

SAM ZURIER

May 22, 2011

Dear Fellow East Siders:

We are entering a critical period with regard to the City's budget, and I wish to enlist your help with the General Assembly. Many of us are constituents of Gordon Fox, Speaker of the Rhode Island House. He is in a position to help advance the City's package of State legislation to strengthen our finances; however, he has not yet declared the extent to which he supports that legislation, never mind how hard he will work to assure its enactment. As described in the attached summary, the Mayor is counting on \$18 million of annual savings from the enactment of this legislation, which is a significant piece of his plan to close the current \$110 million structural deficit.

You can contact Speaker Fox by telephone at 222-2466, or by email at rep-fox@rilin.state.ri.us. Or, if you prefer, you can send an email through a template that the Mayor's Office has prepared through its dedicated website, www.strongerprovidence.com.

As the attached sheet indicates, the legislation includes statutory authorization for fire alarm box fees, waiver of fire hydrant charges, retiree health care benefit reform, disability pension reform, reform of the state program for local pension fund aid and authority to charge fees (based on property tax rates) to tax-exempt institutions in the absence of agreements. Please consider contacting Representative Fox or other members of the General Assembly to encourage them to enact legislation to shore up the City's finances.

The General Assembly package is not the only important area of savings the Mayor is pursuing. He is in discussion with the City's four main unions for 10% in concessions each, or about \$40 million aggregate annual savings. The Mayor and Local 1033 have initialed a preliminary agreement which they believe meets this target, which is now before the City Council for review. The other three unions (fire, police and teachers) have not reached any agreement so far. I am worried that they each are trying to "run out the clock" and hope that the necessary savings are achieved elsewhere. The Mayor has indicated that he will undertake unilateral actions if he does not reach agreements with these unions. I do not know what these actions are, but some of them could be drastic.

While we do not have responsibility to negotiate these contracts, I am hopeful that we on the City Council can support the Mayor's effort by creating a deadline for the parties to come together. Given that the City's cash flow problems appear to require a budget that is passed in early July, I believe the deadline for labor agreements is approximately one month before that

(i.e. early June). I suspect that the Mayor and his staff already are doing everything they can to reach agreement on these concessions; therefore, I am hoping that our City Council deadline will provide the proper inspiration for the other side to act more promptly. In short, I worry that we are in the middle of a “game of chicken” that is not conducive to the orderly solution of our City’s problems, and I am hopeful that we on the City Council, by setting a deadline, can “call the question” and short-circuit some of the posturing.

In other news, I am researching a proposed ordinance to limit the homestead property tax deduction to people who register their automobiles (and therefore pay property tax) in Providence. I hope to conclude my research in time for the June 3 Council meeting.

Thank you for your help with the General Assembly, and your ideas concerning the City’s finances – please keep those emails coming in.

Sincerely,

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