



February 14, 2016

Dear Fellow East Siders:

I hope you are enjoying Valentine's Day with family and loved ones. This week's Ward Letter discusses the Mayor's State of the City address and the administration's deficit reduction plan.

Last week in the City was a study in dualisms. The first came on Monday, with the funeral of former Mayor Buddy Cianci, whose biography could be described (with apologies to Dickens) as a Tale of Two Mayors. In the week leading up to the funeral, many people reflected on his legacy, some emphasizing the positive side while other emphasized the negative. At times, it became a polarizing debate, as extremists on each side argued against the significance of the other point of view. In the end, however, it is impossible to separate the two sides of Buddy Cianci. As we appreciate and build upon the positive contributions of his legacy, so must we learn from and correct the burdens he left behind.

Just as former Mayor Cianci's legacy is a study in contrasts, so is the state of our City today, where we have both serious current problems and a bright future. Mayor Elorza presented a compelling case for our City's bright future in his State of the City address Tuesday night, noting the commencement of new construction projects this Spring, as well as initiatives to rehabilitate abandoned housing and reform the School Department's central office. He also announced his plan to provide learning activities during the summer months, continuing a tradition begun by Mayors Cicilline (after-school programs) and Taveras (Providence Talks) to bolster the education of our City's children outside the confines of the traditional classroom. In this way, Mayor Elorza stated a compelling case for our City's bright future, or what he called, its resurgence.

But just as the biography of Mayor Cianci is a Tale of Two Mayors, so the State of the City today (to borrow again from Dickens), is a Tale of Two Cities. The Mayor's State of the City's address mentioned, at the end, and only in passing, the City's "share of financial challenges" without discussing specifically the unexpected year-end deficit, the Auditor General's unprecedented letter, and the bond rating downgrades by Moody's and Fitch. Thursday night's scheduled Finance Committee meeting provided an opportunity to review and appreciate the serious and urgent issues the City faces today. As I described in [last weeks' Letter](#), the administration's deficit reduction plan raises significant questions that must be answered before the City Council votes to approve it. The day of the meeting, the administration provided a [Letter](#) answering [Questions](#) posed by the Internal Auditor. While answering some questions, the administration's response raised other ones. For example, there is the issue of the ongoing firefighter dispute, which the Internal Auditor estimated could create a liability of \$9.6 million per year if the City loses the court cases. The deficit reduction plan makes no mention of this contingent liability. At a recent community meeting ([as reported by WPRI](#)) the Mayor stated the City was placing savings from the platoon shift "into a figurative lockbox" to hold as a reserve against any potential liability. In fact, however, the City reported that instead of producing savings, the Fire Department's budget this year is projected to finish at a deficit to due increased overtime expense. Furthermore, the City does not have any other reserves; instead, it has a "negative reserve" in the form of an accumulated deficit. With that in mind, the Internal Auditor asked the administration to explain how the potential liability from the firefighters' dispute "will impact the stated goal to eliminated the \$13.45 million General Fund deficit by the end of FY2021." The administration's answer was, "At this time, there are too many variables to determine the potential fiscal impact." Unfortunately, this answer is no more helpful than a "lockbox" filled with IOU's.

When I went to the Finance Committee meeting on Thursday night, I planned to explore these issues (and others) with the administration. Unfortunately, the meeting could not take place because the Finance Committee lacked a quorum. More specifically, three of the Finance Committee's five members, who also hold three of the four top leadership positions in the current City Council, failed to attend, so those of us who did attend (including representatives of a developer who wanted Council support of a multimillion dollar plan) were told to go home after waiting an hour. The following night, one of the panelists on the television show "A Lively Experiment" described the failed meeting as his "Outrage of the Week", questioning the City Council's appreciation of the urgency of the fiscal issues we currently face. I think he had a point. Providence has a bright future and a path to a "resurgence", but we have an equally compelling set of urgent, present challenges that must be addressed now if we want to realize the bright future we see on the horizon.

Sincerely,

A handwritten signature in blue ink that reads 'Samuel D. Zurier'. The signature is written in a cursive style with a large, stylized 'S' and 'Z'.