

City of East Providence

Budget Presentation
Fiscal Year 2010-2011

Dear Motor Vehicle Owner

- The Rhode Island General Assembly voted this year to reduce their promised motor vehicle tax reimbursement to cities and towns by 92%. In East Providence:
- Exemption for motor vehicles reduced to \$500 (from \$6000)
- Loss of \$4,874,490

What Government Does

- In spite of the loss of significant state revenues city services continue at a high level:
- Fire Department responds to over 10,500 fire and rescue calls
- Our Police Department responded to 46,000 calls for service and maintains a low crime rate and safe community
- The Recycling Division processes over 4,500 tons of recycling; 6,900 tons of compost and 13,800 tons of solid waste

What Government Does

- Libraries circulated over 449,000 items and opened a renovated main library
- Senior Center has over 2,100 members
- Highway Division maintains over 160 miles of road
- Parks Division maintains 8,290 city trees and maintains over 320 acres of parks, playgrounds and athletic fields

Local Economic Overview

- RI unemployment of 12.5% as of July, 2010 as compared to 10% nationally
- East Providence unemployment is 13.3%
- Housing market continues to be soft
- RI economic recovery expected to lag behind national trends
- Cost of Living is about 2%

Revenues

- 3.5% Property Tax increase
- Recovery of Motor Vehicle taxes

- Total Revenue Increase of .2% or \$187,423
- Compared to FY 2008-2009 (collected) total revenues decrease \$3,395,650

Why the Motor Vehicle Tax

- The City received the value of the \$6,000 exemption from the state
- The State of Rhode Island reduced the exemption from \$6,000 to \$500
- The State of Rhode Island eliminated this as a revenue to localities
- East Providence is required by Charter to appropriate fund balance

3.5% Increase

- Average Home Value \$200,000
- Tax Amount \$4,018
- Amount of Increase \$136

Motor Vehicle Exemption

- Value 2009 Toyota Camry \$24,850
- Tax Amount 2010 \$699.34
- Tax Amount 2011 \$903.38

- Value 2000 Toyota Corolla \$5,600
- Tax Amount 2010 \$0
- Tax Amount 2011 \$189.21

Expenses

- When compared to the current FY an increase of .2% or \$187,423
- A reduction of \$1,405,199 when compared to FY 2008-2009

Education

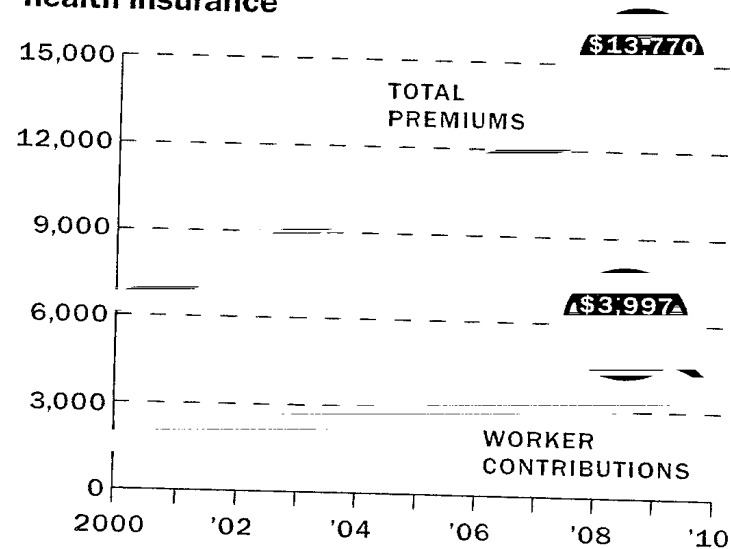
- \$500,000 from the meals tax for debt reduction
- \$500,000 additional from the General Fund

Cost Containment

- City continues to achieve savings:
 - Police Department reductions
 - Public Works reductions and sub-contracting custodial services
 - Fire Department issues remain unresolved

Health Care Costs

Average cost of job-based health insurance



SOURCE: THE KAISER FAMILY FOUNDATION

Fire Services

- According to a recent RIPEC Study, RI Fire Protection expenses rank number 1
- Amount per 1,000 of Personal Income \$6.34 (US average \$3.33)
- Expenditures per capita: \$526 (US average (\$132))

24/48 Schedule

- Change to a 24/48 schedule from the current 10/14 would save one platoon (26 firefighters).
- Use of sick time and overtime would be reduced
- All stations would remain open and all manning would remain unchanged
- Savings would exceed \$1,400,000

Compensatory Time

- Firefighters may have up to 70 hours of compensatory time on the books.
- No limit for yearly compensatory time accumulations.
- If a Firefighter works overtime for 10 hours he is entitled to take 15 hours off as compensatory time.
- The replacement Firefighter is paid for ~~15~~ 22.5 hours of overtime to replace his off time.
- In essence with comp time the city pays twice.

Systemic Changes

- Trash and Recycling as an enterprise fund
- Pay-as-You-Throw Bags purchased by the resident
- Recycling and trash reduction efforts are rewarded
- Larger/Automated recycling
- Transfers costs from the homeowner to the users

Changes

- Public Safety Officer
- Cross training of police officers and firefighters
- Enhanced public safety profile
- Cost reductions in excess of \$5 million/year