



Mayor Jorge O. Elorza

Fiscal Year 2016 Budget Address

**AN INNOVATIVE, EFFICIENT APPROACH TO GOVERNING**

Wednesday, April 29, 2015  
(as prepared for delivery)

Mr. President, honorable members of the City Council and fellow residents of our great City of Providence –

It is a pleasure to be with you this evening to present my proposed budget for the upcoming fiscal year.

On the day I took office, I spoke of my vision of a new beginning for our beloved city, and I pledged to work with you to create a city that works for its residents through innovative and efficient government.

I also said that Providence was still struggling to regain its footing in the wake of challenging financial times, and that tough decisions and fiscal responsibility would be needed as we work to pass our first budget together.

The \$696 million budget that I present to you this evening sets Providence on a firm path for the future. It includes new investments in innovation, city services, public safety, school leadership and improving our quality of life. This budget hits the reset button and plants the seed for a New Providence:

1. A city that is committed to facing its challenges head on and which refuses to kick the can down the road
2. A city that is committed to strong management for better city services and for streamlining our processes
3. And a city that is committed to partnerships and collaboration so that we can leverage our strengths and turn our economy around

This budget reflects my administration's innovative, efficient approach to governing. It is built to serve the people who live, work and visit our city. And it does so without raising taxes on our residents and business owners.

## NO NEW TAXES

What I hear from residents and business owners in every neighborhood is that our people are taxed out. We are coming off one of the worst recessions ever experienced. And our community is still hurting.

We have one of the highest unemployment rates in Rhode Island and our average household income is among the lowest in the state. I cannot ask those who are already struggling to shoulder more of the burden.

Balancing this budget without raising taxes was not easy, but it is necessary.

We need to manage the city better and spend our resources more wisely if we are to put this city on a sustainable path; and that's what this budget does.

## STRONG MANAGEMENT FOR EFFICIENT GOVERNMENT

I believe that strong, hands-on management is essential for our city. In my first months in office, we have done a department-by-department review to find out what is working and what has to be improved. We have found tremendous dedication in our departments as well as room for improvement across city government.

Those of you who know me know that I hate wasting money, wasting time, wasting anything. You might even say I'm cheap. I require my senior staff and department directors to use Asana – a project management tool – because I want us to work as efficiently as possible. I refuse to believe that the solution to our problems is to throw more money at them. That's the attitude I brought with me to the Mayor's Office, and it's the approach I have taken in crafting my first budget.

Every decision in this budget was made with an eye on the horizon. The old days of one-time fixes and kicking our long-term problems down the road are over. We can't fix our structural deficit by selling another asset every year or accepting lump sum payments for long-term leases. While these one-time solutions would have been the easy answer, I would only be kicking the can down the road. And I refuse to sell the city short.

## INVESTING IN ECONOMIC GROWTH

Tonight, I'm proud to announce that we are holding the line on the commercial tax rate for the fourth straight year.

I'm determined to expand our tax base here in Providence by making our city more business friendly and putting our residents back to work. It's one of the only ways to increase revenue without raising taxes, and we need the jobs.

I've heard repeatedly from people who do business in our city that it's too hard to get the necessary permits. That's why I am proposing two relatively small investments can have a very big impact. First, is

a new Business Concierge in the Department of Economic Development. This person will work directly with developers and business owners who are looking to invest in our city so they have an advocate to shepherd them through the permit process. This has been talked about for years; we are finally doing it.

Second, this budget invests in innovation. "This is the way things have always been done" will never be acceptable in my administration, and I have appointed a Chief Innovation Officer to make sure that Providence is leading the charge for civic innovation.

Next month, in concert with Local 1033 and Amica, we will begin a new customer service training program for city employees. In the coming year, we will be rolling out a comprehensive Customer Service Initiative to ensure consistent, positive, responsive interactions with our staff. The overriding message that we must communicate to the world is: "We are here to help!"

This budget accelerates the efforts of the Innovation Office, by making sure all city departments accept credit cards and by making our online permitting system simple and customer friendly.

This will help development and there's no better time to do so than now, as we develop the land in and around the 195 District. It presents a once-in-a-lifetime opportunity for Providence and Rhode Island to create the economy of the future. The Governor's Office, the General Assembly and the City Council have been incredible partners and we know we must work together to fully seize this moment. It is our responsibility and I am committed to providing active leadership so that we build our innovation economy and put people back to work.

I also know that we must work together to fully utilize Providence's deep water channel. It is an extremely underutilized asset, and you will see in this coming year a focus on increasing imports and exports so that we convert it into the true economic driver it has the capacity to be.

In the coming year, we will work closely with the private sector on an exciting new program to put our minority, women and small contractors to work rehabbing every single abandoned and boarded up home in the city. I look forward to announcing this program which will bring jobs to our city, increase the value of homes, and bring pride back to our neighborhoods.

