

May 17, 2015

Dear Fellow East Siders:

This week's letter discusses the downtown stadium proposal, the choices available for the City's capital budget and ensuring careful management of the City's operating budget.

Tomorrow night (**Monday, May 18**) at **6:00 p.m. at the Hope High School Cafeteria**, I will co-host a community meeting with State Representatives Aaron Regunberg and Edith Ajello, and State Senator Gayle Goldin. We also invited Donald Graelnck, Director of the Providence Redevelopment Agency, to offer technical background information regarding siting and development issues. The meeting will provide members of the public with the opportunity to share their views regarding the project, and to learn some background information about siting and planning. At this time, the team owners are negotiating with the Governor, the I-195 Commission, the General Assembly leadership and the Mayor. The City Council passed a resolution inviting the team ownership to meet with us publicly to answer our questions. This meeting, like other public meetings the team is currently holding, will provide an opportunity for dialogue while the negotiations continue.

On Wednesday night, May 20 at 6:00 p.m., the City Council's Bond Study Commission will hear a presentation concerning the City's capital needs in such areas as streets, sidewalks and schools. When combined with last week's meeting, this presentation will inform the Commission's report on the City's bond financing program. The Commission is charged with producing a report by early September; however, we will try to publish it sooner if possible. It is my goal for the Commission's report to provide a useful tool for both City officials and the public to evaluate any bond financing project in terms of the broader context of other projects, so we better understand what we are denying or postponing when we commit ourselves to any specific project.

The administration recently reported it is close to finishing the current year with a "balanced" budget. The statement is not entirely what it seems, however, because the "balanced" budget the administration reports would require the expenditure of the entire \$3 million the budget designated for the "rainy day fund." The administration has taken the position that it can use the "rainy day fund" to close current-year budget gaps entirely at its own discretion. This is not what the City Council intended when it enacted the ordinance, and it is going to create problems with the State, which requires the City to close any annual deficits within the following five years. At this point, the "balanced" budget for the current year will leave \$8.6 million of prior deficits to pay off during the next two years. The administration designated half that amount, or \$4.3 million for this year's "rainy day" fund. It is important for the City's financial stability to use that money for its intended purpose, rather than to close gaps from budgeting errors. With that in mind, I introduced an ordinance that requires the administration to deposit this amount in a segregated account, to be spent in the current year (or future years) only with the City Council's approval. Given the lack of any margin for error in this year's budget, I am hopeful the City Council will approve the amendment (or something similar) so that the administration will not claim it is producing a "balanced" budget next year that spends down this fund and leaves the City in a difficult position with the State for the following year.

Sincerely,

