

Strengthening Financial Stability and Reassurance in Local Government

Intro:

Madam Council President, honorable members of the City Council, Congressman Magaziner, State Senators and Representatives, Department Directors, community partners and fellow neighbors of our great City of Providence –

I am pleased to be here with you this evening to present my proposed budget for the upcoming fiscal year.

When I took office two years ago, I made a promise to our neighbors that we would get back to the basics. By providing excellent city services, supporting our small business community, building new homes, making our neighborhoods safer and investing in our schools, we quickly laid the foundation to make Providence the world class city we all knew it could be.

But tonight, I know that many of us in this room and our neighbors watching from home are feeling an increased sense of anxiety at the actions we are seeing at the national level. From political uncertainty in Washington to the ever-rising costs of rent, utilities and groceries here at home, our community has been forced to navigate new obstacles that make affording the essentials of everyday life more difficult.

And just like many households, this year's City budget was exceptionally difficult to balance. As many of you know, following last year's settlement with the Rhode Island Department of Education the City needed to solve a generation of underfunding to the Providence Public School District in just one budget year.

We knew that this substantial financial challenge could not be resolved without increased revenue. But we worked hard to make sure this burden would not fall solely on the backs of our taxpayers and would not require drastically cutting the critical city services our neighbors rely on.

In City Hall we implemented a hiring freeze and made essential spending cuts to nearly every department, while still ensuring that we are able to provide high-quality city services. Because we know that in this moment, the work of local government is more important than ever.

Today, I stand here with a renewed sense of commitment and hope for Providence's future. With input from our neighbors, we developed a solution that is not solely reliant on raising taxes but instead focuses on raising revenue and making thoughtful, responsible cuts to the City's budget.

We are building a Providence that is safer, stronger and more responsive to the evolving needs of our community. We are continuing to prioritize the day-to-day city services that matter most to our residents, and we are making thoughtful investments that elevate and modernize how our neighbors and local businesses interact with City Hall, meaningfully improving the quality-of-life of our entire community.

In addition to saving our taxpayer's money from reducing our spending and our workforce, we have a lot to be proud of from this past year.

Back to Basics:

From paving roads across every neighborhood to repairing over ten miles of sidewalks, we are delivering on our promise to focus on simple, quality-of-life issues. Last year we filled over **4,000** potholes and earlier this month we proposed a new initiative to replace all trash and recycling carts across the city to further support our ongoing recycling and waste reduction efforts. In surveys, community meetings and visits to our schools, we are listening to the voices of our neighbors and using your feedback to guide our investments and shape how we move forward.

Quality-of-Life/Capital Improvements:

We are making it faster and easier to access city services by collaborating across departments to make City Hall a center for reliable, high-quality services. From digitizing permits, licenses and systems across departments and launching a completely revamped and upgraded PVD311 website and, for the first time, making the Fire Department completely paper free.

Accessing city services has never been easier.

Last year, we responsibly invested in long overdue infrastructure repairs and upgrades in every neighborhood of Providence. We completed **25** park revitalization projects and have over **170** currently in progress. From Jacqueline Clements, to Neutaconkanut, Brassil and up to Lippit, we are revitalizing parks across the city. Today I'm proud that following our investments, South Providence is now the home to what is without a doubt the best playground in all of Rhode Island: Harriet and Sayles.

Using input directly from our community, we made critical upgrades to recreation centers to better support our young people and provide improved programming and resources to historically underserved communities. In the past year we have built new bleachers, redesigned and renovated gymnasiums and, finally, we will be providing air conditioning to these facilities.

Also last year, for the first time in Providence's history, the Recreation Department launched a Recreational Soccer League, providing a free, weekly soccer experience for Providence youth. This past week, with the support and training from our dedicated and talented community partners, the league kicked off it's second season. **With us here tonight are the directors of the Iglizzi and Zuccolo Recreation Centers, Yailenny and Jackie as well as Marybel and Francisco from the Guatemala Soccer League and Luis Castanos from Pumas FC. Can you all stand so we can thank you for your dedication to supporting Providence's youth?**

While the federal government is rolling back environmental protections and making drastic cuts to critical programs aimed to address the impacts of climate change, here in Providence we are making proactive investments that make our city safer, more sustainable and less vulnerable to the impact of extreme weather.

As a coastal city we have seen the deep impacts of climate change and in response my administration is making strategic investments in our stormwater management infrastructure, dredging canals and rebuilding our hurricane barrier to prevent flooding. Climate resiliency has become a core component of the city's ongoing infrastructure plans and as a result we are positioning Providence as a national leader in the green and blue economies.

And in the years ahead we'll be cutting the ribbon on a new Department of Public Works complex that will further improve our ability to make necessary and timely infrastructure repairs across Providence.

