



CELEBRATING
55 YEARS

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Mayor's message: No new taxes in fiscal year 2015

May 08, 2014 - Rhode Island

On April 29, 2014, I delivered my fourth and final Budget Address for the city of Providence before our city council, members of the general assembly, the media and the public. The first one I presented was in 2011, shortly after taking office and upon learning of a \$110 million structural deficit, which threatened the very solvency of Providence - Rhode Island's capital city.

I am proud to say that in my most recent budget address, I was able to report a much brighter picture of our city: we've eliminated our structural deficit, chipped away at our cumulative deficit, and even added a \$3.2 million appropriation for the cumulative deficit reduction.

We have called for no new taxes: no increases the automobile, residential or commercial tax rates. This is the 3rd year we have held the line on our commercial tax rate. In my last budget address, I'd called for a 7-year freeze; we are now in our 3rd year of that freeze, and the 2nd year of a balanced budget.

This budget underscores our commitment to key priority areas such as education, public safety, parks and recreation, a stronger pension system and a healthy and environmentally responsible community. Our investments are lean and efficient.

We've cut our fire department overtime from \$9 million when I first took office to \$4 million today; we've kept spending increases on the city-side of our budget to less than 1% over the past four years; we've cut retiree health care costs by more than 25% since fiscal year 2013, and we are paying 100% of the ARC payment into our retirement system.

Programmatically, we are investing in tomorrow with a new Police Academy that starts this month with 60 new recruits, new equipment and life-saving training for our Police & Fire departments, and nearly \$3 million in improvements to our 19 neighborhood and downtown parks and the "jewel of our parks system," Roger Williams Park.

We are also completing the paving of the remaining 1/6 of our city streets; reducing the distance some students have to walk to get to and from school each day, and we are increasing spending in our schools, including making \$10 million investment in infrastructure to our schools.

This budget provides an overall increase of 2.4% in spending without raising tax rates - as we forecast a 1.3% increase in tax revenues in the upcoming year, due to increasing tangible tax collections as business-spending grows with an improving economy.

It has been a result of our resolve that Providence is no longer at the top of the Lincoln Institute of Land Policy's list of cities with the highest commercial tax rates.

The shared sacrifice of so many stakeholders - taxpayers, workers and retirees, our colleges, universities and health care institutions, our general assembly and city council, and the diligence of my administration, has enabled us to submit a budget balanced with discipline and leaving our city in a far better place than it was when I first took office in January 2011. It is in a position to continue to grow and thrive.

I thank you, again, for your efforts and your continued confidence in our Providence.
Angel Taveras is the mayor of Providence.

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