

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

MAY 16, 1974

TO THE HONORABLE THE CITY COUNCIL
OF THE CITY OF PROVIDENCE
CITY HALL
PROVIDENCE, R. I.

GENTLEMEN:

AS I SUBMIT TO YOU MY TENTH BUDGET THERE ARE CERTAIN FACTS WHICH WARRANT OUR CONSIDERATION. IN ONE DECADE THE BUDGET HAS PRACTICALLY DOUBLED. WAGES AND BENEFITS FOR OUR PUBLIC SERVICE EMPLOYEES HAVE DOUBLED. COSTS OF MATERIALS AND SUPPLIES HAVE DOUBLED. OUR STREET LIGHTING BILL ALONE HAS MORE THAN DOUBLED.

ON THE OTHER HAND, OUR TAX RATE HAS NOT DOUBLED. IN FACT, IT HAS ONLY INCREASED BY THIRTY-SIX PER CENT IN THE SAME TEN YEAR PERIOD.

OUR ABILITY TO OFFER A REASONABLY STABILIZED TAX RATE IS BASED ON A NUMBER OF FACTORS. FIRST AND FOREMOST, AND MOST ENCOURAGING IS THE FACT THAT PROVIDENCE HAS AN EXPANDING TAX BASE. IN 1964, THE ASSESSED VALUATION OF PROPERTY IN THE CITY WAS \$753,155,842. IN 1973, THE TOTAL ASSESSED VALUATION WAS \$882,406,940. THE TAX BASE IN TEN YEARS HAS EXPANDED BY \$130,000,000. EACH NEW DOLLAR PER THOUSAND ON THE TAX RATE GENERATES \$882,407. IN THE FORTHCOMING FISCAL YEAR OUR YIELD FROM PROPERTY TAXES IS ONLY \$400,000 LESS THAN THE TOTAL BUDGET FOR FISCAL 1964-65.

ANOTHER CONTRIBUTING FACTOR HAS BEEN OUR ABILITY TO REDUCE THE WORK FORCE OF THE CITY WITHOUT EFFECTING THE QUALITY OF SERVICE WE PROVIDE TO THE CITIZENS OF OUR CITY. THERE ARE SEVEN HUNDRED TWENTY-FOUR FEWER POSITIONS IN THIS BUDGET THAN IN 1964. FIFTY-SEVEN JOBS HAVE BEEN ELIMINATED IN THIS PARTICULAR BUDGET ALONE. THROUGHOUT THE YEAR WE WILL CONSTANTLY REVIEW THE NEED FOR THE JOB SLOTS WHICH WE PROPOSE TO FUND IN FISCAL 1974-75.

I.

TONIGHT, I ONCE AGAIN PRESENT TO YOU A BALANCED BUDGET WHICH WILL MEET THE NEEDS OF PROVIDENCE. I DO NOT PROPOSE ANY TAX INCREASE.

THE BUDGET EXPENDITURES FOR THE NEXT FISCAL YEAR TOTAL \$85,823,308 - AN INCREASE OF \$5,800,000 OVER THE 1973-74 BUDGET.

OUR TOTAL REVENUE FROM ALL SOURCES IS EXPECTED TO BE \$85,829,529. THE PROPERTY TAX IS EXPECTED TO PRODUCE \$45,786,150 OR 53.3% OF ALL INCOME. THIS IS AN INCREASE OF \$1,450,000 OVER LAST YEAR AND IS ATTRIBUTABLE TO NEW CONSTRUCTION, SOME SLIGHTLY INCREASED VALUATIONS AND A HIGHER IMPROVED PERCENTAGE OF TAX COLLECTION.

REVENUE FROM STATE SHARED TAXES IS CONTINUING ITS DOWNWARD TREND. THE VARIED FORMULAS USED TO DISTRIBUTE THIS SOURCE OF INCOME COUPLED WITH THE STEADY FALLING OFF OF PARI-MUTUAL BETTING INCOME, RESULTS IN A PROJECTED DECREASE OF SOME \$250,000.

