

RESOLUTION OF THE CITY COUNCIL

No. 200

Approved April 29, 1996

WHEREAS, the City of Providence faces a persistent structural deficit because the cost of government is rising much more rapidly than revenues;

WHEREAS, the property tax burden in the City of Providence, especially the tax on business property, is among the highest in the state;

WHEREAS, the value of taxable property has declined significantly during the 1990's while the value of tax-exempt property has increased significantly;

WHEREAS, continued immigration is causing our school costs to rise at a rate far beyond what our local revenues can support, and state aid is insufficient to overcome the gap in school funding;

WHEREAS, there is an ever-growing need for additional state aid to support City government, but the prospect of such aid is uncertain because of the recessionary conditions that exist in Rhode Island;

WHEREAS, the bond rating of the City of Providence has been lowered in recent months because of these financial constraints;

WHEREAS, the major interests of the City and State must unite in order to fashion bold, innovative and lasting solutions to the fundamental problems enumerated herein;

WHEREAS, Rule 27 of the Rules of the City Council provides for the creation of a Study Commission;

NOW, THEREFORE, BE IT RESOLVED, that Resolution No. 66 dated February 23, 1996 is hereby repealed;

BE IT FURTHER RESOLVED, that the Commission to Restructure Providence City Finances is hereby created; the Commission shall consist of eleven (11) members: Two (2) members of the City Council appointed by the President of the City Council; One (1) appointee of the Mayor; One (1) State Representative appointed by the Providence Delegation; One (1) State Senator appointed by the Providence Delegation; the Chairman of The Providence Plan; the Executive Director of the R.I. Public Expenditure Council; three (3) Citizen of the General Public appointed by the Council President; and a Chairman, who shall be appointed by the Council President. The Chairman of the Finance Committee shall be a nonvoting member of the Commission.

The Staff of the Commission shall consist of the Finance Director of the City; the Internal Auditor of the City Council; the Director of Business Operations of the School Department; the City Assessor; the Executive Director of The Providence Plan; loaned staff from the R.I. Public Expenditure Council; and such

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other individuals from within or without the City Government as the Chairman may appoint. Should the Commission seek to expend City moneys for purposes related to its mission, the Commission shall present such requests to the City Council.

The Commission shall make detailed written proposals to the Mayor and the City Council to address the following questions, among others:

- * How can the City government increase revenues, restrain expenditures, and fulfill its service obligations as the principal city in Southeastern New England?
- * Does the existing system of City and State funding for public education meet the needs of students, parents and taxpayers, or should the funding system be amended or replaced?
- * Should any existing city services be reduced, eliminated, transferred to another level of government, or privatized?
- * Is the existing property tax adequate to meet the needs of our City, or should this tax be supplemented or replaced with other sources of revenue?
- * What is the proper role of the tax-exempt institutions of our City in promoting the financial stability and service capability of the City Government?
- * Considering the pending revaluation of City Property, how can the tax burdens of the City be distributed among different classes of property in order to promote home ownership and the expansion of taxable businesses in our City?

The Commission shall present its findings and recommendations in periodic reports to the Mayor and the City Council, with the first interim report due no later than one year from the passage of this Resolution. The commission shall remain in existence, and provide guidance and assistance at least until the completion of the property revaluation in 1998 or thereafter.

IN CITY COUNCIL
 APR 18 1996
 READ AND PASSED
Erubyn V. Fargnoli
 ACTING PRES.
Michael R. Clement
 CLERK

APPROVED
 APR 29 1996
Vincent A. Cianci
 MAYOR