



Executive Chamber, City of Providence, Rhode Island

Vincent A. Cianci, Jr.
MAYOR

May 14, 1982

The Honorable Members
The City Council of the
City of Providence
City Hall
Providence, RI 02903

Dear Honorable Members:

These are hard economic times for the state and for the nation. As we approach the new fiscal year, unemployment nationally is at its highest level in forty years. Unemployment in our state has risen above ten percent. This somber reality has been utmost in my mind as I directed the preparation of the 1983 city budget. My primary goal was to impose no additional burden on the taxpayer, while delivering all city services at the same or higher levels. I believe that my financial advisers and I have achieved this goal.

The 1983 budget I am submitting to the City Council tonight is an austere spending plan. We used careful, prudent estimates throughout to ensure that we will have a balanced budget. Most important, it calls for no increase in the current tax rate of \$67.61 per thousand dollars of assessed valuation. The \$158.2 million budget I am proposing is \$8.3 million higher than the 1982 budget--an increase of only about five percent. This is truly a barebones budget. We have provided for a modest but fair increase in wages across-the-board, a \$1.7 million increase in our contribution to the pension system and, ladies and gentlemen, that's about it. I believe this is the only responsible course we can take in these difficult times.

Nevertheless, I believe that we in the city government can look to the 1983 fiscal year and years beyond with considerable confidence. My administration has demonstrated in 1982 that it can live within a tight budget and take bold new measures to provide city services at less cost. In the face of fierce union opposition, we turned over garbage collection and street-cleaning to private contractors, and we are saving the taxpayers \$2.1 million a year as a result. Instead of spending \$2.16 million to replace a worn out fleet of sanitation trucks, we are collecting \$40,000 a year in property taxes on the 15 trucks bought by the private contractor. Many millions more over several years will be saved now that we have finally transferred the sewage treatment plant to a regional commission. At long last, taxpayers outside the city will be paying their fair share to maintain and expand this regional facility.

Mr. Jerome Baron, my able finance director, also has demonstrated in his year with us that he can run a tight ship. Jerry tells me he anticipates we will end this fiscal year with a slight surplus, as we did last year. Even though we anticipate a shortfall in revenue collections of \$2 or \$3 million, we put the brakes on spending to make sure there will be no deficit. I am confident that we will achieve yet another balanced budget in fiscal 1983.

It is also my conviction that the city's fiscal difficulties are a thing of the past. The truth is, this administration has turned the city government around in a year's time. Consider the facts: We expect to have two operating surpluses in a row; and have proposed a carefully balanced budget for 1983; our cumulative deficit, once \$14 million, is now some \$440,000; the bankers who advise the city have judged that our financial recovery is real, and are helping us prepare a \$22 million bond sale next month; and I can state with complete confidence that we will run this city well next year without any need for a tax increase. I would also note that we have labor peace with the municipal unions.

Because our property tax provides us with limited resources, we depend heavily on federal grants to my Office of Community Development to improve living conditions in this city. Since I took office in 1975, we have spent more than \$60 million, primarily in the neighborhoods. Our record is impressive: Over 1,600 houses fixed, over 2,000 houses painted, over 20 parks and 12 community centers built or restored, over 100 commercial buildings recycled, over 2,000 street trees planted. And contractors are in the neighborhoods right now starting projected work on the renovation or painting of almost 1,000 additional houses.

In addition, more than \$4 million in MOCD monies have been used to rejuvenate Roger Williams Park. I am particularly proud of this achievement. In 1975, shortly after I took office, Roger Williams Park Zoo was threatened with being shut down by the U. S. Department of Agriculture. We responded by pouring more than \$2 million into the complete redesign of the zoo. And this magnificent facility today is rated by the Humane Society of the United States as "the best in New England." May I also note that before 1975, there were almost no arts events held at Roger Williams Park. This year, we expect to hold some 500 events there, and attract a half a million people. Our major building project this summer is the renovation of the Casino and bandstand. With almost \$2 million in MOCD money I provided, this once-ramshackle structure will be restored to its 1890s grandeur, and become one of the finest conference and meeting facilities in the state.

