



May 15, 2016

Dear Fellow East Siders:

I hope you are enjoying this beautiful weekend. This week's letter will discuss tomorrow's community meeting with the Mayor, capital budgeting and an audit of the City Council's legislative grant program.

Tomorrow (**Monday**) **night at Hope High School Cafeteria at 6:00 p.m.**, Mayor Elorza will come to discuss the City's budget and long-term financial plan. The doors will open at 5:30 p.m. To help prepare for the meeting, you can read the Mayor's [budget address](#) and the consultant's [10-year financial plan](#). Please [send me an email](#) if you cannot attend but wish to forward a question to the Mayor to answer if time permits.

During the rest of May and part of early June, the City Council's Finance Committee will complete its review of the City's budget. The [budget address](#) announced an improvement in the City's capital budget, increasing it from \$100,000 to \$1,000,000. The ten-fold increase does enhance the City's ability to address infrastructure needs with operating funds. With that said, the document entitled "[Capital Budget Plan](#)" is limited to listing the figure "\$1,000,000" next to the line "Proposed Capital Budget" for five consecutive years. Committing funds is an important requirement for a successful budget; however, a true budget also includes a comprehensive discussion of how the funds will be raised and how they will be spent, which in the case of the City's operating budget requires more than one hundred pages of documentation. Last year, I chaired a Bond Study Commission prepared a [Report](#) that addressed that issue, asking the administration to:

1. As soon as feasible, the Administration should submit a consolidated list of planned capital projects for the current fiscal year.
2. During the rest of the current fiscal year, the Administration should make adequate preparations to allow it to submit a fully compliant 5-year capital budget for the City Council's review and approval as part of the 2016-17 budget cycle.

This year's budget did not implement these recommendations; however, the Mayor has announced plans to convene a capital planning working group which may to address this in the coming year.

Over the past two weeks, the issue of legislative grants has been implicated in scandals in the General Assembly and the Providence City Council. In the City Council's case, a member was arrested on charges of misappropriation of funds from a nonprofit organization that received extensive legislative grants. Although the City Council implemented some reforms in 2013 in response to a [WPRI investigative report](#), the current program recently awarded a legislative grant to the employer of a sitting City Council member, according to a recent report in the [Providence Journal](#). In response, Councilman Salvatore and I introduced a resolution requiring the City Council's Internal Auditor to complete an audit of the program over the past ten years, including in the report information about how the money was spent, and whether there are any improper connections between legislators and beneficiary organizations. The resolution calls for the report to be submitted in September, and for the City Council to limit the program to small grants until the audit has been completed.

Sincerely,

A handwritten signature in blue ink that reads 'Samuel D. Zurier'.