

CITY OF PROVIDENCE, RHODE ISLAND
EXECUTIVE DEPARTMENT
OFFICE OF THE MAYOR

MAY 15, 1975

TO THE HONORABLE THE CITY COUNCIL
OF THE CITY OF PROVIDENCE
CITY HALL
PROVIDENCE, RHODE ISLAND

LADIES AND GENTLEMEN:

AS I SUBMIT TO YOU MY FIRST BUDGET AS MAYOR, I WOULD PREFACE MY REMARKS WITH A CONSIDERATION OF A NUMBER OF SUBSTANTIVE PROBLEMS, EACH OF WHICH HAS HAD A MOST DELETERIOUS EFFECT UPON THE PRESENT FISCAL CONDITION OF THIS CITY, ALL OF WHICH HAVE COLLECTIVELY CAUSED THE NECESSARY INCREASE IN THE TAX RATE FOR FISCAL 1975-1976.

DURING THE LAST THREE MONTHS OF THE PREVIOUS MAYORAL ADMINISTRATION, MY PREDECESSOR SAW FIT TO USE \$1,300,000 OF A \$3,580,200 SURPLUS, WITH WHICH HE BEGAN THE YEAR, TO BALANCE HIS BUDGET; SECONDLY, HE NEGOTIATED A CONTRACT WITH LABORERS UNION 1033 THAT PROVIDED A \$12.50 RAISE FOR EVERY BLUE COLLAR WORKER IN THE CITY, AND WHICH WAS TANTAMOUNT TO ESTABLISHING THE SAME INCREASE FOR EVERY OTHER WORKER IN MUNICIPAL EMPLOYMENT, AND, AS WELL, INCLUDED IN THIS CONTRACT A PROVISION FOR A LEGAL ASSISTANCE FUND AMOUNTING TO AN ADDITIONAL \$120,000 PER YEAR COST FOR THE CITY; THIRD, HE AUTHORIZED ADDITIONAL AMENDMENTS TO THE BUDGET THAT WERE SUFFICIENT TO ERASE THE \$2,636,245 LEFT FROM SURPLUS AND MORE. NOTABLE AMONG THESE AMENDMENTS WERE INCREASES IN PERSONNEL HIRED BETWEEN NOVEMBER 6TH AND JANUARY 5TH, TOTALING OVER 150 DIFFERENT INDIVIDUALS, IN POSITIONS WHICH HAD BEEN UNFILLED FOR SEVERAL YEARS; AND A LONG OVERDUE PAYMENT TO RETIRED SCHOOL TEACHERS, WHICH HAD LONG BEEN CONTESTED IN COURT CASES, AND WHICH INCURRED ADDITIONAL COSTS BECAUSE OF THE LONG DELAY. THESE ACTIONS TOTALLY ERASED ANY SURPLUS FUNDS WITH WHICH TO BEGIN FISCAL 1975-1976.

WHILE MY ADMINISTRATION HAS AVERAGED A SAVINGS OF BETWEEN 10% AND 12% PER MONTH IN MUNICIPAL PURCHASING BY USING THE LOWEST BIDDING VENDOR, AND BY GOVERNMENT SURPLUS PURCHASES WHEN APPROPRIATE; NEVERTHELESS, INCREASED COSTS IN FUEL, OTHER UTILITIES, AND ALL OTHER SUPPLIES HAVE CLEARLY INDICATED THAT DESPITE OUR COST-CONSCIOUS AND COST-EFFICIENCY ACTIONS, OUR ANTICIPATED REVENUES WILL NOT BE ABLE TO MAINTAIN A BALANCED BUDGET WITHOUT A TAX INCREASE. FURTHERMORE, I HAVE BEEN ABLE TO EFFECT SOME RENEWAL IN THE CENTRAL BUSINESS DISTRICT OF THE CITY WITHIN A VERY BRIEF TIME, AND HAVE SOME ASSURANCES THAT THIS REVITALIZATION MAY BECOME EVEN MORE SUCCESSFUL WITH A VERY FEW WEEKS.

