



January 8, 2017

Dear Fellow East Siders:

Our good luck this winter continues, as the first major snow storm occurred over a weekend. I hope you enjoyed an opportunity to get out without suffering major disruptions. This week's letter discusses the fire fighters' contract, the School Department budget and the City's recent 5-year budget.

On January 5, the City Council approved the tentative agreement with the fire fighters by a 13-1 margin. I voted with the majority, but this vote was the most difficult one I have taken in my six years on the City Council. For those of you who are interested, I prepared an [extended explanation](#) of my vote, which describes the 18-month history leading up the contract's resolution. That history reveals several ways that this contract would have been better and less acrimonious if different choices had been made along the way, but at this point in time the only choice before the City Council was either to approve what was before us or likely send the parties into arbitration. An agreement will achieve some savings, and rebuild a department whose ranks have been decimated by resignations. It also provides the administration the opportunity to reflect on lessons learned from the experience, including the value of greater communication with City employees and greater collaboration with its partners in government. Another issue raised by the tentative agreement is the current plan to remove from service the engine companies located at Humboldt Avenue and Rochambeau Avenue. At a December 21 meeting, the administration assured residents in our neighborhood the new arrangement will meet safety standards, but I intend to continue my inquiries. (Because engine assignments are a management right, these assignments can be changed without changing the contract.)

Also at the January 5 meeting, the City Council forwarded to the Education Committee a [Resolution](#) Councilman Principe and I introduced to request a 5-year budget from the School Department. According to a [Report](#) prepared by the Internal Auditor, the net fiscal impact of that expansion (even after accounting for savings from a reduced enrollment in the Providence Public Schools) will place at risk the finances of the City and the quality of the public education we can provide our children. State law required the Council on Elementary and Secondary Education to take these impacts into consideration before approving the proposal, but unfortunately they failed to do so. As a result, it is incumbent on the City to plan as best as possible to minimize the harm that could result from this change.

On January 3, the administration released a [5-year budget projection](#) predicting surpluses each year for the City budget and deficits for the School Department budget. The projected surpluses contrast with a [10-year City budget](#) prepared last year by NRN, a consultant the City commissioned and worked with, which projected deficits for the next 5 years. I highlight the differences in the two projections in this [Chart](#), which shows that the two budgets are almost mirror-opposites of each other. While the City's consultant projected slow growth in revenues and faster growth of costs, the new 5-year budget projects the opposite, almost switching the expenditure and revenue forecasts year by year. While I intend to study more closely the methodologies of the two studies, it is at least at first glance difficult to explain this dramatic change, which raises questions about the accuracy of either study. While it is not easy to predict the future, policies will be more effective if they are based on the best possible information and are consistently implemented, something the zig-zag nature of these two studies does not support.

Sincerely,

A handwritten signature in blue ink that reads 'Sam Zurier'.

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