



Executive Chamber, City of Providence, Rhode Island

Vincent A. Cianci, Jr.
MAYOR

May 14, 1981

IN CITY COUNCIL
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The Honorable
The City Council of
the City of Providence
City Hall
Providence, Rhode Island

READ:
WHEREUPON IT IS ORDERED THAT
THE SAME BE RECEIVED.

Rose M. Mendonca CLERK

Honorable Members:

As prescribed by statute, we meet again to follow the official task of presenting the annual budget by the Chief Executive Officer of the City of Providence to the City Council, the Legislative Branch of our municipal government. In past years, I have underlined the shared responsibility that is ours in order to reaffirm the true nature of our governmental process, and to acknowledge that this budget that I submit to you is but a guideline for our fiscal responsibility for the coming years. It is now up to you and your Finance Committee to begin your deliberations, to ensure that our collective wisdom and judgement will provide our community and its citizens with a sound fiscal program that will meet our needs.

During this past year, we have accomplished a great deal, despite a severe economic situation in our nation, whereby exorbitant interest rates, a severe inflationary spiral, and increased costs for all materials adversely affected our budget for expenditures. Nevertheless, working together in a shared partnership that was most cooperative, we have begun

to make even more prudent use of our tax dollars, our personnel, and our facilities. We have substantially reduced personnel; we have begun to utilize our staff in paving our own streets; and we have shared in the planning for the reduction of trash collection to a once a week basis, an action which this body must again ratify this evening. And we have moved toward the substantial increase in our parking fines, which is an action that this body must sustain in concert with our Finance Department. In the more economical use of our funds for education, several of our facilities have been used much more wisely and well, and the reduction in numbers of administrators have provided our students with more dollars for instruction. In essence, while our nation and state have not provided us with the best of all possible economic worlds, we have acted to increase our tax base through the establishment of public-private partnerships generated by our aggressive grantsmanship, our sound utilization of community development funding, and our planning to reshape the commercial and the residential neighborhoods to face the world of the 1980's with optimism. There is not one of you that will not support the concept that the City of Providence is a better place to live in, to work in, or to raise your family than it was when we first took office, and I am confident that when our terms are completed it will be even better.

To provide for our immediate future for fiscal 1981-1982, I present to you a budget totaling approximately \$152 million dollars. This increase is below our previous year's increases, and yet it continues all municipal services, provides for the full maintenance and the

improvement of our community's resources, and reflects our wise stewardship of our revenues. In terms of comparative budgetary figures, it reflects an approximate \$13 million dollar increase over the 1980-81 budget. This increase is largely made up of three items: a jump from \$3,052,000 to \$10,392,00 in pension funding (\$7,340,000 increase); an increase in the education budget of \$2,587,479; and a modest increase in previously contracted raises of \$2.8 million dollars for our municipal employees. These three items alone account for our increased costs for this new budget, and underline how well we have held the line in all other items of municipal costs.

To provide for the increase needed in revenues, I am proposing a tentative increase in our taxes of \$3.40. I use the term tentative because it is still the shared responsibility of the executive and the legislative branches of our government to determine the final budgetary figures. To hold a possible tax increase to \$3.40, this body must pass the once a week garbage collection and its concomitant reduction from a six to a five day week; it must work through the Property Committee and the Narragansett Bay Water Quality Commission to ensure the takeover of our Sewage Treatment Facilities by January 1, 1982; and it must substantially increase our traffic fines. If this body wishes to move toward a reduction in the projected \$3.40 tax increase, then it must work expeditiously and cooperatively to move the target date for the takeover of the Sewage Treatment Facilities to July 1, 1981; it must modernize the system for collecting these substantially increased traffic fines; and it must provide for a

significant reduction in our annual contribution to the privately-funded Providence Public Library and other grants that are similar to it. Over the next several weeks, I shall continue to meet with your appropriate committees and the leadership of this body to deal with each of these items, in order to make certain that our final budget is on sound fiscal footing, and to determine through a cooperative effort the need for such an increase.

I remind you that this plan of expenditures continues our strong commitment to the education of our children, and it contains an almost \$3 million dollar increase in our major item of expenditures, education, to bring this cost to \$54,864,964, or 36% of our total budget. No other department has continued to grow as has our school department, and we continue to be mindful that an adopted budget by this municipality is a legal act that must be adhered to by all department heads as they administer these funds.

In past years we have begun the process of attempting to sell surplus municipal properties, and while we have not had the full success that we had desired, we intend to continue our commitment to seeking private ownership of as much municipal property that is surplus with all deliberate speed. Potential sales from these properties will add immeasurably to our financial reputation, both in the nation and in the state, and will in large measure enhance our fiscal condition by continuing to eliminate our deficit and by improving our bond rating. I would hope that our cooperative efforts that we have begun on a wide variety of issues would begin to include this activity as fully as is practicable.

This budget that I present to you is fiscally sound and highly responsible. It reflects the input of all of our department directors, our financial advisors, both internal and external, and it includes our best judgment of the economic conditions now prevalent nationally and statewide. It will require the continued monitoring on the part of our Finance Department of every expenditure to provide cost efficiency that is in accord with our concern for responsible stewardship of our resources. It is an outline, a guideline for the legislative branch of government to use in its deliberations, and in our shared responsibility for our fellow citizens. And while it requires, as well, the swift actions of others, given the Charter under which we operate, it requires hard decisions by this body, and courage and concern to review each line item most judiciously, solely for the betterment of this community and its citizens.

I have accepted my role as the Chief Executive Officer of this community ever since I assumed office. I have not shirked from making difficult decisions in these past months and years, and I urge you to accept your role in this budget process with the same posture. If you do, I have every confidence that our cooperative effort will provide our fellow citizens with the best possible budget that we can.

I respectfully submit this budget to you, ladies and gentlemen of the Providence City Council, for your review and your approval.

Respectfully submitted,

Michael A. Canale
Mayor