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**CITY OF PROVIDENCE
RHODE ISLAND**



CITY COUNCIL

JOURNAL OF PROCEEDINGS

No. 10 City Council Special Meeting, Meeting, Tuesday, May 2, 1995, 12:00 o'clock M. (E.D.T.)

PRESIDING

COUNCIL PRESIDENT PRO TEMPORE

EVELYN V. FARGNOLI

IN CITY COUNCIL

JUN 15 1995

APPROVED:

Michael L. Clement
CLERK

ROLL CALL

Present: Council President Pro Tempore Fargnoli, Councilmen Allen, Clarkin, DeLuca, Councilwoman DiRuzzo, Councilmen Glavin, Igliozi, Jackson, Lombardi, Mancini, Councilwoman Nolan, Councilman Rollins and Councilwoman Williams—13.

Absent: Council President Petrosinelli and Councilwoman Young—2.

INVOCATION

The Invocation is given by COUNCIL-
WOMAN RITA M. WILLIAMS.

PLEDGE OF ALLEGIANCE TO THE FLAG OF THE UNITED STATES OF AMERICA

COUNCILMAN PETERS S. MANCINI leads
the members of the City Council and the
Assemblage in the Pledge of Allegiance to
the Flag of the United States of America.

CALL FOR SPECIAL MEETING COMMUNICATION FROM MAYOR VINCENT A. CIANCI, JR.

The Honorable Michael R. Clement
City Clerk
City Hall
Providence, RI 02903

Dear Mr. Clement:

Pursuant to Sections 406 and 803 of the
Providence Home Rule charter of 1980, I am this

April 26, 1995

day requesting a Special Meeting of the Provi-
dence City Council to be held on Tuesday, May
2, 1995 at 12:00 P.M. in the City Council Chamber
to consider the following ordinances.

(A) Budget message and appropriation ordi-
nance setting forth in detail estimates for the
fiscal period beginning July 1, 1995 and ending
June 30, 1996.

(B) An ordinance establishing the classes of

positions, the maximum number of employees, and the number of employees in certain classes in the City Departments and repealing ordinance Chapter 1994-26, approved July 20, 1994.

(C) An ordinance establishing a Compensation Plan for the City of Providence and repealing ordinance Chapter 1994-25, approved July 20, 1994.

(D) An ordinance providing for the assessment and collection of 1995 taxes, being based

on one hundred percent (100%) of the 1995-1996 fiscal year tax collection.

Your assistance in this matter is greatly appreciated.

Sincerely,

VINCENT A. CIANCI, JR.
Mayor of Providence

Received.

FROM THE CITY CLERK

The City Clerk reads the following Warrant with the City Sergeant's Return endorsed thereon, certifying that he did notify the Members of the City Council of the Special Meeting to be held Tuesday, May 2, 1995 at 12:00 o'clock Noon (EDT) by personally delivering a copy of the warrant on April 28, 1995.

April 26, 1995

TO MEMBERS OF THE POLICE
DEPARTMENT:

WHEREAS, His Honor, Vincent A. Cianci, Jr. Mayor of the City of Providence has, pursuant to Sections 406 and 803 of the Providence Home Rule Charter of 1980, requested the City Clerk, in writing, to Call a Special Meeting of the City Council to be held on the 2nd day of May A.D., 1995, at 12:00 o'clock Noon (E.D.T.) for the purpose of Enacting the following:

An Ordinance Making an Appropriation for the Fiscal Year Ending June 30, 1996.

An Ordinance Establishing the Classes of Positions, the Maximum Number of Employees and the Number of Employees in Certain Classes in the City Departments and Repealing Ordinance Chapter 1994-26, approved July 20, 1994.

An Ordinance Establishing a Compensation Plan for the City of Providence and Repealing Ordinance Chapter 1994-25, approved July 20, 1994.

An Ordinance Providing for the Assessment and Collection of 1995 Taxes, being based on One Hundred Percent (100%) of the 1995-1996 Fiscal Year Tax Collection.

You are therefore, hereby commanded and required to summon each Member of the City Council to that Special Meeting, as Called.

HEREOF, Fail Not, and make a true return of this Warrant, with your doings thereon.

Given under my Hand and Official Seal of the City of Providence, State of Rhode Island, and

May 2]

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[1995

Providence Plantations this 26th Day of April,
A.D., 1995.

THE CITY OF PROVIDENCE, Sc.

