

**TOWN OF
NORTH PROVIDENCE**



**STATE OF
RHODE ISLAND**

A. RALPH MOLLIS
Mayor

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OFFICE OF THE MAYOR
2000 Smith Street
North Providence, R.I. 02911

April 4, 2006

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 the provisions of the North Providence Town Charter, I am submitting my proposed Budget for Fiscal Year Ending June 30, 2007.

I am proud to report the budget I submit to you continues to build on our record of financial accomplishment, continues funding the outstanding services our residents have become accustomed to, and calls for **no tax increase** over the coming year. In fact, with the state's continuation of the phase out of the Inventory Tax and the increased exemption in the Motor Vehicle Phase Out, many homeowners and business owners will actually see a decrease in their overall property tax burden during the next fiscal year.

The proposed Budget for Fiscal Year June 30, 2007 will be the tenth budget I have submitted to you. Proudly, we have balanced seven of the eight previous municipal budgets, are projecting a **significant surplus** in our current 2006 Budget and project this proposed 2007 Budget, while lean, will be balanced.

MUNICIPAL BUDGET

The Municipal Budget I am proposing for Fiscal Year 2007 continues my administration's actions of creating a streamlined, efficient governmental operation. This budget continues to leave vacant the many positions I have eliminated over the years and calls for certain departmental budgets to be at levels lower than ten years ago. In addition, it continues the combining of various duties within positions and, as promised, results in **every employee working for the Town of North Providence paying a portion of their health care costs.**

At the same time, with the Municipal Budget comprising 45% of the total budget (with the Education Budget comprising 55% of the total), we continue to fund the outstanding services and enviable quality of life our residents currently enjoy, continuing in our efforts in making North Providence an outstanding place to live. The Fiscal Year 2007 Budget funds much needed new equipment for our Department of Public Works, increased training for the members of our North Providence Police and Fire Departments, funding of new gear for our firefighters and the attainment of the prestigious National Accreditation for our Police Department. This budget also increases the staff in our Planning and Building Inspector's Department, funds for the maintenance and upkeep of our outstanding Main Street Program within our town's villages and appropriates much needed dollars to continue our paving efforts.

One of the largest increases in the 2007 Budget is the increased cost of utilities. Despite our conservation efforts, rising utility costs have required us to increase our utility budgets by more than 33% over last year's levels.

EDUCATION BUDGET

I want to commend the efforts of the North Providence School Committee in revising their original request and resubmitting a proposed budget for Fiscal Year June 30, 2007 which falls within the 5.5% cap that cities and towns across Rhode Island are required to adhere to. The School Department's proposed budget of \$41,855,257 is 5.5% greater than their proposed budget of last year, comprising 55% of the total town budget.

I am pleased to announce that, for the second consecutive year, I have kept the School Department's budget request intact. I understand, and agree, this proposed budget mirrors that of the Municipal Budget in that it is lean and calls for difficult decisions. It is a budget which has both the taxpayers and the children in mind, maintaining the outstanding level of education our students are currently receiving while providing an affordable educational system.

The 2007 Budget funds year three of the four-year Education Deficit Elimination Plan which I instituted, calling for the elimination of the School Department Deficit by June, 2008. It is vital the School Department finish both Fiscal Year 2006 and 2007 with a balanced budget in order that the Deficit Elimination Plan can stay on schedule, result in a successful financial recovery and allow us to once again accumulate a much needed surplus and create a stable foundation for our future. I encourage the members of the School Committee and the administration of the School Department to continue the open lines of communication we have established and to work together to reach this goal.

CAPITAL IMPROVEMENTS

While both the Municipal and Educational Budgets for 2007 are lean, there are capital improvements which need to be addressed over the short term. As you are aware, my administration has proposed the construction of a new Department of Public Works facility. My goal is to restore the area where the current facility is housed to a residential development which fits within the surrounding area. In addition, we are proposing much needed computer hardware upgrades for Town Hall, new general ledger accounting software for the School Department and Town's Finance Department and a new phone system for Town Hall. I will also be proposing the construction of a skateboard park, funding for the improvements made and yet to be made to our Fire Stations, Public Safety Facility and our municipal buildings as well as long term paving needs within our town. Also, in addition to the increase in funding to our Library and Senior Center proposed in the Municipal Budget, I will be proposing much needed infrastructure improvements to our Town's Library, including a refurbishing of our Community Room. To that end, I will be proposing a small Capital Improvement Bond / Bond Anticipation Note to you in the near future with details on the proposed expenditures in order that these projects and improvements may be funded in a cost effective manner while at the same time providing substantial benefit to our town's taxpayers.