And on the topic of taking pride, we also know that arts, culture and cuisine are our pride and joys as well as major economic drivers for our city. In June, Providence will hold its first-ever International Arts Festival. We look forward to celebrating our local arts, food and music scene with an event that draws visitors from across the region.

My proposed budget includes a modest investment to help us turn the Providence International Arts Festival into an annual economic driver like the New Orleans Jazz Festival or Austin's South by Southwest. We are the Creative Capital, we believe in the arts, we invest in the arts, and the arts must be at the heart of our economic plans.

## INVESTING IN CITY SERVICES

Before we look ahead to the joys of summer, we must address what was an historic winter. Many scientists who study climate change say the amount of snow we received this year may not have been an aberration but instead it might be the “new normal.” Included in my proposed budget is a 13 percent increase in the size of the city’s snow budget, as well as the purchase of new equipment for the Department of Public Works to make sure we are ready for whatever lies ahead.

Of course, record snow means more sand on our streets in the spring. This budget also increases the street sweeping budget by 10 percent, so we can keep our streets clean and get back to providing the quality of life services that our residents deserve.

My Office of Constituent Services averages 488 calls a week, and has closed almost 6,000 cases in the past four months – including a backlog of over 3,000 cases still open when I took office. We are coordinating both internally and externally to have better communications between departments and to hold utility companies accountable for properly fixing potholes that they cause on our roads.

The residents of Providence expect and deserve this type of coordination. When your street needs to be repaired or your trash hasn’t been collected and you call City Hall, the answer should never be, “that’s not our job.” The answer should be: “I’ll do my very best to help!” That’s what we’re doing and that’s the attitude we will continue to have.

## A COMMITMENT TO PUBLIC EDUCATION

And our residents are equally deserving of quality public schools. They’re the place where magic happens every day.

Since taking office, I’ve visited at least one or two schools every week with Superintendent Lusi. I am convinced that what’s keeping us from being a great district is not a shortage of great ideas and or of great people. Instead, it’s our inability to execute on those great ideas and to empower our great people. We do not have structures in place to fully support our principals and our teachers on the front lines.

That’s why one of the first decisions I made was to commission a full administrative audit of the School Department. I look forward to sharing the audit once it is completed in the coming weeks; and more importantly, I look forward to aligning our resources so that they better support our schools and our families.

I have also come to deeply believe that we need strong and inspiring leaders at every one of our schools. This budget makes strategic investments in the professional development of our principals, who are at

the front line of transforming the Providence Schools. Through our school district's work on the Academy for Leveraging Leadership, principals are already being trained and this training will continue in the coming fiscal year. We are working to create a pipeline of great principals so they can successfully drive the turnaround of our urban schools and accelerate the pace of change.

My proposed budget also includes funding for new teachers at our growing West Broadway Middle School. It also includes funding to support our two new Carnegie High Schools; which will experiment in mastery-based learning and perhaps become the models for the entire district to follow. I am also proud that in the coming school year we will expand our advanced placement classes and our career and tech programs to better serve students who are following different paths.

In my school visits, I have also seen firsthand that many of our buildings are in serious need of repairs. We cannot continue to kick the can down the road when it comes to maintaining the facilities that our children are in every day. This budget makes good on the promise of a \$10 million bond to help bring our schools up to fire code and provide renovations in some of our most neglected buildings.

This budget also provides funding for a five-year program to repaint every school in the district. These are only small drops in the bucket for the work needed in our schools, but my administration is committed to making sure we begin to address these problems with long-term budgeting solutions. And I firmly support the current proposal to lift the state's school construction moratorium which will allow us to do even more.

This budget includes a \$7.2 million increase in school funding through state education aid and it sets a foundation so that we can provide every child in Providence with a school environment that inspires them to learn.

#### A COMMITMENT TO PUBLIC SAFETY

I am very pleased to report that this budget includes investments in both a new Police Academy and a new Fire Academy. These academies will not only help us keep our city safe but I am committed to ensuring the highest level of talent and diversity in our recruits.

This new class of police will enable us to restore foot patrols and community policing in our neighborhoods that were lost to previous budget cuts. We all love knowing our neighborhood police officer's name and seeing her out walking in our streets. This budget enables us to get that back.

Now, I know that keeping our streets safe isn't just about having more cops and arresting more bad guys; keeping our streets safe is also about preventing crime and by providing safe and healthy opportunities for our youth. That's why I am working with community leaders to bring back midnight basketball leagues and creating many other recreation opportunities. For relatively small amounts of money we can provide activities that keep our kids safe and out of trouble throughout the year.

And with respect to the Fire Department, when the five-alarm fire on Kinsley Avenue happened last month, I was on the scene immediately and witnessed first-hand the brave work our firefighters perform when called to duty. I've gone on fire runs and calls and I have broken bread with them and I can tell you that we have as fine a fire department as they come right here in Providence. The investment this budget makes in the fire academy is much needed and will help them continue to do their great work.