April 26, 1995

MICHAEL R. CLEMENT
City Clerk

Received.

STATE OF RHODE ISLAND
AND
PROVIDENCE PLANTATIONS

We, Members of the Police Department, do hereby certify that we have notified each Member of the City Council of the Special Meeting scheduled to be held on Tuesday, May 2, 1995 at 12:00 o'clock Noon, (E.D.T.) in the Chamber of the City Council, City Hall, Providence, in accordance with the subject warrant by delivering to each member, a copy thereof.

AT EASE

COUNCIL PRESIDENT PRO TEMPORE
FARGNOLI declares the City Council stand
At Ease at 12:15 o'clock P.M. to Reconvene
at the Call of the Chair and Appoints
MAJORITY LEADER IGLIOZZI, DEPUTY
MAJORITY LEADER LOMBARDI, and
DEPUTY MAJORITY LEADER DIRUZZO
to escort HIS HONOR MAYOR VINCENT A.
CIANCI, JR., into the Chamber of the City
Council.

RECONVENTION

COUNCIL PRESIDENT PRO TEMPORE
FARGNOLI Reconvenes the City Council at
12:20 o'clock P.M. (EDT) and directs the
Clerk to record there is a quorum present.

NEW BUSINESS

SUBMISSION OF PROPOSED BUDGET OF REVENUES AND EXPENDITURES

**1995-1996 BUDGET MESSAGE
AND APPROPRIATION ORDINANCE
SETTING FORTH IN DETAIL
ESTIMATES FOR THE
FISCAL PERIOD BEGINNING
JULY 1, 1995
AND ENDING JUNE 30, 1996**

**1996 BUDGET ADDRESS
VINCENT A. CIANCI, JR.
Mayor of Providence**

Council President Petrosinelli, Members of the
Providence City Council, Ladies and Gentlemen:

This is a time of great promise for the City of Providence. Our city is hailed as a national leader — confidently moving rivers and highways, casting aside its industrial past, forging a new economy based on education and medicine and financial services, marching with firm tread into the new century.

But this is also a time of peril for Rhode Island's Capital City.

Graceful new buildings adorn the city skyline, but most are tax-exempt.

The Providence Plan gives us a vision of all that neighborhoods can be, but our tax base cannot finance our dreams.

Providence is the heart and soul of the Rhode Island economy . . . our municipal services are vital to this great marketplace . . . but we are victims of a misguided effort to balance the state budget at our expense.

We wish to expand our public services — there is so much to do! — but under the present circumstances we cannot afford the services we now provide. Because our personnel costs have become much too expensive.

My message to the Honorable City Council, and to the Good People of Providence, is quite simple:

We must not fail to realize the promise of our fair city! We must make manifest our vision of Providence reborn! We must create budgetary line-items for all of our dreams!

But we must also unite — this Mayor, this Council, this People — to conquer the perils that threaten our city from within and without.

We must fight for our fair share of the state revenues we do so much to create.

We must have the courage to reduce our expenditures for services of diminishing priority. Only then can we bestow the gift of school reform to the rising generation. Only then can we refurbish our dwellings and public parks, and building the community centers that support family life.

Finally, we must speak with one voice to the labor leaders of our city government. Mayor, Council Member, Union President — we are all part of the same family. Now is not a time for bickering or confrontation. Now is the time to accept the limits of the city that nurtures us all. If we are to realize our dreams, all of us must contribute our fair share to the common good.

If we are united, there is so much that we can do! For 20 years, governors, mayors and business leaders have put aside their differences to build a majestic new city at the foot of the State House lawn. Now visitors are amazed at the sweep and grandeur of our vision — a vision that, at long last, will restore to Providence the great department stores and bustling shops that departed this city a generation ago.

If we are united, there is so much that we can do! In a few short years, we have made remarkable progress in reducing the rate of serious crime. But it is the Gun Court that now holds so much promise for the betterment of our city. In the first six months of the Gun Court's operation, more than thirty criminals who committed gun crimes in Providence have been convicted and sent to the ACI. That is good news indeed for the community of decent, law-abiding citizens.

The budget I have placed before the City Council today is consistent with the vision I laid out in the State of the City Address a few months ago.

Then and now, I call on the legislature to restore the \$11 million in state aid that was cut by the Governor. Then and now, I call on city workers to cooperate in cutting \$22 million from our budget. For Providence to flourish, we must rely on the state government to supplement the unproductive property tax with additional aid. And we must reduce our personnel costs to supportable levels.

