



May 22, 2016

Dear Fellow East Siders:

As the City Council plows through its review of the budget, this week's letter will discuss Mayor Elorza's presentation at a community meeting, the City Council's decision to audit legislative grants and two upcoming events.

Last Monday, Mayor Elorza came to Hope High School to present information and answer questions about the City's long-term financial plan, as presented in a consultant's report. The report identifies long-term "drivers" of fiscal stress, including pension costs and health benefits for retirees and current employees. The report also identifies possible solutions, many of which depend upon stakeholders agreeing to increase their contribution to the City's future. The report envisions a "grand bargain" by which everyone agrees to give up something based on the understanding that (a) the burden will be fairly shared among everyone, and (b) the requested contributions will be sufficient to address the City's problems in a thorough and effective manner. This diagnosis has been known for many years, and the type of solution it proposes is similar to what Mayor Taveras accomplished in the wake of the 2011-12 "Category 5 fiscal hurricane." Mayor Elorza's next task is to meet with stakeholders, construct a multilateral proposal and gain consensus for its implementation. In the winter of 2011-12, I thought the City had a 50-50 to go into bankruptcy, but Mayor Taveras's extraordinary effort and negotiating skill saved the day. I look forward to assisting Mayor Elorza in addressing our current version of this task.

Last Thursday night, the City Council approved a resolution Councilman Salvatore and I introduced to commission an audit of the City Council's legislative grants for the past 10 years, to review both how the grants were awarded and how the money was spent. While we conceived the project as response to a State House scandal, it became more pressing on May 11 when a sitting member of the City Council was arrested on felony charges of embezzling more than \$127,000 from the funds of a nonprofit organization to which he had received thousands of dollars of City Council grants. The arrested councilman has decided to remain in office, creating a cloud over City Hall reminiscent of the one-year interval in 2001-02 between Mayor Cianci's indictment on felony charges and his trial and conviction. During that year, despite Mr. Cianci's strenuous efforts to change the subject, the questions regarding his conduct and the charges against him compromised the effectiveness of City government, as well as the public trust both within the City and across the State. While the Constitution confers individuals charged with crimes with a presumption of innocence in a court of law, our City's elected government is subject to the jurisdiction of the court of public opinion, and we bear the burden of proving we are worthy of the public trust. I view the audit as the first of several steps necessary to earn back the public's trust after the recent ignominy, and I will be introducing further initiatives for the City Council's consideration at its June 1 meeting.

Over the next two weeks, there will be two festivals in the City. The first is by a group of largely downtown residents named Building Bridges Providence, who want to advocate for a park on the I-195 land. They are holding a \$15-a-ticket event on the I-195 land next Saturday, May 28. You can learn about the event by [clicking here](#). The following weekend (June 3-5), the City will sponsor the second year of its free-admission international arts festival, PVD Fest, during which the downtown area will become the host of "a free outdoor party that inspires the soul, fires the spirit, and has thousands dancing in the streets." You can learn more about PVD Fest by [clicking here](#).

Sincerely,