



September 25, 2016

Dear Fellow East Siders:

I hope you are enjoying our first Fall weekend. This week’s letter discusses lobbyist registration and the Fire Department budget.

Tomorrow (Monday) evening, at 5:15 at City Hall, 3rd Floor, the Ordinance Committee will review an Ordinance to enhance the City’s lobbyist registration program. As described in a [legislative report](#), the City’s current program contains a loophole (not present in the State’s program) which exempts the Providence Apartment Association (PAA), a group whose literature describes itself as the City’s most powerful lobbying organization. The revision would extend coverage to “financially active” organizations that make more than \$1,500 in campaign contributions to City candidates within a 48-month election cycle. (The PAA and its board contributed more than \$15,000 to City candidates during 2011-15). This reform could promote transparency without burdening grassroots lobbying efforts. The public is invited to attend and comment.

Recent events have validated the need for transparency. Two weeks ago, the Rhode Island Ethics Commission voted to investigate a complaint alleging that the City Council President violated the Code of Ethics by failing to recuse on a vote to change the zoning classification of a property owned by his then-landlord, who also was President of the PAA. As [reported by WPRI](#), the City Council President stated he would have recused had he known the PAA President was seeking the zoning change, and the PAA President stated he “intentionally did not have conversations with the City Council to ‘keep politics out of it.’” Taking these statements at face value, it appears there was a lack of transparency which could have been avoided with greater disclosure, and as a result the proposed ordinance might have helped prevent the situation now under investigation.

In [last week's letter](#), I described the basic financial structure of the fire fighters’ work shifts, and how the administration expected to reduce basic costs by more than 17% by having fire fighters work an additional 14 hours per week (3 platoons, 56 hours per week rather than 4 platoons, 42 hours per week) for 8% more pay, while the tentative agreement’s cost savings would be closer to 6.4% because they would restore the four-platoon system and the old pay scale, but reduce the number of fire fighters per shift from 94 to 88. This week, I will review the recent history of Fire Department budgets (as presented in the table below) to understand the actual financial impact of the administration’s initiative.

Budget Year July 1 – June 30	Mayor	Number of Platoons	Total Fire Dept. Cost (\$ million)
2010-11	Cicilline/Taveras	4	\$70.0
2011-12	Taveras	4	\$63.1
2012-13	Taveras	4	\$62.0
2013-14	Taveras	4	\$64.8
2014-15	Taveras/Elorza	4	\$72.5
2015-16 (projected)	Elorza	3 (as of Aug. 1)	\$74.8
2016-17 (budget)	Elorza	3 (as budgeted)	\$73.8

As the table indicates, the Taveras administration negotiated reductions in the budget for 2011-13. By the last Taveras budget in 2014-15, Fire Department costs had increased, but the cumulative 4-year increase was a modest \$2.5 million, or less than 0.9% per year. The current administration initiated the platoon change in August, 2015, and constructed the current year’s budget based on its assumed continuation. As you can see, the platoon change did not produce the anticipated savings; instead, costs increased by \$2.3 million, almost as much as the total increase during 2011-15. Also, the union brought a lawsuit against the City, claiming the revised work and pay arrangements (8% more pay for 33% more hours), violated the contract. This “back pay” claim is still subject to mediation and/or arbitration, and the Internal Auditor estimated it could add as much as \$9 million to last year’s costs. The exposure for “back pay” will end on or around November 1, as the administration has tentatively agreed to restore the four-platoon work structure (and old pay scale) at that time. While the November 1 change also will see a reduction of “minimum manning” from 94 to 88, the calculations in last week’s letter indicate this combination likely will increase costs for the current year and future years beyond what the administration announced it would save when it changed to three platoons last year.

Sincerely,