The most important reason why I am optimistic about the economic future of the City of Providence and the city government, however, is because of the extraordinary construction projects that are about to begin in downtown Providence. In 1982, more than \$200 million in construction will get underway--an amount unprecedented in the history of Providence. And this is in the face of the worst economic conditions of our time. Two office towers costing almost \$100 million will be built by groups involving some of the largest companies in Rhode Island: Industrial National Bank, Gilbane Building Company and Nortek for one building and Old Stone Bank and Dimeo Construction Co. for the other. This explosion of construction--the Industrial building will be the largest in the state--is a strong indication that these astute private investors have confidence in the downtown, in the City of Providence and in our city government. My administration is seeking almost \$15 million in UDAG grants which we would lend to the two developers to ensure that almost 1,100 parking spaces are provided in new parking garages downtown. I have every expectation that the Reagan Administration will award most or all of our grant requests. The economic impact of these two buildings is enormous: Together they will generate about 1,500 construction jobs, 2,600 permanent office jobs, about \$1 million in taxes as well as another \$1 million that will be paid annually to the city to pay off the UDAG loans.

The other major downtown project is the Capital Center Office Park, which surely is one of the most significant developments of this century in our city. This year, work is scheduled to begin on the relocation of the railroad tracks, the construction of the Civic Center Interchange, and the development of more than 30 acres of prime sites for new office construction. Providence is contributing

less than five percent to this \$100 million joint governmental project. The benefits to the city, however, are immense. We are ensuring that by far the best location for new offices serving Southeastern New England will be downtown Providence for a period extending into the 21st century. Already the "Chinese Wall" of elevated railroad tracks which has divided the downtown for more than 80 years is coming down. Just think how exciting it will be to watch Capital Center take shape and two major office buildings rise over the next few years. I look forward as mayor to taking part in the continuing renaissance of our beloved city.

The neighborhoods will get the lion's share of some \$10 million in new borrowing that is part of the bond issue. Schools throughout the city will have new roofs and windows. And we will continue our highly successful efforts to revitalize shopping areas in the neighborhoods. Having completed the refurbishment of Atwells Avenue, Wickenden Street and Charles Street, we are about to begin work in the areas of Smith Street, Eagle Park, and Hartford Avenue. We are also working closely with neighborhood committees to develop plans for the Trinity Gateway area and the Pocasset Avenue-Plainfield Street intersection. And downtown, we expect to start construction this fall on the biggest public square in the state-- Kennedy Plaza. At long last, we will have beautiful plazas in this great space, places for people on foot rather than vehicles roaring by. And we finally will have first-class waiting facilities for RIPTA bus passengers. At the port, we have completed and dedicated our new port terminal and, may I add, we have just successfully pursued negotiations to bring two much larger container cranes to the port so that we can derive maximum revenue benefit from our container operation.

I respectfully urge the City Council to take up and act upon the budget ordinances promptly. I also urge caution in considering changes in what is already an extremely tight budget. My financial staff already has relentlessly cut departmental spending requests to match our available revenues. Revenues will rise about \$8.3 million this year, primarily because state aid to education will increase by \$5.2 million and the new telephone tax gives us about \$1.6 million. Most departments are getting more or less what they got last year. The School Department is the exception: We are proposing that the full amount of the increase in state aid be devoted to education. I firmly believe that education must be one of the highest priorities. For by investing today in our youth, we are helping to build our community for tomorrow. The Public Works

Department actually would get \$1.1 million less in 1983. This cut is possible because of the savings associated with the transfer of the sewage treatment plant. And, may I point out that once again we are proposing to contribute the full amount recommended by the actuary to the employees pension plan, as prescribed by law.

The bankers that advise us have stressed that it is of utmost importance that we achieve another balanced budget in 1983 so that we can achieve higher bond ratings and save the city money. I call on the City Council to act responsibly to ensure that the city has a budget it can realistically adhere to.

In closing, let me say that I take great personal pride in the progress my administration has made in placing the city's finances on a sound footing. Nobody knows better than I do that mistakes were made in the past. I went through some very trying days last year. But I did not quit. I knew a job had to be done, and I have consistently made the financial stability of the city my foremost concern. Today, this city government is in excellent financial condition. Great opportunities lie ahead for us to continue to make Providence one of the most livable cities in America. I pledge to the people of Providence that this government will be one of the best managed. The people deserve nothing less.

Respectfully submitted,


VINCENT A. CIANCI, JR.
Mayor of Providence

VAC