THE MONEY AVAILABLE FROM FEDERAL REVENUE SHARING IS UP SLIGHTLY - \$200,000 - BUT THAT IS DUE TO A TRANSFER OF MONEY FROM CERTAIN ITEMS WHICH WERE ALLOCATED LAST YEAR BUT NOT EXPENDED. THIS YEAR I PROPOSE TO USE THE MONEY TO MEET MORE PRESSING NEEDS.

GRANTS IN AID FOR EDUCATION ARE PROJECTED TO BE \$9,752,194 - UP \$350,000. OUR TOTAL APPROPRIATION FOR EDUCATION IS \$30,813,203 - ALMOST THIRTY-SIX PER CENT OF EVERY DOLLAR WE ARE EXPENDING.

OTHER THAN THE CATEGORY OF STATE AID TO EDUCATION EVERY OTHER GRANT-IN-AID-FOR-EDUCATION IS DOWN. MONEY TO ASSIST IN THE COST OF THE PROVIDENCE PLAN IS DOWN BY \$60,000; AID FOR THE HANDICAPPED CHILDREN IS DOWN BY \$45,000; AND, FEDERAL MONEY FUNNELLED THROUGH THE STATE IS DOWN BY \$190,000.

THE STATE GRANT IN AID FOR WELFARE IS UP BY \$1,100,000. SINCE THE GENERAL PUBLIC ASSISTANCE PROGRAM IS FUNDED ONE HUNDRED PER CENT BY THE STATE AND FEDERAL GOVERNMENTS THIS IS REALLY A WASH ITEM.

OUR ANTICIPATED REVENUE FROM RENTS AND INTEREST HAS BEEN INCREASED BY \$400,000. IT IS REALISTIC TO ASSUME THAT OUR INCOME FROM THE INVESTMENT OF IDLE CASH WILL INCREASE IN THE RISING MONEY MARKET. IN TEN YEARS THIS SOURCE OF REVENUE HAS INCREASED FROM \$230,000 IN 1964 TO \$1,100,000 IN 1974.

II.

INCOME FROM WATER IS UP BY \$1,200,000. THIS IS A RESULT OF A WATER RATE INCREASE SCHEDULED FOR ALMOST IMMEDIATE IMPLEMENTATION. THIS IS ONLY THE SECOND WATER RATE INCREASE IN THE LAST FIFTY YEARS AND STILL LEAVES US WITH ONE OF THE LOWEST RATE STRUCTURES IN THE COUNTRY.

GENERAL DEPARTMENT RECEIPTS HAVE BEEN INCREASED. THE DEPARTMENT OF PLANNING AND URBAN DEVELOPMENT IS LARGELY RESPONSIBLE FOR THIS INCREASE, FOR IT WILL TURN OVER TO THE GENERAL FUND \$380,000 WHICH IT HAS RECEIVED FROM THE SALE OF LANDS IN THE REDEVELOPMENT PROJECT AREAS.

ANTICIPATED REVENUE FROM THE PORT OF PROVIDENCE IS UP \$300,000 OVER LAST YEAR.

ONCE AGAIN, TO BALANCE THE BUDGET I WILL DRAW \$1,300,000 FROM THE RESERVE FOR EXTRAORDINARY EXPENDITURES. AS OF THIS DATE I NATURALLY DO NOT HAVE A FIRM FIGURE AS TO WHAT OUR SURPLUS FOR THIS FISCAL YEAR WILL BE, BUT WHATEVER IT IS, AND IF IT EXCEEDS THIS AMOUNT IT WILL BE SET ASIDE TO MEET FUTURE EXPENDITURES NOT ALREADY BUDGETED.

THE SINGLE MOST SIGNIFICANT FACTOR FOR THE INCREASED BUDGET IS THE PROVIDING OF A REASONABLE WAGE FOR PUBLIC SERVICE EMPLOYEES WHO PERFORM A GOOD DAYS WORK AND ARE THUS ENTITLED TO A LEGITIMATE DAYS PAY. AS I STATED EARLIER, SALARIES HAVE DOUBLED IN THE LAST DECADE AND FRINGE BENEFITS HAVE GREATLY INCREASED. TAXPAYERS, THEMSELVES, KNOW WHAT INFLATION HAS DONE TO THEIR FOOD, HEAT, GASOLINE, CLOTHING AND GENERAL BILLS. THE SAME APPLIES TO CITY EMPLOYEES.

