



## **Mayor Angel Taveras**

### **Fiscal Year 2013 Budget Address Highlights**

#### **A Balanced Approach Protecting Taxpayers and Positioning Providence for the Future**

##### **Introduction**

"We have faced many challenges in the last 15 months. Together, making tough choices, we have made progress toward sustainable, structural reforms. And I believe that progress will beget more progress and that we are beginning to see tangible forward motion."

##### **How Far We Have Come**

"Thirteen months ago, I told you we were facing a Category 5 Fiscal Hurricane. Together, through the partnership we have established on the 2<sup>nd</sup> and 3<sup>rd</sup> floors of this historic building, through forward-looking partnerships with labor, with city employees, with community and business leaders we made substantial progress. Together, we took on the difficult work to eliminate a \$110 million structural deficit. And to date, we have cut that \$110 million deficit by nearly \$90 million."

"We have made progress because many have sacrificed."

##### **The Work Ahead**

"We must recognize that our property taxes, both residential and commercial, are high. Our commercial property tax rate is one of the highest not just in Rhode Island but in the whole country. Our taxpayers are carrying a heavy burden."

"Last week, new unemployment data was released showing that more than 11 percent of Rhode Island residents are unemployed. The numbers are even higher in Providence. The Providence Metropolitan Area is one of only two metro areas in the country that is not adding jobs. And today, a local economist said that Rhode Island's economy is at a 'virtual standstill.' That is unacceptable. We can and we will do better."

##### **Tax-Exempts**

"Our tax-exempts must be part of the solution to our fiscal crisis. Since I last addressed this chamber, we have reached an historic agreement with Johnson & Wales University that will at least triple the

contribution that institution makes to the city. I am thankful for Chancellor Bowen's willingness to be a part of our solution and reminding all of us that none of our tax-exempt institutions can be successful in a failed city."

"I am optimistic that we will reach a deal with most, if not all of our tax-exempts before the end of this fiscal year. But if we do not, I – along with the members of this Council – will look to the General Assembly to pass legislation allowing cities and towns to collect a fee from our tax-exempts for the critical services that we provide everyone in our city."

### **Retirees and the Providence Pension Protection Plan**

"My budget depends on this Council passing comprehensive, sustainable and structural pension reform. I urge immediate consideration and action on the Providence Pension Protection Plan. I urge you to act now."

"Rarely in government do we have two cut and dried choices: This is one of those rare times. We can choose to act and position Providence to be the next great American comeback story. Or we can do nothing, cling to the unreasonable hope that this will resolve itself and watch the city that we love fall into a black hole and make negative national headlines because of our plight."

### **State Education Aid**

"I have proposed a \$19.7 million increase in public education that includes increased funding the city can expect from the state as a result of the continued implementation of the school funding formula, including acceleration of that aid as proposed by Governor Chafee."

### **Taxes**

"Due to the expansion of our tax base, the city can expect an additional \$4.8 million in total tax revenue in the next fiscal year. Because of this expected increase in tax revenue, my budget does not raise tax rates or call for new taxes."

"I know that taxpayers are carrying an almost unbearable burden and I do not want to add to it, especially when so many are struggling to find a job."

### **Education**

"Education is the most important economic development investment we can make. And because of Governor Chafee's leadership, we are in a position to increase funding for education: funding that will support teachers and students and give parents more choices. But with that additional funding, we must set higher standards."

## **Jobs**

“We must make it easier and more attractive to do business in Providence. I have heard that from the business community. I have heard that from our neighbors. And it is why my FY13 budget avoids increased and additional taxes. We must show potential investors that they can move to Providence and expect stability. We must also show potential employees – our future neighbors – that Providence is a great place to raise a family and contribute to the community.”

## **Public Safety**

“Good jobs are created in safe cities. As we navigate through these difficult times, we must do everything possible to maintain an environment in which people are safe in all of our neighborhoods. To do that, we have maintained our investment in public safety.”

## **Conclusion**

“Let me be clear: This budget counts on our ability to finish the difficult work of structural reform. It once again relies on increased support from all of Providence’s large tax-exempt institutions. And it rests on the conviction that Providence must finally fix its broken pension system in the days and weeks ahead. Because make no mistake about it: We will never win the promise of a brighter future, and the threat of eventual, inevitable bankruptcy will continue to plague our city if we do not accomplish pension reform.”

“Mr. President, I urge you and your colleagues: Pass this budget. Pass pension reform. Let’s continue to work with our partners in the State House to help us with the tax-exempts. I urge you to continue to stand with me and stand behind the balanced approach I have presented in the Fiscal Year 2013 budget because if you do, I am wholly confident that we will save Providence and move our city forward to new heights.”

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