Housing:

We are taking bold actions to address Providence's housing crisis. Like cities across the country, our neighbors are struggling to pay rent or find an affordable home. Our team has taken a multifaceted approach to support both the immediate and long-term needs of our neighbors.

In less than a year we adopted new zoning changes to allow for greater housing density, streamlined the review process to dramatically expedite housing development, made unprecedented investments in affordable housing initiatives across the city and developed a more accessible online permitting process. Underscoring the priority housing holds for my team, we established the Housing and Human Services office last year to more effectively meet the interconnected needs of our community. And in the Comprehensive Plan passed last year, we outlined our strategy to tackle Providence's housing shortage head on and promote diverse housing options over the next decade.

Indeed, building homes in Providence has never been easier, or faster.

Our efforts have already expanded emergency shelter beds for our unhoused neighbors and created or preserved over **1,600** affordable housing units throughout Providence. Tackling this crisis requires innovative solutions and getting creative with the spaces that already exist. We are transforming historic buildings into housing and supporting the conversion of vacant, commercial spaces into affordable housing units.

We know this strategy is working. We see that in examples like the Flynn School. For decades this parcel of land sat blighted and vacant. Today, because of the changes in our new Comprehensive Plan, because of the improvements to our review and approval process and because of our landmark investments in affordable housing, construction on this site is finally underway. Within a year from today, nearly 200 families in South Providence will be calling the Flynn home. That is an incredible accomplishment and deserves recognition. **Let's give a round of applause for the team building the latest affordable housing project in our community.**

Public Safety:

As we work to build new homes across the city, it is also critical that our neighborhoods feel safe. Each year, our community satisfaction survey has told us that safety is a top priority for both families and local business.

I'm proud to share that our investments in public safety staffing are working. I made a promise two years ago to enact strategies that reduce violent crime and return a sense of safety to our neighbors. Last year we removed over **300** illegal guns from our streets and saw a **ten** percent reduction in violent crime, reaching the lowest reported levels since **1990**.

That is a testament to our investments to modernize our police force and ensure that police officers are on patrol, on foot or bike, in every neighborhood. I want to thank our partners in the City Council who have funded our last three police academies to ensure every neighborhood has the staffing it needs to keep our residents safe. These efforts are supported by our investments in proactive initiatives like our Community Response Team. Since their creation in my first year in office, they have largely eliminated Providence's ATV problem, seized hundreds of illegal firearms from our streets and proactively

addressed quality-of-life crimes that impact our neighbors the most. **With us here tonight are a few of the members from that team who are working in the community everyday to proactively keep our neighbors safe, can you please stand?**

We also recognize that many situations do not require a response from an armed officer alone or maybe at all. That is why we have supported our programs like the Family Services Go-Team, our EMS paired response unit and most recently, our EMS bicycle program.

Under the leadership of Chief Silva and Chief Kenyon, this program is focused on places in our city where we experience the highest number of overdoses and behavioral health calls. Staff are on site to provide basic care; overdose prevention supplies and other medical responses without needing an ambulance. This reduces the burden on our busy rescues and decreases response time for these critical services. I am proud to have expanded the hours of the EMS Bike program this past year and, with the grant funding we earned to further support this critical team we will be working to make this a national model that could be implemented in cities across the country.

Education:

While we know that our families want safe streets and neighborhoods, they also want a public education system that works for them and their children. Our classrooms, and the building they're in, have failed our students and teachers for far too long. And while we may not have oversight of the day-to-day operations of the District, we know that we can continue to make historic investments in our school spaces so that they best serve our students. Last year we broke ground on three new state-of-the-art buildings. The Mary Fogarty, Frank Spaziano and Harry Kizarian schools will give these students the ability to learn in safe, modern facilities.

All three of these new schools support our strategy to improve student outcomes, particularly by better supporting our middle school students through the Pre-K-8 model.

For two years we have listened to the feedback of our teachers, students, families and community members and their message has been clear: it is time for the Providence Public School District to return to local management.

That's why this budget includes the largest investment in our schools since at least **2006**, making up for a generation of underfunding of our educational system in one fiscal year.

Over the past year we have talked to the community—to parents, teachers, partners and most importantly our youth. We have heard from them that they are frustrated with the status quo and that still too many of our children are slipping through the cracks. That is unacceptable.

We compiled what we heard and conducted a thorough internal review to take stock of what we can do to improve conditions for our kids as the state still runs the schools. Last week we released our multi-pronged action plan to thoughtfully and successfully make that transition.

We are ready to take back the schools and give Providence students the world class education they deserve.

Financial Stability:

When I stepped into office two years ago, some of our largest tax-exempt institutions were not contributing a dime to the city.

Today, for the first time in Providence's history, we have signed payment in lieu of taxes agreements with every major tax-exempt institution in our city.

