



City of East Providence
Office of the Mayor
Roberto L. DaSilva
Mayor

August 23, 2021

East Providence City Council
Attn: Council President Robert Britto
East Providence City Hall
145 Taunton Ave.
East Providence, RI 02809

Re: Fiscal Year 2021-2022 Budget

Dear Council President Britto and Honorable Council Members,

In accordance with Section 5-3 of the East Providence Home Rule Charter, I am pleased to submit the Administration's proposed fiscal year 2022 budget. This budget was prepared in the midst of a pandemic while keeping in mind that East Providence needs to address some of the challenges of and the response to the pandemic.

The City of East Providence will be receiving approximately \$28 million in American Rescue Plan Act (ARPA) funds while the School Department will be receiving \$12 million in federal funds to help in addressing the needs of the community and recovery due to the pandemic.

Last year, while crafting the 2021 fiscal budget, we had to address the economic and social disruption caused by COVID-19, while keeping expenditures and staffing to a minimum. In fact, a total of 12 positions either went unfunded or unfilled.

In crafting this year's budget, the administration sought to minimize a tax increase to our residents, because of the hardships they had to endure during this pandemic. The administration is happy to present a budget with a minimal proposed city increase of \$848,510 (.779 percent). The School Department also proposed a minimal increase to its budget of \$639,639 (.587 percent).

The overall increase, however, will be further reduced to zero on the city side should we receive additional federal grant funding for our fire department in which case this budget will have a total tax increase of .587 percent over last year.

This budget fully funds our police department, adds an additional rescue to Station 3 in Rumford and increases fire personnel. This budget also 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 fiscal 2022 budget recommends General Fund expenditures of \$177,570,346 million, an \$8,208,328 million increase (4.8 percent) over last year's spending. Of the total General Fund expenditure increase, city operating expenditures increased by \$6,586,079 million (8.1 percent), city funding of the school department rose by \$1,622,249 (1.8 percent).

East Providence's proposed fiscal 2022 General Fund operating budget reflects tight fiscal management with a commitment to continue supporting our residents during these unprecedented times.

Most of the city's \$8.2 million operating expenditure increases are for the high school bond, increase in school funding, positions filled with ARPA funds, additional police and fire pension contribution, and contractual raises. The following six items represent the majority of the overall increase:

1. The line item for high school bond has been increased by approximately \$2.85 million. The school will be substantially complete by September 1, 2021. Thanks to the efforts of the East Providence School Building Committee, the city will be reimbursed 74 percent through the construction aid program sponsored by the Rhode Island Department of Education. The aid is distributed based on the State of Rhode Island's fiscal year after substantial completion, which is the City of East Providence's fiscal year 2022.
2. The School Department budget has increased \$1,622,249 million. Of that increase, the School Department is requesting from the city an additional \$639,639 (1.26 percent).
3. In preparing last year's fiscal budget, the administration did not fill a number of full-time positions because of the uncertainty of the economic impact of the pandemic. The American Rescue Plan Act (ARPA) allows municipalities to use federal funds to fund positions that were previously unfilled due to the pandemic.

The administration has identified in this budget, 12 full-time employee (FTE) positions and some part-time positions totaling \$985,000, which will be paid through ARPA funds through fiscal year 2026.

This funding will enable us to fully fund the East Providence Police Department at 103 sworn-personnel and 12 public safety communications personnel. In addition, this funding will also enable us to fund four laborer positions in the East Providence Dept. of Public Works, two positions in the East Providence Library, and one position in the East Providence Planning and Economic Development Dept.

4. We are budgeting \$848,510 as a placeholder in anticipation of being awarded a federal SAFER (Staffing for Adequate Fire and Emergency Response) grant. The city has submitted a

SAFER grant application in the amount of \$7.3 million over three years (from the time of the award). This grant will enable the East Providence Fire Dept. to hire an additional 24 firefighters. As a result, this will enable the city to staff a fourth, full-time rescue at Station 3 in Rumford. We anticipate being notified in September 2021 as to whether we are awarded this grant. Should we be awarded the grant, the \$848,510 will be funded through said grant reducing the tax increase by .779 percent, bringing the total increase in this budget to a mere .587 percent.

5. Our police and fire Annual Required Contributions (ARC) to the pension increased a combined \$1.37 million mainly due to this administration's decision to follow the actuary's recommendation. The City of East Providence will also be an adopter of a more conservative mortality table than what previously used to ensure that future generations in East Providence are not unfairly burdened.

