

SAM ZURIER

May 10, 2011

Dear Fellow East Siders:

With apologies in advance for the length of this letter, I would like to give you an extensive update on two issues that have generated much concern in our neighborhood and across the City, namely the City's finances and the licensing and legal status of dogs.

Last Monday, the Mayor presented his budget to the City Council. I have attached a fact sheet his office provided to describe the budget.

In some important ways, the budget marks an important step forward for the City of Providence. Unlike the past several budgets, it is based on an honest appraisal of the City's financial picture, courtesy of the Municipal Finance Review Panel. In a break from the prior administration, the proposed budget does not borrow money to balance the budget. The proposed budget also breaks from the recent past by avoiding one-shot asset sales and accounting gimmicks. Instead, the proposed budget calls for a series of measures that will not only address this year's anticipated \$110 million structural deficit, but also will stabilize the budget going forward to prevent future deficits.

In order to accomplish this goal, the Mayor has called for all stakeholders to share in the sacrifice, a sacrifice that has to be greater today because of a failure to address the problems for the past several years. For example, the borrowing binges of recent years have burdened us with more than \$100 million in debt repayment and interest over the next two decades that will be a drag on our financial well being without the benefit of any countervailing capital improvement.

While all of these features of the Mayor's budget are laudable, the scope of shared sacrifice is immense, as we need to close a \$110 million hole in a roughly \$650 million budget. The school closures saved \$12 million, and a tentative agreement with Local 1033 (now before the City Council for review) may save 10%, or \$6.5 million per year.

While these are good starts, the assumed savings the Mayor hopes to achieve (but has not yet accomplished) to balance next year's budget is significant. He seeks 10% contract savings from the three major unions (fire, police and teachers) for a combined annual reduction of \$30 million. He seeks enactment of four pieces of legislation that would combine to save the City \$18 million in costs, and a fifth piece of legislation that would authorize taxation of real estate owned by nonprofit organizations at a rate of up to 25% of its assessed taxable value, which

could bring in up to \$24 million, of which the Mayor is budgeting around \$8 million. In his speech last week, the Mayor suggested that these stakeholders have not yet been inspired by his call for shared sacrifice.

The last piece of the Mayor's proposed package is a tax increase that raises overall property tax revenues by 5.25%. In order to raise this amount, however, the Mayor proposes raising the property tax rate *by slightly more than 13%*. There are two principal reasons why a 5.25% revenue increase requires a 13% increase in the tax rate. First, the Mayor is not proposing any change in the automobile tax, which continues to include a \$6,000 exemption. In this regard, Providence is exceptional, as the great majority of municipalities removed part or all of the \$6,000 exemption after the State reduced local aid last year, and authorized cities and towns to remove the exemption. Second, the Mayor is restoring a partial exemption to non-resident landlords, who will receive the same 15% exemption they received under this year's abatement program.

It is painful to contemplate a 13% tax increase, and distressing to realize that even with that tax increase, there still could be a big hole in the budget if a series of other assumed savings totaling more than \$50 million fail to come through. With that in mind, I would appreciate your help as taxpayers in two important ways. First, if you have any ideas about how we can save money on the Providence budget, please pass them along in an email. (For example, after preparing my report on the Providence Teachers Union contract, I am now looking at ways to find savings in our other union contracts.) Second, please consider expressing your opinions to the various stakeholders I have listed above to remind them of the importance of their sharing in the sacrifice needed to revive our City's finances.

Moving to the dog ordinance, since 1916, Providence has had a law on its books prohibiting dogs from walking in our City's parks or conservation districts. While this law is not rigorously enforced, our pets are subject to law enforcement every time they walk in Lippitt Park at the end of Blackstone Boulevard and/or Blackstone Park Conservancy District. The Council enacted an ordinance with two public hearings, in which it proposed allowing dogs into parks on a leash upon purchase of a park permit, but continuing the current ban on dogs in conservation districts. The Mayor did not propose any amendments to the ordinance through the legislative process, but vetoed the ordinance at the request of dog owners. This represented a major lost opportunity, as the Mayor could have worked with the Council while the bill was being considered and debated, rather than forcing the Council to return to the drawing board. For a while, the Council considered overriding the veto to advance the concept of permitting dogs in parks, but ultimately it decided not to challenge the veto. I was persuaded not to seek an override in part due to what I heard at a "dog summit" sponsored by dog owners the day before the Council vote. As a result, we have returned to the status quo under which dogs that walk in parks, on or off leash, are subject to law enforcement. Given the clash that resulted between the Mayor and the Council over the recent efforts, I do not believe there is any interest in revisiting the issue anytime soon.

I am willing to introduce a compromise ordinance to permit dogs on leash within conservation areas, but I learned last week that there are several dog owners who would oppose

this initiative because believe the only acceptable outcome is for dogs to run off leash in the conservation district, a change that the Conservancy opposes because they believe that the dogs cause damage to the vegetation. At this point, people do not appear ready to compromise, so I do not plan to introduce the ordinance for consideration unless and until dog owners show more support for it.

I plan to write another letter soon about our public schools, which also have seen significant changes in recent week. Please let me know if you have any other questions about City issues, and thank you for your interest.

Sincerely,

A handwritten signature in blue ink that reads "Samuel D. Jurien". The signature is written in a cursive style with a large, stylized initial "S".