#### IMPROVING OUR QUALITY OF LIFE

Just as this budget focuses on city services, it also focuses on quality of life. With both our new Parks Director and our new Director of Recreational Services, we have hired dynamic new leaders who are already hard at work on exciting plans to increase opportunities for healthy activity. As someone who rides his bike to work each day and who runs in Roger Williams Park each weekend, I am committed to supporting sports and recreation and to making Providence the healthiest and most active city in New England. Just this month, we received a Health Equity Zone grant to improve recreation programming and to help us achieve that goal.

As we take care of our bodies, we must also take care of our environment; and there is perhaps no greater global issue than that. I am proud of the partnership with the Rhode Island Foundation to invest in Roger Williams Park to forever keep it the cherished asset that it is.

We have made progress on recycling but we must do more to make recycling a priority for our residents. Providence currently has one of the lowest recycling rates in the state, and it's costing us at the landfill. The city's new Sustainability Director will be tasked with making this a priority so we can protect our environment and reduce our tipping fees. In addition, my administration plans to purchase every streetlight in Providence from National Grid in the coming year. This will save us about \$650,000 next year and at least a million dollars every year after that.

#### CHALLENGES REMAIN

By managing well, investigating every opportunity for savings, and refusing to take the easy way out, we have been able to create a balanced budget. But even with all we have done, challenges remain that require support and collaboration from the General Assembly and other stakeholders in our city.

I thank Governor Raimondo, Speaker Mattiello, President Paiva-Weed, Majority Leaders DeSimone and Ruggiero, our entire federal Congressional delegation, and our esteemed Providence delegation in the General Assembly for their commitment to our Capital City and their early, steadfast support of my administration, and I look forward to working closely with you this year and long into the future. My budget assumes a modest increase in state aid to Providence, to help make up for the loss of tens of millions in cuts during the Great Recession.

My proposed budget also assumes the continuation of the PILOT program the previous administration negotiated with Lifespan and Care New England. Our hospitals do a tremendous amount for Rhode Island. But like every stakeholder, they are being asked to do their part to put us on a path to sustainability. Our capital city's fiscal health is in everyone's best interest and I look forward to partnering with them to achieve it.

While we have avoided raising taxes, this budget includes modest increases in parking meter and fee revenues. It also provides the resources to invest in the technology so that all parking meters in the city take credit cards, making them more convenient and efficient.

And in addition, I am happy to report that as a result of diligent research, we discovered nearly \$500,000 in new tax revenue from equipment and facility upgrades at the waterfront that had been built but untaxed for years.

#### A COMMITMENT TO HELPING PEOPLE

A big part of creating a city that works is about going the extra mile and committing ourselves to helping people deal with issues that won't be resolved overnight, or require more than the City has the ability to fix on its own.

This past winter, Sixto Reyes and his wife Moriah walked into City Hall one day with their three young children.

The family was homeless and on their last straw. Sixto injured his back doing manual labor and lost his job. They couldn't pay rent and lost their apartment.

"I'm at the end of my rope," Sixto told Georgina Weeks in my Office of City Services. They didn't know where to turn.

For two hours, Georgina sat with Moriah and Sixto and made calls to social service agencies on their behalf. She connected them with Community Action Partnership of Providence – a great partner we have here in the city.

We pledged to stay on the case, and we did. Sixto came in to see us a couple more times for resources and services to help his family. On April 10, we received a call letting us know the family had found a home in part due to our efforts. When Georgina checked in with the family last week, we learned that Sixto was working again.

The Reyes family is here tonight – please stand up. We want you to know that we are with you. We are all on the same team and we don't leave anyone behind; we are here to help. Thank you for being with us tonight. Thank you also to Georgina Weeks!

I know there are a lot of people in our city still unemployed and still out of work. I can't help but believe that if we were an easier place to do business we would have more job opportunities for people like Mr. Reyes. That's why we're focused on innovation, streamlining our permit process, and investing in growing our economy.

I know there are homes out there that have been vacant for six and seven years. I can't help but believe that if we were aggressively renovating them there would be more homes available for folks like the Reyes family. That's why we're rehabbing every one of our abandoned properties and putting families back into these homes.

I know there are many struggling families who only need a helping hand. I can't help but believe that if we have courteous, persistent, and passionate employees we will be able to help more families in need. That's why we're working so hard on customer service and making sure that no issue, and no family, ever slips through the cracks.

#### A RESPONSIBLE PATH FORWARD

This is a crucial time of transition for our city. This is the New Providence and this budget is built to manage that transition. It maintains faith with the taxpayers by not raising their taxes. It honors our obligations by making 100 percent of our pension payment. It invests in innovation so that we have a more efficient and responsive government. And it confronts our fiscal challenges by refusing to rely on one-time budget fixes.

Mr. President, members of the City Council, I have reviewed every line item in this budget with my trained accountant's eye. This plan for the upcoming year reflects an administration committed to strong management, with realistic expectations about the challenges we face and a plan for meeting those challenges head on.

I look forward to continuing our close collaboration as we work to serve our residents.

Thank you and God Bless.