IN ORDER TO MEET THE NEEDS OF THE CITY OF PROVIDENCE, I PRESENT TO YOU A BUDGET THAT TO BE BALANCED WILL NECESSITATE A TAX INCREASE OF \$7 PER THOUSAND OF ASSESSED VALUATION. THIS IS A BUDGET THAT IS BOTH REASONABLE AND RESPONSIBLE TO THE CITIZENS OF PROVIDENCE, AND WHICH WILL PROVIDE THE NECESSARY MUNICIPAL SERVICES. IT IS A BUDGET THAT CONTAINS NO FRILLS AND NO EXCESSES, BUT IS MARKED BY A CONCERN FOR THE DELIVERY OF EFFICIENT MUNICIPAL SERVICE BY RESPONSIBLE UTILIZATION OF EACH TAX DOLLAR. IN THESE DIFFICULT ECONOMIC TIMES, IT IS A BUDGET THAT IS CLEARLY WARRANTED.

THE BUDGET EXPENDITURES FOR THE NEXT FISCAL YEAR TOTAL \$94,815,119--AN INCREASE OF \$8,991,811 OVER THE 1974-1975 BUDGET. AND, LADIES AND GENTLEMEN, THIS INCREASE IN SPENDING HAS BEEN CAUSED BY THE ACTIONS OF A PREVIOUS ADMINISTRATION WHICH YOU SUPPORTED EITHER BY RECORDED VOTE OR TACIT AGREEMENT. TO BE SPECIFIC, OVER \$3 MILLION OF THIS INCREASE IS CAUSED BY UNION DEMANDS, IN PARTICULAR LABORERS' UNION NEGOTIATIONS FOR WAGE INCREASES. AN ADDITIONAL \$2.5 MILLION REPRESENTS INCREASED PAYMENTS UNDER UNION CONTRACTS FOR PENSIONS, BLUE CROSS BENEFITS, AND FICA TAXES, INCLUDING, I MIGHT ADD, THE LABORERS' INTERNATIONAL UNION LEGAL ASSISTANCE FUND. A MODEST \$1 MILLION REPRESENTS INCREASED COSTS FOR SUPPLIES AND MATERIALS AND SERVICES OTHER THAN PERSONNEL, AND \$700,000 FOR CAPITAL ITEMS. THE REMAINING \$1.6 MILLION IS FOR AN INCREASED SCHOOL DEPARTMENT BUDGET TO FUND PUBLIC EDUCATION. IN SHORT, THE MAJOR PORTION OF THIS INCREASED BUDGET HAD ALREADY BEEN ARRIVED AT BY THIS CITY COUNCIL AND THE PREVIOUS ADMINISTRATION WELL BEFORE NOVEMBER THE 5TH OF 1974. WE SHOULD NOT FORGET THIS FACT, NOR DISMISS IT LIGHTLY.

THE TOTAL REVENUE FROM ALL SOURCES IS EXPECTED TO BE \$94,816,706. THE PROPERTY TAX IS EXPECTED TO PRODUCE \$51,122,234 OR 53.9% OF ALL INCOME. THE FACTORS FOR THIS INCREASE IN REVENUE INCLUDE THE \$7 TAX INCREASE, INCREASED ASSESSMENTS ON MOTOR VEHICLES OVER LAST YEAR, BOTH OF THESE INCREASES ARE DEPENDENT UPON OUR COLLECTION PERCENTAGE DECREASE FROM 93% TO 91% BECAUSE OF THE FALLEN ECONOMY. FINES, FORFEITS, AND ESCHEATS, FURTHERMORE, WILL BE DECREASED BY \$100,000, DOWN TO \$500,000 BECAUSE OF LESS BLUE TAG COLLECTIONS.