COMPETENT TEACHERS, RESPONSIBLE POLICE AND FIRE PERSONNEL, HARD-WORKING BLUE COLLAR EMPLOYEES AND SOLID, DEDICATED CITY HALL PEOPLE ARE A MUST IF WE ARE TO EFFECTIVELY MEET THE NEEDS OF THE COMMUNITY. THE QUANTITY OF EMPLOYEES IS SUBJECTED TO CONSTANT REVIEW AND THE QUALITY OF PERSONNEL MUST BE GUARANTEED.

THERE ARE SEVERAL MAJOR EXPENDITURE ADJUSTMENTS WHICH MUST BE EXPLAINED.

THE APPROPRIATION FOR THE ASSESSORS' OFFICE IS DOWN \$100,000. THE REEVALUATION PROGRAM HAS BEEN FULLY FUNDED OVER THE LAST THREE YEARS AND NO NEW MONEY WILL BE REQUIRED IN FISCAL 1974-75.

THE APPROPRIATION FOR EQUIPMENT IN THE POLICE DEPARTMENT HAS BEEN INCREASED BY \$65,000. LAST YEAR WE USED OUR INITIAL FEDERAL REVENUE SHARING GRANT TO COMPLETE THE MODERNIZATION OF OUR VEHICULAR FLEET. THIS YEAR'S MONEY WILL BE UTILIZED TO MAINTAIN THAT TYPE OF FLEET.

III.

LAST YEAR WE USED THE INITIAL REVENUE SHARING GRANT TO PURCHASE TWO LADDER TRUCKS, FIVE PUMPERS AND ONE NEW RESCUE VEHICLE. THE DEPARTMENT'S EQUIPMENT IS IN EXCELLENT CONDITION. FOR THIS REASON THERE WILL BE NO NEW MAJOR EQUIPMENT PURCHASES IN 1974-75 AND THEREFORE THAT BUDGET IS DOWN \$300,000.

THE PERSONAL SERVICES LINE ITEM FOR THE DEPARTMENT OF RECREATION SHOWS A SUBSTANTIAL INCREASE. SEVERAL YEARS AGO I RECOMMENDED AND YOU APPROVED THE CONCENTRATION OF ALL MAINTENANCE, REPAIR AND CUSTODIAL SERVICES UNDER THE DEPARTMENT OF PUBLIC PROPERTY. THAT INCLUDED THE TRANSFER FROM RECREATION TO PUBLIC PROPERTY OF A NUMBER OF PERSONNEL. IT IS NOW FELT THAT IN ORDER TO PINPOINT RESPONSIBILITY FOR THE CONDITION OF OUR PLAYGROUNDS WE SHOULD REDEPLOY CERTAIN JOB SLOTS BACK TO THE RECREATION DEPARTMENT. THIS ACTION WILL RESULT IN A REDUCTION OF THE PERSONAL SERVICES LINE ITEM FOR THE DEPARTMENT OF PUBLIC PROPERTY.

IN THE DEPARTMENT OF PUBLIC PROPERTY UNDER ADMINISTRATION AND PURCHASING YOU WILL NOTE A LARGE INCREASE OF OVER \$700,000 IN MATERIALS AND PURCHASING. DURING THE RECENT FUEL AND GASOLINE CRISIS WE CENTRALIZED THE PURCHASING AND DISTRIBUTION OF THESE CRITICAL ITEMS. THE RESULTS WERE REWARDING. WE USED LESS GASOLINE IN EACH MONTH OF 1974 THAN WE USED IN COMPARABLE MONTHS IN 1973. I PROPOSE TO FURTHER CENTRALIZE AND CONTROL DISTRIBUTION DURING FISCAL 1974-75 AND FOR THIS REASON HAVE CONCENTRATED COSTS FOR THESE ITEMS IN THE DEPARTMENT OF PUBLIC PROPERTY. THAT DEPARTMENT WILL MONITOR COSTS AND USAGE FOR EVERY OTHER AGENCY OF CITY GOVERNMENT.

WE HAVE APPROPRIATED AN ADDITIONAL \$40,000 TO EXPAND OUR TREE REMOVAL PROGRAM.

