

**CITY OF PROVIDENCE
RHODE ISLAND**



CITY COUNCIL

JOURNAL OF PROCEEDINGS

No. 12 City Council Special Meeting, Tuesday, April 29, 2014, 6:00 o'clock P.M.

PRESIDING

**COUNCIL PRESIDENT
MICHAEL A. SOLOMON**

ROLL CALL

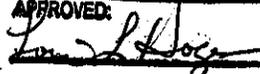
**PRESENT: COUNCIL PRESIDENT SOLOMON, COUNCILMAN APONTE,
COUNCILMAN CORREIA, COUNCILMAN HASSETT, COUNCILMAN IGLIOZZI,
COUNCILMAN JACKSON, COUNCILMAN JENNINGS,
COUNCILWOMAN MATOS, COUNCILMAN NARDUCCI,
COUNCILMAN PRINCIPE, COUNCILMAN SALVATORE,
COUNCILMAN ZURIER – 12.**

**ABSENT: COUNCILWOMAN CASTILLO, COUNCILMAN SANCHEZ,
COUNCILMAN YURDIN – 3.**

(SUBSEQUENTLY COUNCILMAN SANCHEZ JOINS THE MEETING)

**ALSO PRESENT: LORI L. HAGEN, SECOND DEPUTY CITY CLERK, SHERI A.
PETRONIO, ASSISTANT CLERK AND JEFFREY M. PADWA, CITY SOLICITOR**

**IN CITY COUNCIL
JUN 05 2014**

APPROVED:
**CLERK
ACTING**

INVOCATION

The Invocation is given by **COUNCILMAN TERRENCE M. HASSETT**.

"Dear Lord, as we listen to the Mayor tonight, continue to give this council and the administration the strength that they need to solve the problems of our city. We ask this in your name. Amen."

PLEDGE OF ALLEGIANCE

COUNCILMAN KEVIN JACKSON 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

COUNCIL PRESIDENT MICHAEL SOLOMON

Request filed with the Second Deputy City Clerk, April 25, 2014, Requesting a Special Meeting of the City Council to be called on the 29th day April, 2014 at 6:00 o'clock P.M., in the City Council Chamber, Third Floor, City Hall.

COUNCIL PRESIDENT SOLOMON Receives the foregoing Communication.

RESULT: RECEIVED

WARRANT FOR SPECIAL MEETING

Warrant of the Second Deputy City Clerk to David Tassoni, City Sergeant with Return Certification that he has notified each Member of the City Council of the Special Meeting called for the 29th day of April, 2014 at 6:00 o'clock P.M, in the City Council Chamber, Third Floor, City Hall.

COUNCIL PRESIDENT SOLOMON Receives the foregoing Warrant.

RESULT: RECEIVED

BUDGET ADDRESS

Presentation of Budget Address by Mayor Angel Taveras for Fiscal Year 2014-2015.



Mayor Angel Taveras

Fiscal Year 2015 Budget Address

**REBUILDING AFTER THE STORM:
MAKING KEY INVESTMENTS, FOCUSED ON LASTING STABILITY**

**Tuesday, April 29, 2014
(as prepared for delivery)**

Mr. President, honorable members of the City Council and fellow residents of our great City of Providence -

Three years, three months and 26 days ago, I stood on the steps of City Hall and took the oath of office as our Capital City's 37th mayor. While we knew Providence's finances faced challenges, we did not know the full extent of the peril. The City was operating without an approved budget. Providence had suffered the loss of tens of millions in cuts to local aid. Our unfunded pension liability had grown to more than \$800 million and was spiraling out of control.

In my inaugural address, I said "like any family or business in America, we simply cannot spend what we do not have and politicians cannot promise what taxpayers cannot afford for us to deliver."

I pledged to be forthright and transparent in addressing our City's financial challenges. But I never imagined the true depths of the crisis: a \$110 million structural deficit about one-sixth the size of the City's budget.

A FISCAL STORM

There was no easy escape from this Category 5 fiscal hurricane. We could not tax our way out of the crisis. Our spending was almost entirely bound by existing labor contracts. About 40 percent of the total property value in Providence was owned by tax-exempt institutions. And the clock was ticking on the City running out of cash.

Many people whispered bankruptcy was unavoidable. But we were committed to doing whatever was necessary to save our City from financial ruin, and we got to work.

The work of saving Providence from bankruptcy has not been easy - we all know that; we lived through it. It has taken tough choices and shared sacrifice by every stakeholder in our City. To them I say, thank you. Thank you for helping us to avoid Detroit's fate.

Last year, we finally eliminated the \$110 million structural deficit and ended the year with a \$1.6 million surplus.

We expect to end this year with a balanced budget for the second year in a row.

NO NEW TAXES

Today, I am very proud to deliver you another balanced budget for next year that contains NO NEW TAXES.

