

**Roberto L. DaSilva**  
*Mayor*

## **FOR IMMEDIATE RELEASE**

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## **Mayor delivers 2021 proposed budget to Council**

EAST PROVIDENCE, RI – East Providence Mayor Bob DaSilva presented the FY2020-2021 proposed budget to the City Council on Thursday, Sept. 17, 2020.

“This budget was prepared to not only meet the financial challenges of funding our new high school and fulfilling the fixed contractual employee obligations that pre-date this Administration, but also to reflect the uncertainties and hardships that the COVID-19 pandemic has brought to our City,” Mayor DaSilva said. “We believe this budget keeps our residents and businesses safe, our city service levels high, our infrastructure in repair, and our parks and recreational facilities maintained, beautiful and enjoyable.”

The proposed budget recommends General Fund expenditures of \$169,051,000, a \$4.3 million increase over last year’s spending. Of the total General Fund expenditure increase, city operating expenditures increased by \$2.6 million city funding of the school department rose by \$285,000 and the city appropriated an additional \$1.4 million to fund future debt payments for our new high school.

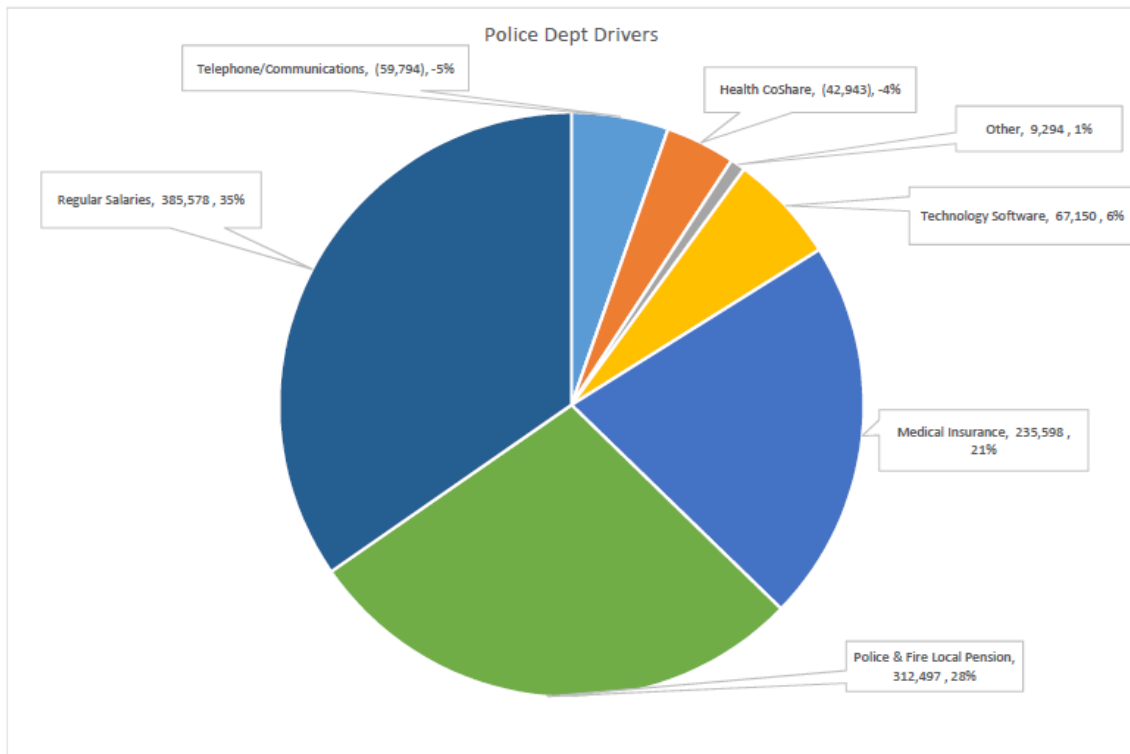
East Providence’s proposed fiscal 2021 General Fund operating budget reflects tight fiscal management and difficult choices, but also a commitment to fully honor prior contractual obligations with East Providence employees entered into by prior city managers and ratified by previous city councils. Most of the city’s \$2.6 million operating expenditure increases are due to these contractual obligations, escalations in non-controllable costs, and prudent decisions to fully fund our annual required pension contributions. The following six items total \$2.2 million of the overall city operating increase:

- City regular salaries and other compensation are budgeted to increase by approximately \$601,000. The increase is associated with either the contractual two percent salary increases for our police and fire departments or contractual step increases across all departments. The two percent salary increase for Police and Fire alone totaled approximately \$500,000. The increase in salaries occurred despite our reducing full-time employees (FTEs) from last year's budget by seven and delaying the start date for four DPW vacant positions until midyear. No COLA raises have been budgeted for all other union employees, non-union employees, or for our department heads.
- Our police and fire annual required pension contributions (ARC) increased a combined \$462,000 mainly due to this administration's choice to follow our actuary's recommendation and adopt more actuarially conservative assumptions than what previously had been used to ensure that future generations in East Providence are not unfairly burdened with police and fire pension costs.
- Our healthcare costs for fiscal year 2021 have increased by \$682,000 and reflect an 11 percent increase to our health insurance premiums.
- Refuse/disposal costs increased by \$209,000 due to the expansion of our automated trash cart program (\$155,000) and overall higher tipping and recycling fees.
- Our finance department budgeted \$100,000 for new accounting software to replace outdated and unserviceable software programs.
- An \$122,000 increase in our general liability insurance premiums for fiscal year 2021.