GRANTS IN AID WILL TOTAL \$23,637,700, AN INCREASE OF \$3,643,429. INCLUDED IN THESE GRANTS, WHICH REPRESENT 24.9% OF THIS BUDGET, ARE \$9,819,991 FOR STATE AID TO EDUCATION, AN INCREASE OF \$1,379,991, IF FULL FUNDING IS PROVIDED AND \$9,541,865 FOR GENERAL PUBLIC ASSISTANCE, AN INCREASE OF \$878,715. THIS LATTER ITEM DOES NOT COST THE CITY OF PROVIDENCE ANY MONIES, SINCE IT IS 100% REIMBURSIBLE BY THE STATE. ADDITIONALLY, THE STATE'S SHARE OF MANUFACTURERS' EQUIPMENT AND INVENTORY IS ANTICIPATED TO BE \$1,058,920, AN INCREASE OF \$461,576, WHICH REFLECTS THE LOWER TAX RATE OF THE CITY WITH ADDITIONAL STATE FUNDING TO MAKE UP THE CITY'S DEFICIT.

THE GENERAL DEPARTMENT REVENUE TOTALS \$4,150,912, AN INCREASE OF \$502,597. THIS ITEM INCLUDES \$220,000 FROM THE DEPARTMENT OF PLANNING AND URBAN DEVELOPMENT TO HELP DEFRAY BONDED INDEBTEDNESS AND \$152,010 FROM THE FOOD STAMP PROGRAM. THIS IS THE RESULT OF A NEW CITY DEPARTMENT IN 1975-1976, WITH MONIES DERIVED FROM THE EBENEZER AND KNGITH DEXTER TRUST FUNDS AS WELL AS FROM STATE SOURCES. ALSO, THIS OVERALL AMOUNT REFLECTS INCREASED SCHOOL DEPARTMENT REVENUES OF \$33,000 AND MUNICIPAL DOCKS REVENUES THAT ARE UP SOME \$60,000.

THE FEDERAL REVENUE SHARING MONIES FOR 1975-1976 WILL REPRESENT A DECREASE OF \$607,594 TO \$5,131,350 IN TOTAL. THE DIFFERENCE IS OCCASIONED BY LESS INTEREST BEING GENERATED FROM THE INVESTMENT OF IDLE FUNDS FROM THIS PARTICULAR ACCOUNT. RATES HAVE DROPPED, AND THERE IS LESS MONEY AVAILABLE TO INVEST.

THE WATER DEPARTMENT REVENUES WILL BE \$5,568,575, AN INCREASE OF \$195,892. THIS INCREASE IS BASED UPON HIGHER WATER USAGE ANTICIPATED FOR THIS PERIOD, AND NOT FOR HIGHER CHARGES.

TO HELP FINANCE FIRE APPARATUS AND POLICE VEHICLES THAT ARE NEEDED AND WOULD NOT OTHERWISE BE PURCHASED THIS YEAR, \$255,000 WILL BE RECEIVED FROM A CAPITAL IMPROVEMENT LOAN. I BELIEVE THIS TO BE NECESSARY ITEM FOR PUBLIC SAFETY PURPOSES.

THESE REVENUES WILL BE SUFFICIENT TO PROVIDE FOR THE INCREASED BUDGET WHICH, AS EVERY CITIZEN KNOWS, HAS BEEN OCCASIONED BY A NUMBER OF SIGNIFICANT INCREASES IN COSTS, NOT THE LEAST OF WHICH IS THE COST OF PERSONNEL. AS CAREER EMPLOYEES, FOR THE MOST PART, POLICE AND FIREMEN, SCHOOL TEACHERS, LABORERS, CLERKS, AND OTHER HARD-WORKING PUBLIC SERVANTS HAVE FACED THE SAME RAVAGES OF INFLATION AND INCREASED COSTS AS ALL OTHER CITIZENS HAVE, AND HAVE SHARED THE SHARP REDUCTION IN THE PURCHASING POWER OF THEIR HARD-EARNED DOLLARS WITH THEIR NEIGHBORS IN PRIVATE INDUSTRY. TO KEEP PACE WITH THEIR OWN COST OF LIVING HAS NOT ALWAYS BEEN POSSIBLE FOR OUR COMPETENT EMPLOYEES, AND THIS HAS CAUSED SOME CONTRACTUAL PROBLEMS IN THE PAST. WHILE I HAVE BEEN MAYOR, I HAVE BEEN ABLE TO CONCLUDE TWO CONTRACTS WITH THE BARGAINING COMMITTEE REPRESENTING THE POLICEMEN, AND I AM PLEASED THAT THEIR CONTRACTS FOR NEXT YEAR HAVE BEEN SIGNED WITH A HARMONIOUS ARRANGEMENT. THAT I ANTICIPATE THE SAME RELATIONSHIP TO EXIST WITH THE UNIONS REPRESENTING THE OTHER CITY EMPLOYEES, AND WHICH WILL LEAD TO SATISFACTORY NEGOTIATIONS WITHIN REASONABLE AND RESPONSIBLE LIMITS, IS ALSO MY HOPE. BUT WE MUST ACKNOWLEDGE THAT ALL OF OUR COMPETENT CAREER EMPLOYEES OF THIS CITY MUST BE PAID A DECENT WAGE FOR THEIR SERVICES.

