calling for more layoffs of teachers or school workers in his budget, School Superintendent Bernard Pierorazio explained that a \$14 million deficit remains in the school board budget. He said he would sit down with the three unions involved and eliminate that deficit through more drastic concessions from these workers. If workers do not agree to the concessions, layoffs and more school programs cuts may be imposed as has already happened in 2011 and 2010.

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