

TOWN OF
NORTH PROVIDENCE



STATE OF
RHODE ISLAND

A. RALPH MOLLIS
Mayor

OFFICE OF THE MAYOR
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April 5, 2005

The Honorable John Sisto, Town Council President
And Honorable Members of the North Providence Town Council
2000 Smith Street
North Providence, RI 02911

Dear Council President Sisto and Honorable Town Council Members:

In accordance with Section 5-2-2 of the North Providence Town Charter, I am submitting my proposed Budget for Fiscal Year June 30, 2006.

As I submit this budget, I am pleased to report that our School Department Deficit Elimination Program is ahead of schedule and we appear to be on the path to another successful financial recovery. Most recently, State Auditor General Ernest Almonte commented in a February 8th, 2005 Providence Journal article that he "was very pleased with the fiscal progress the town made". Our Auditors recently commented that "the town has made a positive turn in its financial recovery" and Standard & Poors, in its recent review earlier this year, affirmed the town's stable outlook based on our "positive financial management" and "improved financial position" and stated that the town's "management is a credit strength".

EDUCATION

I would like to commend the North Providence School Department on what was a virtually balanced budget for Fiscal Year 2004.

The School Department had accumulated a series of fiscal year deficits prior to 2004, eliminating the surplus the Town had accumulated and requiring the Administration to implement a four year Deficit Elimination Program. Because the School Department finished 2004 with a balanced budget which was one million dollars better than projected, our current Deficit Elimination Plan could potentially eliminate the deficit by June, 2007...one full year ahead of schedule. While reducing our annual deficit elimination payment was an option, after meeting with State Auditor General Ernest Almonte in early March (2005), my Administration has decided to remain on our current course, funding \$1,083,493 in my proposed budget for Fiscal Year 2006. As mentioned this could lead to us eliminating our School Department Deficit one year early and allow us to begin accumulating a much needed reserve...a surplus...which Mr. Almonte both recommends and supports.

The Education Budget comprises well over 55% of the total Town Budget. I commend the North Providence School Committee and School Department on their budget request for Fiscal Year 2006. I have been vocal over the years stating that the School Department must propose a budget which has both the taxpayer and the children in mind. Difficult decisions need to be made each and every year to provide the best, **affordable**, education possible. This year, I requested that School Departments across Rhode Island live within the 5.5% annual cap that cities and towns across Rhode Island are required to adhere to. With their \$39,714,701 proposed budget for Fiscal Year 2006, the increase over last year's appropriation would have amounted to 5.6%, one of their lowest requested increases in years. Other than a slight reduction I have made of \$41,472 (in order to bring their proposed budget to \$39,673,229 or **5.5%** greater than last years appropriation), I am pleased to keep the School Department's Budget Request virtually intact, commend them on their performance over the past 18 months, and encourage them to continue on this path which will lead to a successful Financial Recovery Plan and a stable foundation for our future

MUNICIPAL

Once again, the Municipal Budget continues my administration's actions in reducing the cost of government. The Fiscal Year 2006 Municipal Budget I have proposed leaves vacant the various positions I have eliminated over the years, continues the combining of various duties within positions, calls for the additional elimination of selected positions within town government (**adding to what has been an elimination of almost 6% of the entire workforce since I became Mayor in 1997**) and results in a streamlined, efficient governmental operation.

I have been successful in the two contracts I've negotiated, as well as all management positions, in fulfilling my promise to have all employees receive a salary freeze in either Fiscal-Year 2004 or 2005. I am confident that the results will be the same in the remaining two contracts I am currently negotiating.

In addition, also as promised, all management positions will begin contributing to the ever-rising cost of health care in this proposed budget as will all Police and Fire Department personnel. I am just as confident that all member of the remaining two Municipal Collective Bargaining Agreements will be contributing to the cost of health care in this proposed budget via contract negotiations, **resulting in every employee working for the Town of North Providence paying a portion of their Health Care costs**. As promised, North Providence would lead the way in this endeavor.