THIS LEADS ME TO A DISCUSSION OF EXPENDITURES.

THE SINGLE LARGEST INCREASE IN EXPENDITURES THIS YEAR IS IN PAYROLL. THIS INCREASE WILL BE \$3,083,963 OVER THE PREVIOUS YEAR. HOWEVER, FOR THE FIRST TIME, WE HAVE BUDGETED ALL UNION DEMANDS, NAMELY LABORERS' UNION DEMANDS, TO REFLECT THE TERMS OF THEIR CONTRACT PASSED 2 YEARS AGO. ALSO, POLICE AND FIRE DEPARTMENT PERSONNEL BENEFITS HAVE BEEN INCLUDED IN EXPENDITURES FOR YOUR INFORMATION. IN PREVIOUS BUDGET MESSAGES, THESE LABOR NEGOTIATION ITEMS WERE OMITTED, AND THE BUDGET WAS ALWAYS AMENDED AT A LATER DATE TO REFLECT SUCH CHANGES. THUS, FOR THE FIRST TIME IN A DECADE, THE COUNCIL WILL BE INFORMED OF THE ENTIRE BUDGET EXCEPT FOR THE SCHOOL TEACHERS.

SPECIFIC ITEMS IN EXPENDITURES FOR PERSONNEL INCLUDE \$866,848 FOR THE EXECUTIVE BRANCH OF GOVERNMENT; \$1,960,826 FOR FINANCE ADMINISTRATION; AND \$222,010 FOR THE CREATION OF A NEW FOOD STAMPS DEPARTMENT.

THE APPROPRIATION FOR PUBLIC SAFETY WILL SHOW AN INCREASE OF \$2,064,275 FROM THE PREVIOUS YEAR TO A TOTAL OF \$14,419,244. THE REASONS FOR THIS INCREASE INCLUDE THE SUM OF \$90,000 FOR POLICE VEHICLES, \$180,000 FOR FIRE APPARATUS, AND SUBSTANTIAL INCREASES IN THE DEPARTMENT OF COMMUNICATIONS AND THE TRAFFIC ENGINEERS, FOR THE MOST PART REFLECTIVE OF WAGE INCREASES.

THE PUBLIC WORKS DEPARTMENT WILL HAVE A BUDGET OF \$8,876,274, AN INCREASE OF \$1,243,328. SOME \$700,000 OF THAT SUM IS DUE TO THE 35¢ PER HOUR WAGE INCREASE SIGNED WELL BEFORE I TOOK OFFICE; \$400,000 INCREASE DUE TO CAPITAL IMPROVEMENTS AND EQUIPMENT, INCLUDING \$200,000 FOR A NEW DIESEL ENGINE FOR THE SEWAGE PUMPING STATION, AND OVER \$200,000 FOR IMPROVEMENT OF CITY STREETS.

THE DEPARTMENT OF RECREATION WILL SHOW A MARKED DECREASE IN EXPENDITURES THIS YEAR FROM \$713,890 TO \$637,573. THIS DECREASE REFLECTS THE TRANSFER OF 15 MEN BACK TO THE DEPARTMENT OF PUBLIC PROPERTY FOR THE MAINTENANCE OF PLAYGROUNDS, BALLFIELDS, AND OTHER PROPERTY. THEIR RETURN TO THE PUBLIC PROPERTY DEPARTMENT MAY LEAD TO BETTER PERFORMANCE IN MAINTENANCE AND RESTORATION OF THESE OPEN SPACES AREAS.