6. City regular base salaries and other compensation are budgeted to increase by approximately \$1.3 million. The increase is associated with projected salary increases for all personnel.

Our proposed fiscal year 2022 budget calls for a \$2.8 million investment in capital. The city has fully funded its reserve requirements required by the City Charter under Sec. 5-15 and we are allocating the required one percent (1 percent) of anticipated operating fund revenue along with past excess operating surpluses to fund this proposed budget's capital. Additionally, the city has identified capital projects that may be funded through alternative funding sources such as ARPA/federal grants/asset forfeiture. The city had historically underfunded capital that created and contributed to bad roads, broken equipment, deteriorated infrastructure, and unusable parks and recreational facilities.

We are determined to not repeat the shortcomings of the past. Our city needs to constantly upgrade its capital assets to provide the best services and quality of life for its residents and visitors. All of our capital requests are detailed in a separate budget section.

To fund the proposed fiscal year 2022 budget, we are requesting a tax rate that is approximately 1.366 percent higher than the current rate. That increase could be as low as .587 percent should we receive the SAFER federal grant for our fire department.

For the average East Providence single-family homeowner with a property valuation of \$232,000, our proposed property tax increase will add approximately \$59 to homeowners' property tax.

As this administration submits its proposed fiscal year 2022 budget, I would like to review some of the positive financial achievements that occurred during fiscal year 2021:

- We have built the new high school on time and under budget. The city saw dramatic savings from the original projections. The final cost to the city was reduced by almost \$50 million. This was done through additional energy efficiencies and lower interest rates. More savings were derived by financing \$24 million through the Rhode Island Infrastructure Bank and issuing less bonds than projected. This all resulted in \$2.5 million annual savings for the city.

- The city will receive approximately \$28 million in American Rescue Plan Act funds to be used to: re-staff municipal employees, support public health expenditures, address negative economic impacts, replace lost public sector revenue as well as invest in water, sewer and broadband infrastructure and capital. The School Department is slated to receive \$12 million in federal funds.
- We have fulfilled our commitment to fully meet all ARC pension contributions for our MERS and our Police/Fire pension plans. Additionally, the City of East Providence has a trust fund balance of approximately \$28.6 million for Other Post-Employment Benefits (OPEB), which is way beyond what the state requires, and well ahead of most other Rhode Island municipalities. Our commitment to OPEB and pension funding will help to ensure East Providence's fiscal health for future generations.
- In continuing our response to the COVID-19 pandemic, the city has received an additional \$650,000 from FEMA for COVID-19 related costs.
- Our Fire Department received \$834,000 in FEMA Assistance to Firefighter Grant to train, certify, and provide licensing for 25 members of the East Providence Fire department to provide the highest level of care to our residents.

We have accomplished great things in fiscal year 2021 across all of our departments and our proposed fiscal year 2022 budget reflects our commitment to continue this progress. Here are some of the projects that city departments have helped to move forward:

- A Comprehensive Plan RFP was issued in early 2020 and the plan effort is well underway. The process is expected to be complete by winter. Community workshops will be scheduled for September and October of 2021. The areas to be reviewed include housing, transportation, recreation, land use policy among other community issues.
- After many years of inactivity, the city now is part of tourism bureau. This will enable the city to access more than \$500,000 in funding to develop a robust campaign to promote local attractions and businesses.
- The City of East Providence has established the first-ever Arts District in the city. This will exempt artists that live within this area from state income taxes, which should encourage residential development in the District. A public art campaign has been funded, which will include sculptures and a mural located in Watchemoket Square.
- New, digital way finding signage will be installed in the fall of 2021, which will further promote businesses and tourist attractions in these areas.
- The city has adopted innovative mixed-use overlay districts to jumpstart redevelopment in older commercial corridors. This legislation allows for flexible zoning of vacant buildings and encourages innovative reuse of vacant properties. These overlay districts include Warren, Taunton, Waterman and Bullocks Point Avenues.
- This past year the city has ushered in an urban forestry program. Several of the city's notable trees were formally recognized as Tree Champions for its species. A tree-planting program began in the spring of 2021 and will continue in the fall. For the first time in its history, the city hosted the Rhode Island Arbor Day ceremony at Hull Street Park. As part this event the Rhode Island Tree Council planted more than \$10,000 worth of trees at the park. In May, 2021 the city planted an additional 14 trees on the grounds of Whiteknact School, which was funded by a \$20,000 grant from TD Bank and the Arbor Day Foundation. Lastly, a Tree Inventory is underway in partnership with the EP Urban

Forest group. As a result of these activities, East Providence regained its designation as a Tree City USA.

