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THE NEW YORK POST, TUESDAY, OCTOBER 9, 2001

Rudy to unveil revised budget

By KIRSTEN DANIS
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Mayor Giuliani today will announce revisions to the $40 billion city budget — and many officials expect him to impose strict belt-tightening measures to fight looming fiscal problems in the aftermath of the terror attacks.

"Very strong action will have to be taken — I'll take it," Giuliani said.

He would not say what he planned to do to meet his goals of keeping city services steady, going ahead with planned tax cuts and turning over a balanced budget — and even a surplus — to the next mayor.

But some officials said they expect tough restrictions on spending and possible agency cuts.

"We expect a hiring freeze, and we expect he'll propose some type of spending freeze," a City Council source said.

Observers expect Giuliani will disclose the projected spending gap has grown by at least $1 billion.

The deficit for fiscal year 2003, which begins July 1 of next year, may climb from a projected $1.9 billion to between $3 billion and $4 billion, sources familiar with the budget said.

Because Giuliani is scheduled to leave office at the end of the year, it means the new mayor will probably have his hands full in dealing with the cash crunch next year.

This year, the budget changes take on special significance as a measure of the city's fiscal strength following the terror attack coupled with a slowing economy.

"I think I've figured out a way to do this that will keep the budget in balance and take care of any and all contingencies," Giuliani said.

The mayor described the budget as "very strong" despite job losses that could hit 100,000, a skittish tourism industry, and lower tax rolls. The city will be looking to the state and federal government for help, he hinted.

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