THE BUDGET FOR THE PUBLIC PROPERTY DEPARTMENT WILL TOTAL \$3,245,404. THE INCREASE OF \$679,485 OVER THE PREVIOUS YEAR INCLUDES TRANSFER OF PERSONNEL BACK TO THAT DEPARTMENT AND AN INCREASE IN WAGES AND BENEFITS. TO INSTITUTE BETTER CONTROLS OVER RESPONSIBILITIES AND FINANCES IN THIS DEPARTMENT, THE PUBLIC LANDS AND PARKS SECTION HAVE BEEN DIVIDED INTO FOUR DIFFERENT JURISDICTIONS, WITH THE FOLLOWING BUDGETS:

PUBLIC LANDS AND PARKS	\$538,996
ZOO DIVISION OF PARKS	255,238
FORESTRY	191,365
MUSEUM	57,317

THE TOTAL FOR THIS SEGMENT WILL BE \$1,042,916, AN OVERALL INCREASE FROM THE PREVIOUS YEAR OF \$243,006. I BELIEVE THAT THIS RESTRUCTURING OF THIS DEPARTMENT WILL BRING ABOUT CLEARER LINES OF RESPONSIBILITY AND SERVICE, AS WELL AS IMPROVED CREATIVITY IN CERTAIN AREAS.

OUR APPROPRIATION FOR PUBLIC EDUCATION WILL TOTAL \$32,479,492, AN INCREASE OF \$1,666,289 OVER THE TOTAL OF \$30,813,203 FOR FISCAL 1974-1975. REVENUES TO SUPPORT THE SCHOOL DEPARTMENT WILL COME FROM:

FEDERAL PROVIDENCE PLAN	\$1,144,611
FEDERAL AID TO HANDICAPPED CHILDREN	394,914
FEDERAL PASS THROUGH TO RHODE ISLAND--OUR SHARE	159,816
STATE AID TO EDUCATION PROVIDENCE SHARE	9,819,991
SCHOOL DEPARTMENT REVENUE	124,243
TOTAL	<u>\$1,643,575</u>

ADD TO THIS THE PROVIDENCE SHARE OF \$20,835,917 AND WE CAN SEE HOW PUBLIC EDUCATION REPRESENTS 34.3% OF OUR ANNUAL BUDGET, DESPITE FEWER CHILDREN AND FEWER BUILDINGS THAN IN PREVIOUS YEARS. I MIGHT ADD THAT EXCEPT FOR THE PRESENT STEP SYSTEM INCREASES ALREADY IN FORCE BECAUSE OF PREVIOUS CONTRACTUAL RELATIONSHIPS WITH THE PROVIDENCE TEACHERS UNION, THIS BUDGET DOES NOT INCLUDE THE RESULTS OF COLLECTIVE BARGAINING NEGOTIATIONS STILL TO COME WITH THIS GROUP OF MUNICIPAL EMPLOYEES.

I MUST ADD, HOWEVER, THAT THE PROVIDENCE SCHOOL COMMITTEE HAS SHOWN EVERY SIGN OF BEING AWARE OF THE PRESENT BUDGETARY CONSTRAINTS, AND HAS GIVEN EVERY INDICATION OF RESPONSIBLE STEWARDSHIP IN THEIR DELIBERATIONS WITH THE SUPERINTENDENT OF SCHOOLS IN ARRIVING AT THE FINAL 1975-1976 BUDGET FOR THE SCHOOL DEPARTMENT.

SOME EMPLOYEE ITEMS WORTH NOTING INCLUDE AN INCREASE OF \$1,251,968 IN PENSIONS WITH MORE BENEFITS HAVING BEEN ENACTED THIS PAST YEAR. ADDITIONALLY, THE LABORERS INTERNATIONAL PENSION FUND WILL BE INCREASED BY \$507,000, REFLECTIVE OF A 30¢ PER HOUR COST TO THE CITY FOR PENSIONS, AND A 5¢ PER HOUR COST FOR THE LEGAL ASSISTANCE FUND, PER WORKER AS OF JULY 1, 1975.