We have been encouraged that the legislature is making every effort to restore state aid to Providence and other communities. Pilot aid is particularly important because it impacts us in the current fiscal year as well as the next. If Providence loses more than seven million dollars for the fiscal year ending in 60 days, we almost certainly will end the year with a deficit. This cannot be allowed to happen. The financial community, the rating services are watching the legislature right now. What does it say about the creditworthiness of Rhode Island if the state pushes its Capital City into the red?

Pilot aid is vital to the City of Providence because half our tax base is exempt. Increasingly, Providence is becoming a tax-exempt economy. Look at the Convention Center, Hasbro Children's Hospital and the new Campus of Johnson & Wales University: all are sizable structures that increase the demand for municipal services without increasing the amount of available revenue.

Over the last five years, the value of taxable property in the city has declined by 100 million dollars, while the value of tax-exempt property has grown by 425 million dollars. The Providence economy has gained a great deal from this tax exempt expansion. But the city Tax Collector has gained nothing. If fully taxed, that 425 million dollars in value would yield 12 million dollars in taxes every year. That's right: 12 million dollars.

By contrast, the tax-exempts indirectly generate a great deal of revenue for the state government. Remember, the institutions employ tens of thousands of people, and they pay tens of millions in income taxes and sales taxes to the state. In order for Providence, to continue providing services needed by the tax-exempts, the state must share some of its revenue with the Capital City.

Let me emphasize that pilot aid cannot be turned on or off depending on the whims of the state administration. Pilot aid is critically important to this city. I am certain that the legislature will honor the pledge that it made one year ago — a pledge to provide full funding for this critically important category of aid.

The budget I have submitted also proposes sweeping reductions in expenditure and employment in order to balance the budget.

As I have previously pointed out to this Council, the cost of labor has reached insupportable levels in this city. When the total cost of salary and fringe benefits is taken into account, we are spending \$70,000 per police officer or firefighter, \$60,000 per teacher, and \$51,000 for other city workers.

I can assure you that no other community comes close to matching the generosity of the City of Providence.

City workers in Providence should be well-compensated. They face challenges not found in the other cities and towns. But many of the benefits our unions enjoy were negotiated during the affluent eighties, when there was plenty of money to be spent. This is no longer the case. And we must take corrective action — now.

Accordingly, I propose these actions in order to assist in balancing the city budget:

- A wage freeze for all city workers.
- Reduction of the pension COLA from 5 percent with compound interest to 3 percent with simple interest;
- Converting many city workers to Health-Mate 2,000, a health plan offered by Rhode Island Blue Cross, which will save the city more than \$2 million a year;
- Imposing strict limits on the so-called "Blue Cross For Life," such that future retirees will receive coverage at city expense for the retiree only, and not family members;
- Dropping high blood pressure as automatic grounds for a disability pension.

These reforms will help to bring out personnel costs under control. But we must do more. We must permanently reduce the number of city workers, and operate more efficiently with fewer employees.

This we can do without layoffs. I propose instead to offer reasonable retirement incentives to Class A and Class B employees who have at least 20 years of service. Almost 600 city workers qualify. We anticipate that about one-third of this number will retire and, in most cases, will not have to be replaced. Permanent reductions will be necessary in order to justify the retirement incentives.

I will ask the city unions to actively support the reorganizational effort. I feel confident that the unions will cooperate. I have also requested the Providence Chamber to lend business managers for the purpose of reorganizing departments, and I have been offered full support.

Retirement incentives will also be offered to police officers and firefighters who receive regular service pensions. Let me emphasize that incentives will not be offered to those who go out on disability pensions.

Reductions will take place while we undertake major reorganizational efforts in both departments.

In the police department, Colonel Gannon believes that we must reorganize and strengthen the patrol division, which is the foundation of our law-enforcement efforts but has not gotten the attention it deserves. He believes the patrol division must have a strong neighborhood focus, supporting efforts in your communities to improve the quality of life. I agree wholeheartedly.

Over the coming year, the police department will conduct its own internal study of reorganization opportunities. While this study takes place, most vacancies created by retirement will go unfilled. However, a class will graduate from the Police Academy this summer and replenish the patrol division. There will be no reduction in police forces on the streets of this city.

In the fire department, I believe are even greater opportunities to reorganize services in the best interest of our citizens and taxpayers.

