DONALD R. GREBIEN
MAYOR

EXECUTIVE CHAMBER
CITY OF PAWTUCKET, RHODE ISLAND

May 5, 2017

To the Honorable Members
of the Pawtucket City Council
Pawtucket City Hall
Pawtucket, RI 02860

Dear Honorable Members:

Attached you will find my administration's proposed $124,078,888 budget for the City of Pawtucket (City) fiscal year 2018. Together, we have been able to hold the line on taxes for three of the last four fiscal years. Due to a number of significant cost-drivers, this year's budget will require an increase in tax revenue. While tax relief for our motor vehicle taxpayers is likely coming, we are planning for such relief to be revenue neutral for local governments and thus we are not planning for additional revenue from that source.

Over the past six years, we have worked hard to stave off bankruptcy and state oversight, reorganize and restructure the way we do business to be more efficient, resolve inherited deficits on the City and School sides of the ledger, begin to rebuild our reserves and improve our bond ratings, and position ourselves for future growth – and with the train station and other projects becoming a reality we are achieving just that.

Though there is still more work to do, the future for our great city is much brighter today than it appeared just six short years ago. At that time, the City was facing a $12M deficit, a depleted Rainy Day Fund, downgraded bond ratings, dramatic reductions in state aid, having to borrow simply to make payroll, and the need to raise taxes to offset the challenges. The best practices we've implement and the sacrifices that were made have allowed us to provide needed tax relief for our residents and businesses, with no increase three of the last four years. As a state-designated fiscally distressed community, this property tax relief for our taxpayers was overdue. This administration continues to be honest and transparent in everything we do.

Today, thanks to our improving business climate, we are seeing increased private investment in our business community, including Pet Food Experts, Isle Brewers Guild, and many expanding small businesses. The State of Rhode Island and our partners on the federal level, most notably Senators Jack Reed and Sheldon Whitehouse and Congressman David Cicilline, are also stepping to the plate and helping us reinvest in our great city. From the transit hub at the commuter rail station to the bike path to the soon-to-be-renovated parking garage, our community is benefiting from many public investments that will set the stage for our future development. At the local level, we are reinvesting in our roads, parks, schools, and other infrastructure, while taking the necessary steps to make our city, and its growth, more sustainable while improving the quality of life for the residents we represent. All of this public and private investment will pay dividends for years to come.

This budget proposal continues our ongoing commitment to reinvest in Pawtucket to make our community an even better place to live, work, raise a family and do business. It includes investments in our roads and other infrastructure. It includes investments in our schools, both in the form of needed upgrades for our school buildings and a modest increase in our contribution to their operating budget. It

also continues our reinvestment in public safety and community-based policing and nonviolence initiatives. The budget proposal before you also fully funds the pension annual required contribution (ARC), as has been our ongoing practice, and it includes the second year of our investment in the OPEB trust fund that represents the next small step toward stabilizing that unfunded liability for future generations of Pawtucket's taxpayers.

We are continuing our commitment to the taxpayers to constantly seek efficiencies and find savings wherever possible. The budget includes $185,000 in savings from anticipated reorganizations in various divisions throughout city government. It is important that we maintain the policy of always seeking to improve. Even with the significant restructuring and improvements we've implemented over the last six years, this was a very challenging budget. Budget to budget there was a projected deficit of roughly $7 million at the beginning of this process. Thanks to the smoothing method the Council adopted for the pension ARC, the City was able save a million dollars next year. We were able to further pare the potential budget increase down to the barest necessities while investing in key priorities for our city.

This past November, the voters sent a strong message that they expect this administration to continue the reinvestment in our infrastructure and school facilities to continue by approving major bond initiatives, the largest of which was for our schools. Thanks to the voters, the Council, and this Administration prioritizing public infrastructure, our business climate and quality of life continue to improve.