We are not raising any of our tax rates - residential, business or automobile. At the same time, we are conservatively forecasting a 1.3 percent increase in tax revenues. This is because our data show tangible tax collections increasing as business spending picks up with an improving economy.

Providence's owner-occupied residential tax rate is in the middle of the pack of all Rhode Island's cities and towns. Holding the line on our residential rates should make our City even more competitive.

In my economic development action plan, I called for a seven-year freeze on Providence's commercial tax rate. This budget continues that freeze. We haven't raised the commercial rate in three years.

And tonight I can report progress: The Lincoln Institute of Land Policy has just released its survey of cities with the highest commercial tax rates. As a result of our resolve, Providence is no longer at the top of their list.

HOW FAR WE HAVE COME

This budget is not balanced with gimmicks. It does not borrow to plug budget holes. It is balanced with discipline. It keeps our promises to union employees who came to the table during Providence's darkest hours and agreed to forego pay increases.

My proposed budget makes key investments in our priorities: public education, public safety, city services, parks and recreation, community libraries, a stronger pension system, and a healthy and environmentally responsible community.

This \$678.4 million budget represents a 2.4 percent increase in spending. This budget also makes a \$3.2 million appropriation to further reduce the City's cumulative deficit.

To put what we have accomplished into context, in FY2010 - the last full fiscal year of the prior administration - city-side actual spending was \$336.5 million. That's more than this year's city-side budget and more than any year of this administration.

In FY2011, city-side actual spending was \$330.3 million. Four years later, the city-side budget is \$333.2 million. That's an increase of less than 1 percent over four years - less than a quarter percent per year, and less than the rate of inflation. At the end of my administration, we will have kept spending essentially flat for the duration of my term.

Overtime in the Fire Department was costing the City more than \$9 million a year when we came into office and reached as high as \$12 million, but is only \$4 million in this budget because of the decisions we have made to properly staff our Fire Department.

We will keep working to eliminate overtime without impacting the life-saving services our firefighters provide. And make no mistake, our firefighters are life savers.

Retiree healthcare costs reached as high as \$29.2 million in FY2013, when we were finalizing our pension and healthcare settlement with our unions and retirees. In this budget healthcare costs are \$21.6 million - a reduction of more than 25 percent - thanks to the changes we negotiated.

Without our negotiated concessions to cap pensions, forever eliminate 5 and 6 percent compounded COLAs and other important changes, the City's unfunded liability could have reached as high as \$964 million this year.

Our negotiated pension settlement will save Providence's taxpayers more than \$392 million in the next 25 years, when the pension system is expected to be 100 percent funded.

Our government is leaner and more efficient than it has been in memory.

INVESTING IN OUR PRIORITIES

My proposed budget invests in our children and in our schools. The \$345.1 million spending plan for our school district represents a 2.3 percent increase. This school department budget begins a two-year investment to expand bus pass eligibility for Providence high school students.

Next year, students who live within a two-and-a-half mile walking radius to their school will be eligible to receive a bus pass. The following year, the School Board has committed to shrinking that radius to two miles.

The bus pass issue is not a new one. The radius for eligibility has been three miles for decades. Like so many other issues we have faced, we are taking action to address a challenge that existed long before we took office.

I want to thank the Providence Student Union for elevating this important issue. Your commitment to equity and your courage to speak up is inspiring - thank you for your leadership.

I am also pleased to announce that I have directed the Providence Public Building Authority to borrow \$10 million to improve our school buildings - including fixing the gymnasium ceiling at the Harry Kizirian Elementary School.

Every single one of our children deserves to learn in a building that is clean, safe and dry. I wish we could borrow much more money to immediately address years of deferred maintenance. This \$10 million is a down-payment on our commitment to improving our school buildings. It is what we can afford right now.

But we know that additional resources are needed. That's why I call upon the General Assembly to revamp school construction aid in Rhode Island.

Providence Public Schools Superintendent Dr. Susan Lusi is currently negotiating, in good faith, a new contract with the Providence Teachers Union. I aim to sign a contract that improves teaching and learning while also achieving new cost-saving efficiencies.

Two years ago, we saved the Providence Community Library system by agreeing to purchase all of its branch buildings from the Providence Public Library. This budget reaffirms the City's commitment to our community libraries with an additional \$200,000 in funding.

When we negotiated our pension reform agreement to save the City millions, we pledged to make our full annual payments into the pension system moving forward. This budget makes good on that promise by making the full, 100-percent ARC payment into the pension fund.

A SAFER CITY

We are investing in public safety. In October, we will begin to put more police on the streets of Providence as we graduate 60 new officers from the largest Police Academy in our City's history. It will also be the most diverse class in the history of the Providence Police Department.

We will purchase 40 new police vehicles, 15 undercover vehicles and a new transport van. We will improve dashboard and desktop computer capability and connectivity across all public safety operations. And we will install a state-of-the-art system to link Providence to national databases to help get criminals off our streets.