WHILE DISCUSSING THE DEPARTMENT OF PUBLIC PROPERTY I BELIEVE IT IS APPROPRIATE TO RAISE SOME QUESTIONS WHICH HAVE BEEN THE SUBJECT OF MUCH PUBLICITY IN THE LAST FEW WEEKS. I AM CONCERNED ABOUT THE PLANNING, MANAGEMENT AND OPERATION OF ROGER WILLIAMS PARK. DESPITE THE SOARING COSTS OF OPERATION, MONEY WHICH HAS BEEN SET ASIDE FOR DRAINAGE, FENCING, SANITARY FACILITIES, LIGHTING, RELOCATING OF ANIMAL EXHIBITS, REPAIRS TO THE BIRD HOUSE, THE ELEPHANT HOUSE, INCREASED SECURITY - THE ENTIRE SYSTEM OPERATES ON A DAY TO DAY CRISIS BASIS. THIS WILL NOT BE PERMITTED TO CONTINUE. TOGETHER WITH THE PARK COMMISSIONERS I INTEND TO PERSONALLY INITIATE A STUDY OF THE DAILY OPERATION OF ROGER WILLIAMS PARK. A PROGRAMMED PLAN FOR THE FUTURE OF THAT VALUABLE ASSET WILL BE DEVELOPED. PRESENTLY THERE SEEMS TO BE A CONSTANTLY SHIFTING PRIORITY SYSTEM DEPENDING ON WHO OR WHAT ORGANIZATION SECURES THE GREATEST AMOUNT OF MEDIA COVERAGE.

IV.

ROGER WILLIAMS PARK IS OWNED BY ALL THE PEOPLE OF PROVIDENCE. THEY PAY THE BILLS. ROGER WILLIAMS PARK IS USED BY MOST OF THE PEOPLE OF RHODE ISLAND. THEY MAKE ONLY PERIODIC CONTRIBUTIONS TO PET PROJECTS IN THE PARK. THERE IS A GREAT DIFFERENCE AND I INTEND, WITH THE PARK COMMISSIONERS TO DETERMINE WHETHER IT IS A PARK, A ZOO, A PLAYGROUND OR A REASONABLY BALANCED ASSIMILATION OF ALL.

IF FEES ARE CALLED FOR THAN THEY WILL BE SET AND THE MONEY WILL GO INTO THE GENERAL FUND AND BE USED FOR THE COST OF OPERATION AS WELL AS IMPROVEMENTS. ALL OTHER FEES OR INCOME WHERE LEGALLY PERMISSABLE WILL GO INTO THE GENERAL FUND. ANY OTHER MONIES RECEIVED FROM CONDEMNATIONS OR ANY OTHER SOURCE WILL BE USED FOR PLANNED PROGRAMMED CAPITAL IMPROVEMENTS.

THE APPROPRIATION FOR THE BOARD OF CANVASSERS HAS BEEN INCREASED BY \$25,000. STATE RE-APPORTIONMENT AND THE FORTHCOMING PRIMARY AND ELECTION WARRANT THE INCREASE.

OUR APPROPRIATION FOR THE OPERATION OF THE SCHOOL DEPARTMENT HAS BEEN INCREASED BY \$2,800,000. SALARY INCREASES FOR ALL PERSONNEL IS THE MAJOR FACTOR. WE CANNOT ARGUE WITH THE INCREASED COSTS OF FUEL, LIGHTING, AND BLUE CROSS.

SEVERAL YEARS AGO A STUDY COMMISSION WHICH I APPOINTED PROJECTED OUR SCHOOL OPERATING COSTS WOULD AMOUNT TO \$20,000,000 BY 1970. I WAS ASTOUNDED AND DID NOT BELIEVE THE REPORT. HERE, LESS THAN FOUR YEARS LATER, WITH FEWER CHILDREN AND FEWER BUILDINGS WE ARE APPROPRIATING \$30,813,203. STILL NO END IS IN SIGHT.

