

SAM
ZURIER

June 10, 2011

Dear Fellow East Siders:

Because of the City's anticipated cash flow needs in August, the City Council developed a time line for passing a budget by the first week in July. This means that we need to establish the components of the budget within the next two weeks. To provide you with information and hear your concerns at this critical time, I would like to invite you to a **Community Meeting at Nathan Bishop Middle School on Wednesday, June 22 from 6:30 to 8:30 p.m.** I hope to see many of you there, where I can describe the City's issues in more depth, and hear your suggestions and comments that can help me to do a better job.

Since I wrote you last week, we have made limited progress towards defining the City's budget for next year. The Finance Committee has reviewed several department budgets, which generally start with proposed reductions of 10%. The Committee has identified additional savings without compromising essential services; for example, we removed another \$1 million from the Public Works budget of around \$12 million by asking it to eliminate permanently several positions that had been temporarily vacant. We improved upon the Mayor's agreement with Local 1033, tightening its projected early retirement savings to ensure they are not lost in subsequent years by "back-filling" the retirees' positions with new hires.

While this type of detail work is critical, it is only one piece of a much bigger picture. I am concerned about the lack of progress on the "big ticket" items. The Mayor's office has not yet reached agreements with either the fire fighters (\$6 million in requested concessions) or the teachers (\$16 million). The Finance Committee will need a window of at least a week to perform a due diligence review of any such agreements; therefore, the Mayor is running out of time to realize these two major areas of anticipated savings. The Mayor has begun to notify police officers of layoffs that will produce \$6 million in savings that the Union would not agree to in negotiations. I hope the Union leadership changes its mind, because concessions would preserve employment for the junior Union members while enhancing public safety. I have heard nothing about any anticipated concessions from the colleges, hospitals, or other tax exempts, from which the Mayor seeks a total of \$7 million. These stakeholders are running out of time to step up to the plate. We also are waiting to hear the General Assembly's response to the City's requested package of \$18 million in additional relief. We are expecting the House Finance Committee to produce its initial budget in the next one or two weeks, which will inform this part of the budget.

As I have mentioned before, the Mayor's office calls for our taxes to increase by 13.5% to raise \$15 million as the final piece of his budget, after realizing all of the savings from stakeholders just listed. While the Finance Committee has found savings of several million dollars in our line-by-line review of the budget, those gains can be wiped out if the big ticket items do not come through. I am grateful for the opportunity you provided me, in the last election, to protect our City's financial accountability and integrity. Over the next few weeks, I will continue my best efforts to chip away at these problems despite the absence of any clear solutions. Please continue to pass along your own thoughts and suggestions, and I hope to see many of you on the 22nd.

Sincerely,

