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Tax bills mailed, residents to see modest tax increase

EAST PROVIDENCE, RI – East Providence residents will see a slight tax increase in their tax bills this year, a direct result of the budget set in November 2019. Residents are slated to receive their tax bill this coming week.

Homeowners will see a .57 cent increase per \$1,000 in their taxes, which averages out to approximately \$130 annually, based on the average single-family home value of \$230,000.

Factors that contributed to tax rate increase:

- A primary factor requiring the increase includes a multi-year plan to prepare for the bond payment on the **\$189 million** state-of-the-art high school. A total of **\$1.4 million** must be placed aside each budget season in order to accommodate for an estimated **\$6 million** high school bond payment scheduled to begin in 2022.
- The November 2019 budget included an increase in the school's appropriation of **\$1.4 million**, and an additional **\$950,000** was added to the budget by the Council increasing school support by **\$2.4 million**.
- The City increased public safety pension contributions by **\$720,000**.
- The November 2019 budget also factored in 2 percent increases in four previously-negotiated contracts that amounted to **\$692,851**.

While each community has its own financial realities and challenges, East Providence is on strong, fiscal footing as recently noted by Moody's Investors Service when it upgraded the City's bond rating to A1. This modest tax increase will support ongoing essential services as well as future investments that will strengthen our community.

East Providence's tax year is not in sync with other communities. While most communities begin their fiscal year in July and during a time that the state is setting its budget, the City of East Providence does not begin its budget process until May. Other communities have a better pulse on how much they will need to cut or add to the budget because assessors have an idea of total assessments and where the tax rate will fall.

Here in East Providence, however, the City does not have those assessment details in place because of our unique fiscal year. Once the City's assessor has completed the assessments (from December through April and after the budget process is completed), the rates are based on the levy that is set during the previous budget process.

Throughout the year, the City has taken many cost-saving steps.

Administration's cost-saving measures:

- Borrowing for new high school at a new rate, saved the City **\$1.5 million** in interest costs.
- Issuances of new bonds that lowered the City's debt service payments by **\$448,000** over the next 10 years.
- Relocation of Recreation Department staff to the Senior Center resulting in utility and maintenance savings of **\$85,000**.
- The addition of energy efficient lighting in many city buildings saved the City nearly **\$23,000** in annual financial savings and 136,916 in annual Kilowatt-hours savings over 13 years.

"Our administration is committed to working with the Council to minimize future expense increases, while also finding innovative ways to spur economic development in our city, which will in turn provide future tax relief for all taxpayers," Mayor Bob DaSilva said.

Payments may be made online via www.eastprovidence.net or at City Hall using the drop box located near the door on the Grove Avenue side of City Hall.

	2019 Rates	2020 Rates
Residential	\$20.02	\$20.59
Commercial	\$24.62	\$25.33
Tangible	\$56.39	\$58.02
Motor Vehicle	\$37.10	\$35.00

	Net Assessed Value 2019	Net Assessed Value 2020	Difference	Percentage Change
Real Estate	\$ 2,800,112,352	\$ 2,808,216,598	\$ 8,104,246	0.29%
Commercial	\$ 1,181,353,320	\$ 1,178,823,820	\$ (2,529,500)	-0.21%
Tangibles	\$ 265,657,550	\$ 274,626,220	\$ 8,968,670	3.38%
Grand Total	\$ 4,247,123,222	\$ 4,261,666,638	\$ 14,543,416	0.34%
Motor Vehicle	\$ 238,744,719	\$ 205,303,659	\$ (33,441,060)	-14.01%

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