And we will give our police officers life-saving Narcan training to stem the dramatic rise in heroin overdoses in our region.

Providence's overall crime rate remains among the lowest it has been in decades. From January through April, overall crime is down about 20 percent in Providence over the same period last year. Our police officers have done a heroic job working with limited resources.

Putting more officers on the streets and providing all our police with state-of-the-art equipment and training will only enhance our ability to fight and prevent crime - because any crime is too much crime.

We are also giving our firefighters the tools they need to do their jobs safely and effectively with the purchase of a new rescue truck and a new engine truck.

INFRASTRUCTURE, PARKS AND RECREATION

We are investing in infrastructure and city services. We will work through the fall to complete the remaining 30 miles of road paving as part of our \$40 million road bond. We will continue to pave the worst roads first.

This summer, we will begin the final phase of the Downtown Circulator Project. The City will partner with the Downtown Providence Parks Conservancy to continue improving Burnside Park and Waterplace Park.

We will fund improvements to 19 parks in our neighborhoods, along our waterfront and in our downtown. At Roger Williams Park - the jewel of our parks system - we will expand the botanical gardens, renovate the casino, the bandstand and the Museum of Natural History.

We will buy new equipment and trucks for the Departments of Public Works and Parks and Recreation, to help crews fill potholes and tackle other jobs more quickly.

And we will leverage philanthropic dollars to plant 500 trees throughout the spring and fall in every neighborhood of Providence.

In the coming weeks, we will announce the start date for Providence's annual Summer Lunch Program, through which we provide free lunches to children throughout the city.

We will continue to provide summer job opportunities for our youth. And just last week we announced a new partnership with our private colleges and universities to provide Providence high school students the chance to spend their summer learning on a college campus.

This budget is about people. It is not just numbers on a spreadsheet. The decisions we make about where and how to invest our resources directly impacts the quality of life for each of us, our families and our neighbors.

We are paving our roads so that our drive to work is easier. We are investing more in our community libraries so our children have opportunities to expand their horizons after school and in the summer. We are putting more police on our streets because residents in *every* neighborhood deserve the right to raise their families in a safe environment.

None of this would be possible if Providence had fallen into financial ruin. Three years ago too many people thought it was inevitable. But it wasn't.

In our City's darkest days, I maintained that through hope and hard work we would weather the storm. That we would not be afraid to make the tough choices necessary to see a deficit closed and fundamental investments made.

Providence is *our* city. Our story of shared sacrifice shows what we can accomplish when we commit to building a brighter future.

ENSURING LASTING FISCAL STABILITY

Mr. President, honorable members of the City Council, tonight is the final time I expect to address you as a full body. I stand before you this evening humbled by the journey we have traveled together.

The job of Mayor has been more challenging and more fulfilling than I could ever have dreamed. It has been an experience I will carry with me as long as I walk this earth.

And I know Providence is better off than it was the day I became Mayor. We are in a stronger financial position than we were when I gave my inaugural address on the steps of City Hall.

I said that morning: "The time for Providence to take control of its financial future is now."

We have taken control of Providence's finances. Last year we went from budget deficit to budget surplus. We expect to end this year with a balanced budget for the second year in a row.

My proposed budget increases revenues without raising tax rates. Providence's commercial tax rate is no longer at the top of any list. We are stepping up investments to improve public education and fix school buildings; put more police on the streets with better equipment; repave roads, upgrade parks; pay for libraries; and fully fund our pension system.

But let me say this - make no mistake - the painstaking gains we have made over three-and-a-half difficult years could be easily reversed if the City does not continue the fiscal discipline and responsibility my administration has brought to City Hall.

The next Mayor and the next City Council must continue to work together with the same sense of urgency and spirit of cooperation that has brought us to this moment.

Protect the flame that we kept alive through the storm. Nurture it. It holds the promise of lasting strength and prosperity for our beloved City of Providence. Of that I am certain.

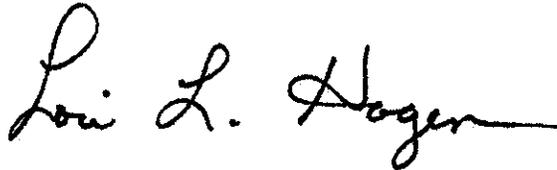
It has been my sincere honor and privilege to work with you and to serve as your Mayor. To the residents of Providence: thank you for the trust you have placed in me.

God bless the City of Providence, the State of Rhode Island and the United States of America.

RESULT: RECEIVED

CONVENTION

There being no further business, on Motion of **COUNCILMAN SALVATORE**, Seconded by **COUNCILMAN APONTE**, it is voted to adjourn at 6:35 o'clock P.M., to meet again **TUESDAY, MAY 1, 2014 at 7:00 P.M.**



LORI L. HAGEN
SECOND DEPUTY CITY CLERK

This meeting was recorded and the video may be viewed on demand via the internet. Please visit the City Clerk web site or contact us directly for details.