ON TOP OF THESE COSTS IS ANOTHER DANGER WHICH MUST BE FACED IMMEDIATELY. I MENTIONED EARLIER THAT FUNDING AVAILABLE FROM THE FEDERAL GOVERNMENT FOR EDUCATIONAL PURPOSES IN EXISTING CATEGORICAL AID PROGRAMS IS DOWN IN ALMOST EVERY INSTANCE. YET THERE IS MONEY AVAILABLE FOR NEW EXPERIMENTAL PROGRAMS AND THIS YEAR THE SCHOOL DEPARTMENT PROPOSED TO EMBARK ON A HOST OF NEW PROGRAMS WHICH WOULD BE INITIALLY FUNDED BY THE FEDERAL GOVERNMENT. INITIALLY IS THE KEY WORD. THE FIRST YEAR THE FUNDING LEVEL IS ONE HUNDRED PER CENT - THE SECOND YEAR EIGHTY PER CENT - AND SO ON DOWN TO A FEDERAL FUNDING LEVEL OF ZERO PER CENT AND A LOCAL FUNDING LEVEL OF ONE HUNDRED PER CENT. CERTAINLY THERE ARE SOME EXCELLENT PROGRAMS WHICH CAN BE DEVELOPED. BUT THEY MUST BE SUBJECTED TO CONSTANT REVALUATION AND SUCH CONTRACTS ENTERED INTO VERY GUARDEDLY.

WE CANNOT AFFORD EVERY EXPERIMENT WHICH COMES DOWN THE ROAD.

I HAVE INCREASED OUR CONTRIBUTION TO THE PROVIDENCE PUBLIC LIBRARY BY ANOTHER \$25,000 AND OUR AID TO THE COMMUNITY MENTAL HEALTH CENTER BY \$25,000. NEITHER OF THESE OPERATIONS RECEIVED ANY NEW STATE ASSISTANCE AGAIN THIS YEAR.

OUR CONTRIBUTIONS TO THE CITY EMPLOYEES RETIREMENT SYSTEM HAS BEEN INCREASED BY \$400,000 WHICH IS NEEDED TO FUND THE SYSTEM DUE TO SALARY INCREASES AND BETTER BENEFITS.

PAYMENTS TO BLUE CROSS AGAIN HAVE INCREASED BY \$354,000. PAYMENTS NOW AMOUNT TO \$1,289,700 AS COMPARED TO \$204,929 IN 1964.

IN CLOSING I WOULD LIKE TO QUOTE FROM A REVIEW OF PROVIDENCE, RHODE ISLAND DONE BY MOODY'S INVESTORS SERVICE, INC.

"PROVIDENCE HAS FOR MANY YEARS CONDUCTED ITS FINANCIAL OPERATIONS ON A SOUND BASIS, CLOSING EACH YEAR SINCE 1960 WITH ACCRUED REVENUE SURPLUSES IN EXCESS OF \$1,000,000. REVENUES HAVE CONSISTENTLY EXCEEDED EXPENDITURES, WITH ACTUAL OPERATIONS COMPARING FAVORABLY TO THE BUDGET ESTIMATES. SOUND FINANCIAL MANAGEMENT HAS BEEN INSTRUMENTAL IN CREATING SURPLUSES IN THE GENERAL FUND OVER THE PAST TEN YEARS.....WITH ITS FINANCIAL OPERATIONS CLOSELY RELATED TO THE ANNUALLY AVAILABLE RESOURCES, PROVIDENCE HAS AVOIDED THE PRACTICE OF BORROWING TO MEET OPERATING EXPENSES AND ABANDONED ALL BORROWING IN ANTICIPATION OF TAXES. CURRENT TAX COLLECTIONS ARE GOOD AND DESPITE THE OVER-ALL REDUCTION IN STATE AIDS AND SHARED TAXES, THE CITY'S TAX RATE REMAINS VERY MODERATE AT \$53 per \$1,000 OF ASSESSED VALUATION."

THAT SAYS IT ALL BETTER THAN I CAN, GENTLEMEN.

I, RESPECTFULLY, SUBMIT THIS BUDGET FOR YOUR APPROVAL.

THANK YOU.

RESPECTFULLY SUBMITTED,

Joseph A. Doorley, Jr.

JOSEPH A. DOORLEY, JR.
MAYOR OF PROVIDENCE

IN CITY COUNCIL

MAY 16 1974

READ:

Vincent Vespa
CLERK