



July 29, 2018

Dear Fellow East Siders:

I hope you are enjoying your summer. In my final letter before the August recess, I will discuss a school bond referendum and a renewed effort to bring “good government” reform for the City Council.

At its final meeting before the recess, the City Council will vote on whether to place a question on the November ballot seeking approval to issue \$160 million in City bonds to fund school construction. While it may appear on the surface to be an imposing commitment, the background facts concerning State aid for school construction make the proposal more attractive and affordable than it first may seem.

On paper, the State’s school construction aid program supports local projects based upon their ability to pay, and in the case of Providence, the formula calls for State aid to equal 83% of the project cost. There are, however, several hurdles the State has imposed, partly to avoid excessive and/or improvident spending, but also to minimize the impact on the State budget.

The path to construction of a new, or substantially renovated school goes through six stages. The City and the School Department develop a list of projects. The City’s school architect submits plans and cost estimates to the State Department of Education to qualify the project for funding. The City makes a commitment to pay the full cost of the project and asks the General Assembly to authorize reimbursement of the State’s “share.” The General Assembly approves the project. The City builds and pays for the project. The State reimburses its share of the project once final construction is completed.

If you think this path is convoluted, I agree completely. It would make more sense if the State did not require a second layer of approval from the General Assembly after the Department of Education has vetted and approved the project. Also, it would make more sense for the State to pay its share of construction costs as they are incurred, rather than requiring the City to pay the entire cost “up front” and then seek reimbursement. In my opinion, neither of these hurdles improves the quality or cost-effectiveness of a school project; instead, it strains the City’s bond rating and ultimately degrades the quality of the school facilities for our children.

With that said, there is the potential for improvement if we, as voters, approve the \$250 million State bond for new school construction. Some of this money will be available earlier in the construction/payment cycle, and the reimbursement rate will increase for certain projects that meet the State’s goals (newer buildings that consolidate smaller ones).

Given these constraints, it is advantageous for the City to place our children at the front of the line with the State by accelerating the first few stages of the process. The \$160 million bond vote is an example of this. Although we voters are being asked to approve the entire commitment at once, the City plans, if voters approve, to issue bonds over a period of years, matching new issues with existing bonds as they are retired. This probably will result in the issuance of school bonds in three installments of \$50-\$60 million each at 2-year intervals. This would match the schedule of school bonds coming off the books during those years, thereby keeping the City’s level of borrowing and debt service for school projects essentially stable over that time. (The City views other capital projects, such as streets, sidewalks and public buildings as a separate category, and the school bond issue will not affect ongoing municipal capital projects and plans.)

In short, while \$160 million is a large number, it will be borrowed over a period of four or five years, and the bulk of the expense will be reimbursed by the State. These reasons explain why I will be voting in favor of the bond at Monday night's City Council meeting, and why I will encourage you to vote "Yes" if (as expected) the bond issue appears on the November ballot.

Last week, it was reported that former City Council President Aponte, while he was in office, directed the expenditure of \$70,000 of City funds to GoLocal Prov without complying with the City's procurement and competitive bidding rules, a transaction Mayor stated "reeks of cronyism." This was the latest in a series of scandals this term involving former President Aponte and/or former Majority Leader Kevin Jackson, who after his felony indictment made history as the first Providence elected official to be recalled from office (by a margin of 91% to 9%). These scandals produced an abundance of "teachable moments" demonstrating how the misdeeds of the City Council's top leadership can drag down not only the entire body, but also the City as it appeals to businesses to locate here and to the State to support us. These scandals demonstrate that the City Council's leadership will not voluntarily step aside for the good of the City, and that their political allies are reluctant to take measures that will hurt their friends and/or damage their own political standing. As a result, the City Council ultimately dealt with these issues only after a public outcry, sustaining damage from its tardy and (at least initially) inadequate response.

With that in mind, I have introduced a new version of an ordinance I first introduced after Councilman Jackson's indictment and brought up again after Councilman Aponte's indictment, stubborn resistance, and ultimate capitulation to overwhelming opprobrium. On both occasions, the proposed ordinance was rejected on the theory that the problem would not happen again anytime soon, and that the City Council could address the problem in "real time" in the unlikely event of a reoccurrence. I remain convinced it is easier to establish a rule in advance that City Council members indicted of felony crimes should yield their leadership and committee positions at least on a temporary basis until their record is cleared, and that a clear rule will help restore public confidence. While an individual is entitled to the presumption of innocence in a court of law when indicted, these leadership positions are privileges the City Council confers on members for the good of the body, and the cloud that sits over indicted Council members harms the entire Council in the court of public opinion as long as the indicted members stay in top leadership positions. For the good of the body, it would be better to place other capable Council members in those positions unless and until the cloud of indictment is lifted. The current proposal would not take effect until January 1, 2019, so I am hoping it will make it easier for the Council to embrace a long-term solution to this serious problem. The measure is scheduled to be heard in the Claims Committee on Wednesday night at 5:00 p.m.

Sincerely,



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