While we have brought our Municipal Budget down to its leanest level possible, we continue to fund the outstanding services our residents currently enjoy, providing an outstanding and enviable quality of life and place to live. Our North Providence Police Department, comprising 22% of our Municipal Budget, is equipped with the best technology and equipment available, including a state of the art Mobile Command Center recently purchased with 100% funding from a Homeland Security Grant. The North Providence Fire Department, comprising 26% of the Municipal Budget, is anticipating receipt of its newest rescue to service the residents of North Providence and plans are

moving forward as we renovate our Fire Stations. Our Main Street Program within the villages of Marieville and Centredale has been a model for other communities to follow and we look forward to advancing this program to the Fruit Hill area of our town and along our main thoroughfares. And we are excited about the possibility of a G.I.S. System and a much needed phone system within Town Government, lighting of our High School Baseball Field, a Skateboard Park for the future of recreation and improvements to our Library and Pool & Fitness Center, just to name a few. For those projects we are not able to obtain grants for, we anticipate floating a small, 30 year Bond. With North Providence having a low debt ratio, this plan has received preliminary approval of our State's Auditor General.

TAX RATES

The Town of North Providence recently completed a full revaluation of all properties as required by State Law. While many residents have been, understandably, apprehensive of this project, we have what I believe to be is good news to report.

The Rhode Island Public Expenditure Council recently published a report on the 2005 Property Tax Burdens in the State of Rhode Island. With our revaluation completed and my commitment to the people of this town not to use the revaluation as a way to raise taxes, we expect to reduce our Residential Tax Rate to a proposed \$16.55, **which would rank us in the recent report of the Rhode Island Public Expenditure Council as having the 23rd lowest Property Tax Burden (23rd out of 39) in Rhode Island.**

The following is a list of **proposed** tax rates based on this current proposed budget and projected valuation numbers (noting that these numbers could change with any changes made to the proposed budget or unanticipated changes to the town's valuation figures):

<u>Classification</u>	<u>Current Tax Rate</u>	<u>New Tax Rate</u>
Residential	\$28.71	\$16.55
Commercial	\$31.02	\$22.50
Tangible	\$57.50	\$62.50
Inventory	\$17.54	\$13.16
Motor Vehicle	\$41.95	\$41.95

CONCLUSION

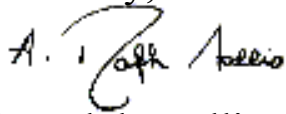
This proposed budget continues my Administrations' commitment towards financial stability.

The proposed Fiscal Year 2006 Budget continues our effort to fund the Police Pension Plan at 100% funding and continues fully funding the accumulated payouts of all projected retirements, completely eliminating another potential unfounded liability. This proposed Budget continues our commitment to reduce the cost of Health Care with employees contributing to the ever-rising cost. Reductions in benefits and an upcoming Wellness Fair for all employees in an effort to promote healthy choices and further reduce the cost of our self funded Health Insurance. And we are putting the final touches on a plan to relocate our Department of Public Works Facility, removing it from a residential area, constructing a facility to provide more suitable and efficient working conditions, and finance this project in a manner which will provide a substantial financial benefit to the Town in this and future budgets.

Finally, in an effort to reduce the burden on taxes on Senior Citizens living on minimal incomes, I am proposing to work with you, the Town Council, in doubling the Senior Citizen Exemption. This proposal, along with the reduced tax rate, is projected to ease the burden of any potential tax increases on Senior Citizens and accomplish our continued efforts to attempt to freeze their taxes.

Since taking office in January of 1997, I have consistently made the business oriented budget decisions which have drastically reduced the cost of government. Proudly we have balanced each municipal budget I have introduced, eliminated the 1997 deficit and had accumulated a municipal surplus. With your continued leadership, we will continue these efforts and accomplish what is best for our community in the most affordable manner possible.