I am also very excited about the opportunity to acquire and develop what we know as the Camp Meehan Property. This 15 acre parcel abuts Governor Notte Park and would serve as a wonderful preservation of open space while, at the same time, allow us to expand our town beach and increase potential recreational opportunities. This acquisition will be a priority of my administration. We have been aggressively pursuing federal and state dollars for this acquisition and development. While I am confident we will be successful in obtaining outside funding, acquiring this property with local dollars must still be considered an option and I look forward to working with you, our Town Council, on this exciting project.

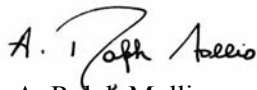
CONCLUSION

We have erased the longtime unfunded liability of the Police Pension Fund by implementing a “disciplined, structured, conservative approach based on the town’s position of funding 100% of the required contribution”. The proposed Fiscal Year 2007 Budget I am proposing fully funds all of our pension obligations as well as payouts of projected retirements, thereby eliminating any potential unfunded liabilities. This budget continues our commitment to reduce the cost of health care with all employees contributing to the ever-rising cost and my administration’s second annual Wellness Fair for all employees in an effort to promote healthy choices and further reduce the cost of our self funded health insurance.

Fortunately, we are anticipating additional growth in our community over the next year with a number of business improvements and upscale residential developments being proposed. As a result of this and our concerted effort to operating a lean and efficient government, we will be able to accomplish all we are setting out to do **without** raising taxes, resulting in North Providence having one of the lower Residential Tax Rates and residential tax burdens in Rhode Island. To further this objective, I look forward to working with you in a joint effort to pass a local Ordinance and State Enabling Legislation in an effort to **freeze taxes of Senior Citizen homeowners in North Providence living within modest incomes.**

This is an exciting and promising time for North Providence. Over the years, I have consistently made the business oriented budget decisions reducing the cost of government. Together, we have eliminated past deficits, accumulated a municipal surplus and are on the road to addressing our School Department shortfall successfully. This could not have been accomplished without your support and dedication and without the confidence and continued support of our residents. I look forward to working with you in the coming months ahead to tackle this aggressive agenda, continue with financial stability, and accomplish what is best for our community and the people who call North Providence home 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".

A. Ralph Mollis
Mayor

TOWN OF NORTH PROVIDENCE
BUDGET SUMMARY
FISCAL YEAR 2006 - 2007

APPROPRIATION	FY 2005 - 2006 BUDGETED	FY 2006 - 2007 BUDGETED	INCREASE OR (DECREASE)
ADMINISTRATION			
ADMINISTRATION	\$ 228,956	\$ 236,515	
TOWN COUNCIL	\$ 91,746	\$ 91,446	
LEGAL DEPARTMENT	\$ 173,307	\$ 166,134	
TOWN CLERK	\$ 199,425	\$ 210,101	
HUMAN RESOURCES	\$ 35,361	\$ 37,128	
PUBLIC BUILDINGS	\$ 599,841	\$ 639,989	
PLANNING / ECONOMIC DEVELOPMENT	\$ 111,307	\$ 164,178	
BOARD OF CANVASSERS	\$ 118,085	\$ 172,000	
ZONING BOARD OF REVIEW	\$ 8,100	\$ 8,100	
COMPUTER	\$ 50,990	\$ 46,050	
OTHER (DEPARTMENTS)	\$ 140,924	\$ 140,272	
TOTAL ADMINISTRATION	<u>\$ 1,758,042</u>	<u>\$ 1,911,913</u>	<u>\$ 153,871</u>
DEPARTMENT OF FINANCE			
AUDITING FINANCIAL RECORDS	\$ 25,000	\$ 24,850	
PURCHASING	\$ 54,533	\$ 50,717	
TAX ASSESSOR	\$ 185,900	\$ 230,722	
TAX COLLECTOR	\$ 266,388	\$ 250,490	
FINANCE DIRECTOR / TREASURER	\$ 245,943	\$ 264,731	
TOTAL DEPARTMENT OF FINANCE	<u>\$ 777,764</u>	<u>\$ 821,510</u>	<u>\$ 43,746</u>
PUBLIC SAFETY			
FIRE DEPARTMENT	\$ 6,807,933	\$ 7,370,897	
POLICE DEPARTMENT	\$ 5,639,054	\$ 5,898,123	
COMMUNICATION DIVISION	\$ 41,900	\$ 47,950	
DIVISION OF INSPECTIONS	\$ 184,055	\$ 154,643	
EMERGENCY MANAGEMENT	\$ 5,750	\$ 5,700	
FIRE HYDRANTS	\$ 130,500	\$ 140,800	
TOTAL PUBLIC SAFETY	<u>\$ 12,809,192</u>	<u>\$ 13,618,113</u>	<u>\$ 808,921</u>