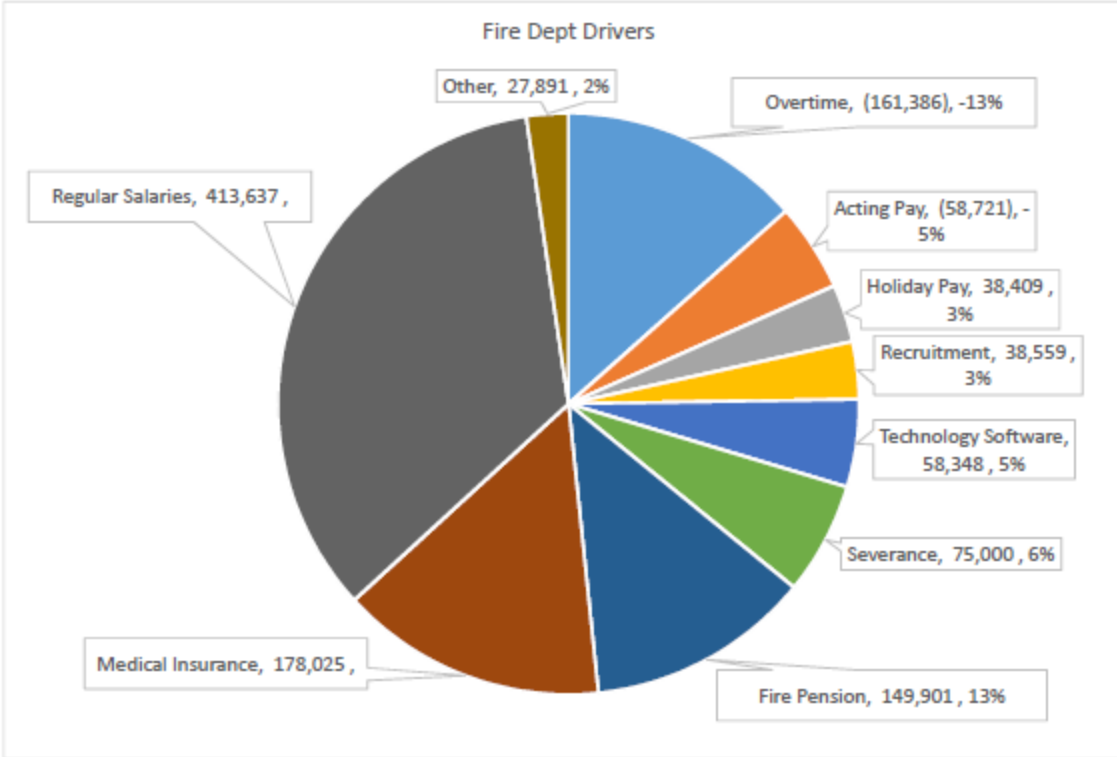
To fund the proposed fiscal year 2021 budget, we are requesting a tax rate that is approximately three percent (3 percent) higher than the current rate. The additional appropriation of \$1.4 million to fund debt payments for our new high school makes up about one-third of our proposed tax rate increase. To reduce the tax increase impact on our homeowners, particularly our senior citizens on fixed income, the Administration is proposing in fiscal year 2021 to restore one percentage point to our homestead exemption bringing it from 13 percent to 14 percent. For the fully interactive FY21 Proposed Budget, Click here:

**<https://stories.opengov.com/eastprovidenceri/published/iNesDQzug>**

Police Dept	Increases/(Decreases)
Telephone/Communications	(59,794)
Health CoShare	(42,943)
Other	9,294
Technology Software	67,150
Medical Insurance	235,598
Police & Fire Local Pension	312,497
Regular Salaries	385,578
	907,380



Fire Dept	Increases/(Decreases)
Overtime	(161,386)
Acting Pay	(58,721)
Holiday Pay	38,409
Recruitment	38,559
Technology Software	58,348
Severance	75,000
Fire Pension	149,901
Medical Insurance	178,025
Regular Salaries	413,637
Other	27,891
	759,663



Department	Increase By Department
School	284,574
Fire	759,663
Police	896,057
Debt Service	1,400,000
	3,340,294

