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Whopping \$69.5 billion debt hangs over city as short- and long-term spending gets cut

[Adam Lisberg](#)

Sunday, December 26th 2010, 4:00 AM

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Hagen for News

Mayor Bloomberg has continued a pattern of long-term spending on infrastructure, even as short term spending has been cut. Now, time is running out on the city's debt. Now that all the [Christmas](#) gifts have been unwrapped, it's time to pay the bills.

That's the dilemma in City Hall, too.

A report from [Controller John Liu](#) shows [New York](#) is carrying \$69.5 billion in debt - the highest level ever.

That breaks down to \$8,281 for every man, woman and child in the city, 7% higher than a year ago.

New York, like most governments, runs up those huge sums on long-term projects like parks and bridges and schools - as well as big tech projects like CityTime - then pays them back over time with interest.

"The credit card bills are coming due," Liu said.

Many of those projects are worthy, but [Mayor Bloomberg](#) has plowed the taxpayers' money into them like never before - even as he plans to lay off workers and close fire companies at night.

"There always has to be a balance. We're trying to strike that," said Bloomberg spokesman [Marc La Vorgna](#). "We do have to deal with the growing cost of debt service."

When Bloomberg took office, the city's annual bill to pay off the debt was \$3 billion. This year, it's \$5.4 billion - and it's projected to rise to \$7 billion in three years.

Bloomberg has pushed ahead with long-term spending, even as he cut the city's short-term budgets - believing it's important to invest in New York's infrastructure.

Still, there are signs that even Bloomberg has found the limits of what New York can afford to spend on the future.

His budget director, Mark Page, recently sent a memo to agency bosses ordering them to figure out how to cut their long-term spending by 20%.

"We are obliged to also address the amount of the budget going for debt service," Page wrote. "To do so, we must reduce the plan for capital spending which drives capital borrowing and its resulting debt service cost."

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12/28/2010

Whopping \$69.5 billion debt hangs ove...

In other words, City Hall is just like your house right now - it's cutting back to live within its means, but it has only itself to blame for spending big in the first place.

And maybe just like in your house, City Hall has promised to cut back in the past - but blown it.

Maria Doulis, an analyst at the [Citizens Budget Commission](#), studied Bloomberg's last two cuts in long-term spending - 20% in May 2008, 30% in January 2009 - and found they didn't last long.

"The reversal of this reduction began just a few months later," Doulis wrote.

"Failure to impose fiscal austerity on the infrastructure agenda is evident," she added.

Take this year's budget: Bloomberg first proposed spending \$9.2 billion on long-term projects. Then he cut it to \$6.2 billion. And then he opened up the spigot again to \$12.1 billion.

So if you're sitting around the Christmas tree, smiling at your presents and cringing at the bill and wondering how that happened, just remember Bloomberg feels the same way.

Or as Doulis put it: "Spending will ultimately be much higher than currently planned unless the mayor becomes more determined about establishing priorities."

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ASilva_NY

6:43:29 AM

Dec 26, 2010

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Jim F

7:41:45 AM

Dec 26, 2010

this article is nonsense. the reporter is deliberately vague about the billions we spend annually on on "debt service". the debt must be shrinking, not growing, if they're paying 3 - 5 billion a year. it's misleading. does he mean 100% of that cash is just for INTEREST PAYMENTS? i think so. if this reporter was better, we'd know the answer.

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Jim F

8:44:55 AM

Dec 26, 2010

this article is also totally false because almost none of the money bloomturd stole went for "infrastructure". \$500 mil went just to McDonald's for corporate welfare. \$6 bil went up in smoke in contracts like citytime but for "homeless services". \$7 bil went to pay off lawsuits against his crooked City Hall. even bloomturd said there was nothing wrong with a \$70 mil Citytime contract mysteriously ballooning to \$700 mil. that's yer proof he did it with every other agency.

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Jim F

8:47:15 AM

Dec 26, 2010

and when liberg lies about "infrastructure" he's spinning it even when it's half true. the \$20 billion he stole to extend the 7 line to wthe west side was only done as a gift to his rich developer pals. there was no need for it at all. this reporter always lies cuz he wants a job at Bloomturd News.

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Jim F

8:50:05 AM

Dec 26, 2010

read this article again and notice no opposing viewpoint to the comic lies that the money is legitimately spent. did the city council really need the 100% pay raise giuliani and bloomturd gave? lisberg is a liar.

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Jim F
8:52:15 AM
Dec 26, 2010

i heard lisberg got this job via team bloomturd, just as did DN editorial page editor arthur browne who is an ex-bloomturd employee. all his editorials hail bloomturd. any guesses why?

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josoff
9:10:04 AM
Dec 26, 2010

This is our "financial wizard" mayor, who "saved the city".... What a bunch of bull krap. Here's a lesson for all my fellow readers: just because you are a billionaire doesn't mean you are some kind of financial genius, or even more than moderately intelligent.... A lot of it has to do with luck, if you are in the right place at the right time, with the right people around you, you too can win the lotto! e.g. Bumbo, Obama, GW Bush, Hoe-pra, JayZee, Puff the magic rapper, Jennifer Hoe-peze, the facebook guy, etc. It doesn't necessarily translate into good governance.

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melloca
9:25:02 PM
Dec 26, 2010

This is all on GOP Tea Party Mayor in Mike MADOFF Gloombergs spending spree on BS.

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