APPROPRIATION	FY 2005 - 2006 BUDGETED	FY 2006 - 2007 BUDGETED	INCREASE OR (DECREASE)
PUBLIC SERVICES			
STREET LIGHTS	\$ 390,000	\$ 450,000	
BEAUTIFICATION	\$ 4,500	\$ 4,500	
DEPARTMENT OF PUBLIC WORKS	\$ 1,739,581	\$ 1,849,412	
RECREATION DEPARTMENT	\$ 650,964	\$ 647,450	
ENVIRONMENTAL PROTECTION	\$ 1,867,000	\$ 1,931,700	
LOCAL WELFARE	\$ 10,574	\$ 10,574	
TOTAL PUBLIC SERVICES	\$ 4,662,619	\$ 4,893,636	\$ 231,017
DEBT SERVICE			
BOND & NOTE PRINCIPAL	\$ 2,309,850	\$ 2,439,850	
BOND & NOTE INTEREST	\$ 1,655,224	\$ 1,574,873	
TOTAL DEBT SERVICE	\$ 3,965,074	\$ 4,014,723	\$ 49,649
GRANTS & CONTRIBUTIONS			
GRANTS TO ORGANIZATIONS	\$ 89,105	\$ 107,655	
GRANT TO SENIOR CENTER	\$ 452,692	\$ 500,389	
GRANT TO LIBRARY	\$ 636,429	\$ 667,906	
TOTAL GRANTS & CONTRIBUTIONS	\$ 1,178,226	\$ 1,275,950	\$ 97,724
OTHER			
INSURANCE	\$ 517,000	\$ 619,900	
FRINGE BENEFITS	\$ 7,358,230	\$ 7,728,000	
VARIOUS	\$ 272,654	\$ 245,000	
TOTAL OTHER	\$ 8,147,884	\$ 8,592,900	\$ 445,016
TOTAL TOWN APPROPRIATION	\$ 33,298,801	\$ 35,128,745	\$ 1,829,944
EDUCATION DEFICIT ELIMINATION PROGRAM			
	\$ 1,083,493	\$ 1,083,493	\$ 0
EDUCATION			
EDUCATION APPROPRIATION	\$ 39,673,229	\$ 41,855,257	
TOTAL EDUCATION APPROPRIATION	\$ 39,673,229	\$ 41,855,257	\$ 2,182,028
TOTAL APPROPRIATION	\$ 74,055,523	\$ 78,067,495	\$ 4,011,972

TOWN OF NORTH PROVIDENCE
ESTIMATED REVENUE
FISCAL YEAR 2006 - 2007

REVENUE ACCOUNTS	FY 2005 - 2006 BUDGETED	FY 2006 - 2007 BUDGETED
(CURRENT) TAX REVENUE	\$ 47,347,990	\$ 48,004,334
PRIOR YEAR TAXES	\$ 1,500,000	\$ 1,800,000
WATER & SEWER ASSESSMENTS	\$ 0	
INTEREST ON DELINQUENT ACCOUNTS	\$ 470,000	\$ 550,000
BUILDING INSPECTION REVENUE	\$ 370,000	\$ 550,000
TOWN CLERK RECEIPTS	\$ 620,000	\$ 674,000
POLICE DEPT. REVENUE	\$ 35,000	\$ 35,000
MUNICIPAL COURT REVENUE	\$ 210,000	\$ 300,000
OTHER DEPARTMENT REVENUE	\$ 500	\$ 500
TOTAL MISCELLANEOUS RECEIPTS (primarily ems services)	\$ 1,350,000	\$ 1,450,000
SALE OF SURPLUS PROPERTY	\$ 400,000	\$ 40,000
ADMINISTRATION GRANTS	\$ 65,000	\$ 65,000
DATA PROCESSING SERVICES	\$ 28,000	\$ 14,000
INTEREST ON INVESTMENTS	\$ 35,000	\$ 45,000
HOUSING AUTHORITY IN LIEU OF TAXES	\$ 16,160	\$ 16,500
POOL & FITNESS CENTER / RECREATION	\$ 275,000	\$ 275,000
RENTAL / LEASING INCOME	\$ 144,000	\$ 121,000

REVENUE ACCOUNTS	FY 2005 - 2006 BUDGETED	FY 2006 - 2007 BUDGETED
MUNICIPAL REVENUE SHARING	\$ 2,094,537	\$ 2,404,365
SCHOOL CONSTRUCTION AID	\$ 1,278,180	\$ 1,372,338
MOTOR VEHICLE PHASE OUT	\$ 3,920,229	\$ 4,812,123
TELEPHONE TAX	\$ 451,753	\$ 377,022
PILOT	\$ 373,315	\$ 534,103
STATE AID TO EDUCATION	\$ 12,475,859	\$ 12,761,541
MISCELLANEOUS	\$ 0	\$ 0
RECYCLING GRANT	\$ 0	\$ 0
MEDICAL REIMBURSEMENT (TO EDUCATION)	\$ 595,000	\$ 595,000
COMMUNITY RELIEF FUND	\$ 0	\$ 1,270,669
TOTALS	\$ 74,055,523	\$ 78,067,495