Sincerely,

A handwritten signature in black ink that reads "A. Ralph Mollis". The signature is written in a cursive style with a large, stylized initial "A" and "M".

A. Ralph Mollis
Mayor

TOWN OF NORTH PROVIDENCE
BUDGET SUMMARY
FISCAL YEAR 2005 - 2006

APPROPRIATION	FY 2004 - 2005 BUDGETED	FY 2005 - 2006 BUDGETED	INCREASE OR (DECREASE)
ADMINISTRATION			
ADMINISTRATION	\$ 205,037	\$ 228,956	
TOWN COUNCIL	\$ 95,346	\$ 91,746	
LEGAL DEPARTMENT	\$ 171,211	\$ 173,307	
TOWN CLERK	\$ 209,396	\$ 199,425	
HUMAN RESOURCES	\$ 34,143	\$ 35,361	
PUBLIC BUILDINGS	\$ 464,463	\$ 599,841	
PLANNING / ECONOMIC DEVELOPMENT	\$ 128,940	\$ 111,307	
BOARD OF CANVASSERS	\$ 148,980	\$ 118,085	
ZONING BOARD OF REVIEW	\$ 7,500	\$ 8,100	
COMPUTER	\$ 58,945	\$ 50,990	
OTHER (DEPARTMENTS)	\$ 124,300	\$ 140,924	
TOTAL ADMINISTRATION	<u>\$ 1,648,261</u>	<u>\$ 1,758,042</u>	<u>\$ 109,781</u>
DEPARTMENT OF FINANCE			
AUDITING FINANCIAL RECORDS	\$ 23,625	\$ 25,000	
PURCHASING	\$ 52,163	\$ 54,533	
TAX ASSESSOR	\$ 227,841	\$ 185,900	
TAX COLLECTOR	\$ 245,065	\$ 266,388	
FINANCE DIRECTOR / TREASURER	\$ 225,798	\$ 245,943	
TOTAL DEPARTMENT OF FINANCE	<u>\$ 774,492</u>	<u>\$ 777,764</u>	<u>\$ 3,272</u>
PUBLIC SAFETY			
FIRE DEPARTMENT	\$ 6,600,802	\$ 6,807,933	
POLICE DEPARTMENT	\$ 5,300,507	\$ 5,639,054	
COMMUNICATION DIVISION	\$ 62,200	\$ 41,900	
DIVISION OF INSPECTIONS	\$ 149,607	\$ 184,055	
EMERGENCY MANAGEMENT	\$ 5,700	\$ 5,750	
FIRE HYDRANTS	\$ 128,000	\$ 130,500	
TOTAL PUBLIC SAFETY	<u>\$ 12,246,816</u>	<u>\$ 12,809,192</u>	<u>\$ 562,376</u>

APPROPRIATION	FY 2004 - 2005 BUDGETED	FY 2005 - 2006 BUDGETED	INCREASE OR (DECREASE)
PUBLIC SERVICES			
STREET LIGHTS	\$ 390,000	\$ 390,000	
BEAUTIFICATION	\$ 4,500	\$ 4,500	
DEPARTMENT OF PUBLIC WORKS	\$ 1,689,899	\$ 1,739,581	
RECREATION DEPARTMENT	\$ 720,230	\$ 650,964	
ENVIRONMENTAL PROTECTION	\$ 1,755,000	\$ 1,867,000	
LOCAL WELFARE	\$ 10,574	\$ 10,574	
TOTAL PUBLIC SERVICES	\$ 4,570,203	\$ 4,662,619	\$ 92,416
DEBT SERVICE			
BOND & NOTE PRINCIPAL	\$ 2,244,850	\$ 2,309,850	
BOND & NOTE INTEREST	\$ 1,615,772	\$ 1,655,224	
TOTAL DEBT SERVICE	\$ 3,860,622	\$ 3,965,074	\$ 104,452
GRANTS & CONTRIBUTIONS			
GRANTS TO ORGANIZATIONS	\$ 89,270	\$ 89,105	
GRANT TO SENIOR CENTER	\$ 429,092	\$ 452,692	
GRANT TO LIBRARY	\$ 610,642	\$ 636,429	
TOTAL GRANTS & CONTRIBUTIONS	\$ 1,129,004	\$ 1,178,226	\$ 49,222
OTHER			
INSURANCE	\$ 544,500	\$ 517,000	
FRINGE BENEFITS	\$ 6,708,500	\$ 7,358,230	
VARIOUS	\$ 204,650	\$ 272,654	
TOTAL OTHER	\$ 7,457,650	\$ 8,147,884	\$ 690,234
TOTAL TOWN APPROPRIATION	\$ 31,687,048	\$ 33,298,801	\$ 1,611,753
EDUCATION DEFICIT ELIMINATION PROGRAM			
	\$ 1,083,493	\$ 1,083,493	\$ 0
EDUCATION			
EDUCATION APPROPRIATION	\$ 37,604,957	\$ 39,673,229	
TOTAL EDUCATION APPROPRIATION	\$ 37,604,957	\$ 39,673,229	\$ 2,068,272
TOTAL APPROPRIATION	\$ 70,375,498	\$ 74,055,523	\$ 3,680,025