In recent years, consultants to the city have concluded that the 23 fire trucks in the city far exceeds the number that we need — or that insurance industry standards require. At the same time, there is an ever-growing demand for medical-rescue services provided by the department. Last year, our five rescue companies handled almost 24,000 runs.

Taking these facts in to consideration, I propose to add another medical-rescue vehicle to the force. Last year, rescues from other cities had to enter Providence more than a thousand times to handle calls we were too busy to respond to. Six rescues is clearly the number we need to operate this life-and-death service at a satisfactory level.

However, the time has come to reduce the number of firefighting companies as well. Our review of the consultant studies strongly leads to this conclusion. Of the 23 firefighting companies, three companies that serve the downtown/East Side area can be safely eliminated. Let me point out that almost half of all the city's fire trucks are located in this section of the city, but only about ten percent of the structure fires take place here.

And what of the School Department budget? I understand that the department would like to be exempt from the austerity that pervades this budget. I'm sure you will agree that this cannot be the case. The School Department accounts for half of all city spending, and must contribute its fair share towards a balanced budget. Therefore, I propose that school spending rise by seven million dollars or 4.5 percent. By comparison, the rest of the city budget rises by only six million dollars.

Yes, Dr. Zarrella and the School Board face many difficult issues right now. Rapidly growing enrollment, the need to construct new classrooms, bitter disputes over the reform agenda, and litigation over teacher pay, to name a few. I pledge to do all I can to assist in resolving these difficult issues.

There is simply no money to give. Instead, the School Department must cut its expenses like everyone else.

In order for this budget to succeed, the needs of the City of Providence — Rhode Island's Capital City — must take priority. The General

Assembly must come to the aid of Providence, even if extraordinary measures are required to do so. I am committed, and I know the City Council is committed, to making deep and permanent cuts in expenditure. As we take up this cause, we must have the full and sympathetic support of the Rhode Island legislature. To take away 11 million dollars from Providence at this critical hour would place the Capital City in grave jeopardy.

I am also calling on the city's unions to exercise enlightened self-interest and to accept the agenda we have put forth. There really is no other choice.

To the taxpayers of Providence, I must also ask your acceptance of the first tax increase in four years. We made extraordinary efforts to avert a tax increase. But, in the end, there was no choice but to ask for a modest increase of \$1.50.

At the close of this session, I would like to make one point emphatically clear. If the legislature does not restore 100 percent of our state aid, the tax increase may go higher. If we are less than 100 percent successful in winning union concessions, the tax increase may go higher still.

This must not be allowed to happen. We must make every effort to hold the line on taxes. Rising taxes do not make it easier for Providence to compete for homeowners and businesses. If the state government and city workers contribute their fair share, I am confident we will succeed.

To every member of the Providence City Council, I say: join with me in this campaign to strengthen our city, and make possible the dreams we share. Let us all find the strength, and the wisdom, to keep foremost in our minds the cause of the city we love.

Respectfully submitted,

VINCENT A. CIANCI, JR.
Mayor of Providence

PRESENTATION OF BUDGET ORDINANCE

**HIS HONOR MAYOR VINCENT A. CIANCI,
JR., PRESENTS:**

**An Ordinance Making an Appropriation for the
Fiscal Year ending June 30, 1995.**

PRESENTATION OF ORDINANCES

**COUNCIL PRESIDENT PETROSINELLI
(By Request):**

**An Ordinance Establishing the Classes of
Positions, the Maximum Number of Employees
and the Number of Employees in Certain Classes
in the City Departments and Repealing Ordinance
Chapter 1994-26, approved July 20, 1994.**

**An Ordinance Providing for the Assessment
and Collection of 1995 Taxes, being based on One
Hundred Percent (100%) of the Fiscal Year Tax
Collection.**

**Severally Referred to the Committee on
Finance, on motion of COUNCILMAN IGLI-
OZZI, seconded by COUNCILMAN
LOMBARDI.**

The motion to Refer is Sustained.

**An Ordinance Establishing a Compensation
Plan for the City of Providence and Repealing
Ordinance Chapter 1994-25, approved July 20,
1994.**

ADJOURNMENT

There being no further business, on motion of COUNCILMAN IGLIOZZI, seconded by COUNCILMAN LOMBARDI, the City Council adjourns at 12:45 o'clock P.M. (E.D.T.)

Michael R. Clement

City Clerk

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