The School Department has requested the City to provide additional financial support toward their operations. This budget proposal includes an additional half a million contribution to the School Department. Pawtucket's future is largely reliant on the success of our youth, and we must maintain our commitment to them and the School Department. As we enter the final year of the state's accelerated funding formula phase-in, it is even more important that we continue our strategy of incrementally increasing our commitment to avoid the potential for a significant fiscal cliff in fiscal year 2019 that our taxpayers and schools cannot afford.

Public safety remains our highest priority. This budget makes strategic investments across our public safety operations. It includes funding for four additional police officers and four additional firefighters over last year's budget. This investment in human capital will bring both departments to a staffing compliment of 146 uniformed employees. The budget proposal also includes increased investment in community-based policing and nonviolence initiatives, including two nonviolence street workers, midnight basketball, and the summer jobs and nonviolence training program. We are continuing our reinvestment in our fleet of vehicles, including a new fire engine, an additional rescue, and upgrading one shift of police vehicles to 4-wheel drive SUVs.

Finally, the budget includes the critically important full-time, standalone Public Safety Director position for which my administration has been advocating. Now that interviews are set, it is my goal to fill this position by the start of the fiscal year. I have been clear and consistent that this position is not only necessary, but we cannot afford not to make this investment. The positions of Public Safety Director and Director of Administration are full-time jobs unto themselves with responsibilities and time demands that make them unsustainable as a shared role. As we continue to work together to move our City forward from an overall operational perspective and a public safety perspective, then these roles have to be separated and focused. Specific to public safety, by the end of this fiscal year we will have spent more than $48 million on public safety services in our city, with more than 300 employees dedicated to these functions. Factoring out our contribution to the school department, that represents more than half our operating budget. Improvements in our operation will not be largely contingent on throwing more resources at it, improvements will come through a more focused and strategic approach to directing those resources. This position is paid for by a reorganization to a two major model in the Police Department, and thus funding for the position is already built into the base of this budget. It has zero impact on the

overall budget and zero impact on the year-over-year increase in costs. This is not a cost, it is an investment in a better future for Pawtucket. It is time to move forward with this needed position.

The FY18 budget continues to focus on investing in and protecting services for our seniors. The Senior Center's operating budget is largely funded out of Community Development Block Grant (CDBG) dollars. Unfortunately, with the national political climate, today more than ever, we continue to experience year-to-year reductions in CDBG funding from the federal government. This means that every year we are supplied with fewer and fewer dollars to help fund the numerous worthy requests we receive from our community partners, forcing us to choose between funding one worthy program or another. We must continue to focus on protecting and enhancing services for our seniors. Working together, we must commit to providing services for our seniors.

All of the investment, interest, and economic activity we are seeing is, in part, a result of our focus on economic development and growing our economy. Small steps like the streamlining of the permitting process, adopting business-friendly policies like the façade improvement program and e-permitting, and investing in commerce send strong messages to the private sector that Pawtucket is open for business. Isle Brewers Guild is the latest example of what a focus on economic development and customer service can do for our city and our downtown. A destination unto itself, the Guild will help redefine downtown Pawtucket as a great place to live or visit.

Pawtucket is evolving and we have a once in a lifetime opportunity in front of us with the transit hub at the Pawtucket/Central Falls commuter rail stop becoming a reality here in Pawtucket. The transit-oriented development potential in the immediate area could enliven our downtown, grow our tax base, and provide our residents with transportation alternatives. So many projects are either being implemented or are in the works. We must continue to work together and align these efforts for the best interests of our city. I am proud of the work we've done to date to make this project a reality, and I know that together we won't miss the opportunity.

Now is truly Pawtucket's time. This budget proposal continues our reinvestment in the future of our community. I and members of my administration will be available to discuss the budget in detail over the coming weeks. Let's build on all the positive momentum and move our great city forward. Thank you for your continued commitment to the residents and taxpayers of the City of Pawtucket.

Sincerely,

Donald R. Grebien
Mayor, City of Pawtucket

Cc: Antonio J. Pires, Director of Administration
Joanna L'Heureux, Finance Director
Jeannine Bourski, Deputy Finance Director
Dylan M. Zelazo, Chief of Staff
Shawn Strobel, Treasurer