- Riverside Downtown Revitalization Planning Project is kicking off in September. Students from Roger Williams University will be working in partnership with the City of East Providence, GrowSmart RI, Riverside residents, and community groups to support multiple planning efforts. The students will conduct a planning study and cultural resources survey in Riverside to assess the existing economic, social, and physical conditions of the community.
- Several stalled development projects, which sat untouched for decades, are now fully permitted and construction is expected to begin in 2021. These include Wampanoag Meadows, a 400-unit residential development and a mixed-use development on Newport Avenue, which includes 142-apartment units along with retail uses.
- The Residences at Bold Point has completed its Phase I redevelopment of an abandoned auto repair shop. This initial phase includes 22 apartments while phase two will include an additional 12 units. Additional residential developments nearing completion include Circle Drive, Kettle Point townhouses and apartments.
- A new residential construction project is expected on a vacant lot on Waterman Avenue by the end of 2021.
- New residential construction will provide much need affordable housing including 13 units at Ivy Place, 16 units at the former VAMCO site in Riverside and the renovation of 36 units at Sutton Avenue. As part of these projects, the city has formed strong partnerships with experienced community development organizations that have a proven track record of providing quality housing.
- After more than 10 years of being dormant, the Platt Watters parcels are being transformed into 11 lots for new homes in our community. Three of these parcels will be designated as affordable housing sites for six families.
- These new housing units will improve the city's aging housing stock. More than 84 percent of the city's existing housing was built prior to 1980 and nearly 40 percent prior to 1940.
- The city is working closely with a regional developer, the Governor's Office and our congressional delegation to make East Providence play an important role in the emerging offshore wind industry. This plan will finally put the 40-year South Quay in productive use.
- A brownfield site located on Dexter Road is now home to a 6,000-panel solar array that produces clean energy for the Rhode Island Public Transit Authority (RIPTA). This use will also allow the property to undergo environmental remediation that will allow the site to be redeveloped.
- Many formerly vacant industrial properties are now occupied by commercial and manufacturing companies. These sites include Future Foam and Independent Pipe on Almeida Way as well as Nexcans located on Narragansett Park Drive.
- PACE RI now occupies more than 60,000 square feet at 10 Tripps Lane while bringing more than 100 jobs to East Providence.
- Phillipsdale Landing has undergone a complete transformation. The property was nearly vacant when new owners acquired the property seven years ago, but that property is now nearly 100 percent occupied. Notable businesses at the mill site include Amaral Custom Fabrications, Enotap, ArkWood reclaimed products and We Share Hope.

- The site of the former Ocean State Steel facility is being proposed for a large residential development, which also includes a walking trail with public access to the Seekonk River and Omega Pond. A kayak launch is also planned for this site. The East Pointe project will consist of 380 residential units including 10 percent affordable units within the development.
- The city has made significant investments in many neighborhood parks including: Pierce Field, Grassy Plains Park and Central Avenue.
- The addition of a new Splash Pad at Pierce Field
- Additional improvements are planned for Riverside Recreation field, Kettle Point Park and Sabin Point.
- A new, 600-foot public pier was donated to the city as part of the Kettle Point development.
- An informational video was produced to showcase many of the city's hiking trails and open space parcels.
- Improvements to the bike path at Riverside Square will be completed by the fall of 2021.
- The city continues to support local businesses during the pandemic. It was the first community in the state to offer emergency loans to city businesses.
- Additionally, the city secured Take it Outside Grants from Commerce RI, which benefited many local businesses.
- The city has entered into an agreement with RISE Engineering to replace city street lights with high-efficiency LEDs.
- As the pandemic receded the city provided financial support from its Commercial Loan program to two new food and beverage venues. Crook Point Brewery and Honey Bird Kitchen were both approved to receive loans and are expected to open this fall. These businesses will be located in an area primed for redevelopment as the Henderson Bridge Project will greatly enhance the accessibility to Massasoit Avenue and Waterfront Drive.

This proposed budget continues to keep us on track to ensure that East Providence remains the place where people want to live, work, play, and learn.

We have accomplished a lot during the past year, but we can do even more to enhance the lives of our residents and the success of our city businesses. The pandemic has slowed us down, but it has not defeated us. East Providence's best is yet to come, and this proposed fiscal year 2022 budget is the beginning of that journey.

The Administration looks forward to the workshops and hearings on this proposal, and will be happy to answer any questions that you may have. Thank you.

Sincerely,



Roberto L. DaSilva

Mayor