TOWN OF NORTH PROVIDENCE
ESTIMATED REVENUE
FISCAL YEAR 2005 - 2006

REVENUE ACCOUNTS	FY 2004 - 2005 BUDGETED	FY 2005 - 2006 BUDGETED
(CURRENT) TAX REVENUE	\$ 45,354,390	\$ 47,347,990
PRIOR YEAR TAXES	\$ 1,500,000	\$ 1,500,000
WATER & SEWER ASSESSMENTS	\$ 4,000	\$ 0
INTEREST ON DELINQUENT ACCOUNTS	\$ 375,000	\$ 470,000
BUILDING INSPECTION REVENUE	\$ 280,000	\$ 370,000
TOWN CLERK RECEIPTS	\$ 510,000	\$ 620,000
POLICE DEPT. REVENUE	\$ 35,000	\$ 35,000
MUNICIPAL COURT REVENUE	\$ 210,000	\$ 210,000
OTHER DEPARTMENT REVENUE	\$ 1,000	\$ 500
TOTAL MISCELLANEOUS RECEIPTS (primarily ems services)	\$ 950,000	\$ 1,350,000
SALE OF SURPLUS PROPERTY	\$ 200,000	\$ 400,000
ADMINISTRATION GRANTS	\$ 65,000	\$ 65,000
DATA PROCESSING SERVICES	\$ 14,000	\$ 28,000
INTEREST ON INVESTMENTS	\$ 30,000	\$ 35,000
HOUSING AUTHORITY IN LIEU OF TAXES	\$ 18,000	\$ 16,160
POOL & FITNESS CENTER / RECREATION	\$ 200,000	\$ 275,000
RENTAL / LEASING INCOME	\$ 115,000	\$ 144,000

REVENUE ACCOUNTS	FY 2004 - 2005 BUDGETED	FY 2005 - 2006 BUDGETED
MUNICIPAL REVENUE SHARING	\$ 1,912,251	\$ 2,094,537
SCHOOL CONSTRUCTION AID	\$ 1,060,783	\$ 1,278,180
MOTOR VEHICLE PHASE OUT	\$ 3,941,255	\$ 3,920,229
TELEPHONE TAX	\$ 504,730	\$ 451,753
PILOT	\$ 378,192	\$ 373,315
STATE AID TO EDUCATION	\$ 12,121,897	\$ 12,475,859
MISCELLANEOUS	\$ 0	\$ 0
RECYCLING GRANT	\$ 0	\$ 0
MEDICAL REIMBURSEMENT (TO EDUCATION)	\$ 595,000	\$ 595,000
COMMUNITY RELIEF FUND	\$ 0	\$ 0
TOTALS	\$ 70,375,498	\$ 74,055,523