While I know many residents are frustrated that we cannot send these federally tax-exempt institutions a tax bill like we all get at home, I am proud that we secured some of the most generous payment agreements in the country.

We have prioritized informed, responsible financial management to position Providence for long-term growth and ensure that every dollar is spent effectively. And as a result, last year Fitch Ratings upgraded our general obligation bond rating to an A+.

Budget:

Tonight, I am proposing a balanced, responsible budget that while financially constrained, continues to build on this momentum.

With the federal government rolling back grant funding, the fiscal impact of the conversion of the Roger Williams Medical Center, the requirement to fix a decade of underfunding to the school District in just one year and the expiration of federal ARPA dollars, Providence faced significant financial challenges this year that put many of our services in jeopardy.

In order to fully fund our schools, meet our employee obligations and continue to provide city services to our residents and businesses, we had to make significant sacrifices in our city budget. We were faced with difficult decisions, like reducing trash removal frequency, cutting summer programs and eliminating support of festivals and events that happen here in the city.

But I'm proud to share that the budget I am proposing tonight is balanced and has avoided many of the drastic cuts to the city services our community relies on. Instead, we are proposing a budget that prioritizes new revenue, responsibly reduces city costs without impacting services and modestly increases the residential property tax bills.

To get there we had to make serious reductions. After a thorough review of our finances, we reduced operating and supply expenses in nearly every department. We removed **23** positions which will save us **\$1M** and we will be freezing COLAs for the City's highest earning employees. Notwithstanding the increase to our schools, we reduced our expenses by **\$9M**. As a result, we were able to lower the tax increase we feared was necessary to the lowest responsible rate.

For our residents that own their own single-family home, your tax bills will be going up only **4%**. And for those homeowners, that will be an average increase of **\$13** per month.

While it took hard work to get the rates this low, we know that any increase will be difficult for our residents. We know that valuations went up across the city. Many people's homes may be worth significantly more than they were 10 years ago, and this can cause their tax bills to go up. Despite these

valuation increases and the gap in revenue we had to close, we were able to reduce all tax rates across all property types.

As we crafted this budget I have been in the community, explaining our levy and listening to your feedback, suggestions and concerns.

Earlier this month a neighbor in Ward Five shared his very real concerns about what a tax bill increase would mean for him and others who live on a fixed income. We listened, and tonight I'm happy to share that in addition to doubling the tax exemption for our veterans, we are increasing our elderly exemption by **25%**. Now, many of our seniors will not only avoid a tax increase, but they will actually see a reduction in their bills. **That constituent is here with us today. Mr. Wolfgang, I'm happy to share that your tax bill will be going down this year thanks to your feedback.**

In this budget we have also dramatically lowered the tax rate for many apartments and multifamily buildings because we know that Providence's renters have faced some of the sharpest rent increases across the country.

And, to support our neighborhood businesses, the local restaurants and bodegas that are the backbone of our community, we have lowered their tax rate to the lowest level since **2009**.

From a comprehensive review of fines and fees across the city, exploring revenue options and responsible cuts to spending, we worked hard to get here and reduce the burden on our residents.

Despite Cuts:

Though we had to make difficult decisions this year, I remain hopeful and confident for Providence's future.

I'm excited to announce that this budget proposes three new initiatives over the coming year that will improve services for both residents and local businesses.

For businesses, we are creating a multi-department one-stop business center that positions all of the supports and services a small business needs in one central location. For residents, we are establishing a singular, city services hub for the most requested city services, right here in City Hall.

And to further support the construction of new housing, we will be establishing a singular location for all permitting and infrastructure requests.

While many of us are feeling exhausted and let down by the federal government, I am deeply committed to proving that here in Providence, local government can still be a tremendous catalyst to meaningfully and directly improve the lives of our neighbors, businesses, families and friends.

Amid the chaotic and hate-filled headlines that come from Washington every day, I want to reassure our neighbors that Providence is, and will remain, the safe, inclusive and welcoming city it is known to be.

Our values have not and will not change. Now more than ever, it is incumbent on local government to lead with compassion, competence and dedication to responsibly protecting and improving the lives of our neighbors.

Today Providence is more sustainable, vibrant, safe and better positioned for responsible growth than it has been in decades.

Despite the difficult cuts we had to make, my budget tonight continues to fund the resources our community relies on and proposes new physical and structural changes to multiple city departments to transform how we deliver city services.

By focusing on the issues that have a direct impact on the lives of our community members, we are building a better, more effectively run city and elevating Providence's national status as a premiere destination to visit, work and call home.

The road ahead will not be easy.

But with this budget we are making thoughtful, responsible and compassionate decisions to look out for our neighbors and prove that government can still be a force for positive, meaningful change.