



June 25, 2017

Dear Fellow East Siders:

With Summer officially upon us, this week's letter will discuss the State budget, ethics reform, and infrastructure repairs.

The Rhode Island House of Representatives approved a budget that retained funding gains for Providence in such areas as reimbursement for tax-exempt properties and education aid for English language learners. Given that the State had to close a budget shortfall, we are grateful to our General Assembly delegation for preserving these vital programs. On the other hand, the City's major proposal to create a regional water authority that would purchase the City's water supply. The administration presented this initiative as providing a State benefit (more predictable water rates) in return for a City benefit (sale of the asset for upwards of \$300 million) to shore up the pension fund. Officials from other cities and towns, however, criticized the proposal as a way for the City to shift its pension costs onto water consumers. While the City can try again next year, I believe it is imperative for the City to develop a long-term financial plan that does not depend on this option.

While the City's case for State support faces many headwinds, recent efforts have been undercut by the State's lack of confidence in the City's government due to the indictments of the top two elected leaders in the Providence City Council. These indictments are an albatross around the City Council's neck which will not go away on their own, just as the legacy of 38 Studios has lingered for years due to the General Assembly's failure to investigate the incident and hold people accountable. To help the City Council regain its standing in the State, it must act affirmatively to "clean up City Hall." One good step would be to post campaign finance reports and Ethics Commission reports on the City Council's website, to put greater pressure on wayward members (such as the two recently indicted ones) to adopt higher ethical standards. Your petitions have forced a reluctant Finance Committee to hold a hearing on these initiatives **next Tuesday, June 27 at 5:30 p.m. at City Hall (Third Floor)**. Please try to come and speak, to help stir my colleagues out of their complacency. If you cannot come, please consider sending an email to The Honorable John Iglizzi, Chair, Finance Committee at ward7@providenceri.com and send a copy to me at sam@samzurier.com. I will print up your email and read it at the meeting. Thank you for your consideration.

This past Tuesday (June 20), the Mayor signed the City's operating budget, which is the most stable I have voted on, having begun my tenure with the "Category 5 fiscal hurricane" in 2011. With that said, the Finance Committee has not yet approved an infrastructure bond despite the passage of more than seven months since more than 85% of the voters approved such a bond. The Finance Committee has held up the bond, first in a failed effort to include individual member discretionary accounts, and now in an effort to alter the project list to include extra projects of particular interest to the Finance Committee members and the wards they represent. These seven months of delay have seen an increase of the applicable bond interest rate by around 0.5%, which translates into a loss of more than \$2 million in bond funding we can obtain today compared to what we would have obtained last November holding the bond payments constant. Also, the cost to repair the City's infrastructure has increased due to seven additional months of deferred maintenance. I will be pressing the Finance Committee to do its job prior to the City Council's recess at the end of next month.

Sincerely,