I AM HAPPY TO REPORT A DECREASE IN DEBT SERVICE OF \$191,686 FROM A TOTAL OF \$7,672,547.02 CAUSED BY A MORE FAVORABLE RATE OF INTEREST ON BORROWING. THIS DEBT SERVICE WILL NOW REPRESENT ABOUT \$9 PER THOUSAND OF OUR TOTAL TAX RATE.

OTHER ACTIONS IN THIS BUDGET INCLUDE AN INCREASE OF \$50,000 IN F.I.C.A. TAXES, AN INCREASE IN BLUE CROSS, BLUE SHIELD COSTS OF \$285,300, AN INCREASE OF \$25,000 IN THE CITY'S CONTRIBUTION TO THE PROVIDENCE PUBLIC LIBRARY, AN INCREASE TO THE COMMUNITY HEALTH CENTER TO BRING OUR TOTAL TO \$145,000 PER YEAR, AND THE SUM OF \$3,500 TO THE BOY SCOUTS OF AMERICA. OUR TOTAL INCREASE IN THESE ACTIVITIES OF A GENERAL NATURE, REFLECT A MODEST INCREASE OVER THE PREVIOUS YEAR, AND REAFFIRM THE CITY'S COMMITMENT TO A NUMBER OF IMPORTANT ELEMENTS IN OUR SOCIETY.

FINALLY, I WOULD USE THIS OPPORTUNITY TO NOTE THE GREAT STRIDES THAT HAVE BEEN MADE DURING THESE PAST FOUR MONTHS IN THE QUALITY OF LIFE IN PROVIDENCE WITHOUT ANY INCREASED COSTS TO THE TAXPAYERS OF THE CITY; NAMELY, THE OPENING OF SEVERAL DISTRICT POLICE STATIONS THROUGHOUT THE CITY; THE ESTABLISHMENT OF FOOD STAMP CENTERS NOW SELLING STAMPS ON EACH BUSINESS DAY OF THE MONTH; THE FORMATION OF A UNIFORMED SECURITY FORCE AT ROGER WILLIAMS PARK, AND THE PLANNED FENCING OF THE ENTIRE PARK PERIMETER WITH FUNDING FROM OTHER THAN MUNICIPAL SOURCES; THE PLANNING SESSIONS FOR PROPER UTILIZATION OF COMMUNITY DEVELOPMENT ACT FUNDS; AND THE SWIFT EMPLOYMENT OF OVER 400 PROVIDENCE CITIZENS UNDER THE CETA PROGRAM.

TO HAVE BEGUN THE TASK OF MOVING THIS CITY FORWARD ONCE AGAIN WITHOUT COST TO THE TAXPAYERS HAS BEEN OCCASIONED BY FULL UTILIZATION OF FEDERAL AND STATE FUNDING WHEREVER AND WHENEVER THEY HAVE BEEN AVAILABLE. I INTEND TO CONTINUE SUCH ACTIVITY IN THE FUTURE IN ORDER TO DO WHAT OUR BUDGETARY LIMITATIONS WILL NOT PERMIT, AND THE PURPOSE OF KEEPING OUR COSTS TO INDIVIDUAL TAXPAYERS AT A MODERATE BUT RESPONSIBLE AMOUNT. I WOULD HOPE THAT THE MEMBERS OF THE CITY COUNCIL, WITH WHOM I WOULD FIRMLY ESTABLISH A PARTNERSHIP OF CLOSE COOPERATION TO SERVE THOSE TO WHOM WE ARE BOTH RESPONSIBLE, WILL AGREE.

LADIES AND GENTLEMEN OF THE PROVIDENCE CITY COUNCIL, I RESPECTFULLY SUBMIT THIS BUDGET TO YOU FOR YOUR APPROVAL.

RESPECTFULLY SUBMITTED,


VINCENT A. CIANCI, JR.
MAYOR OF PROVIDENCE