



OFFICE OF THE MAYOR

Kenneth J. Hopkins

Dear Cranston Property Owner:

My second budget as Mayor has presented significant financial challenges for our city and the services it provides every day to Cranston residents and businesses.

As a community, we have rebounded in many ways from the Covid-19 pandemic but its hard-hitting economic impacts to the city remain a challenge. Last year, I presented a municipal and school budget to the City Council which did not raise local taxes to reflect the challenges property owners were facing from the financial stress imposed by the pandemic. **That was the third year in row your property taxes were not increased.**

As we prepared next year's budget, I was faced with significant reductions in state aid, minimal revenue increases and many increases in fixed expenditures that were beyond my control. As required by the City Charter, I proposed a balanced budget in April that met the needs to deliver essential municipal services while trying to keep the cost of those services as reasonable as possible for taxpayers.

Some of the uncontrollable expenses we were presented with for the fiscal year starting July 1st included:

- At the urging of the RI Auditor General, a one-time need to fund \$7 million dollars using ARPA funds for several past years of health insurance and claims deficiencies accumulated prior to my term as mayor.
- \$750,000 for increased cost of trash pickup and tipping fees at the state land fill.
- \$172,000 for increased rental of fire hydrants from the City of Providence.
- \$138,000 for the cost of this year's primary and general elections.
- \$1.5 million for contracted employee obligations and salary step increases.
- \$619,000 for increased health insurance and related costs.
- An increase in our debt obligation payments of \$1.7 million for capital projects including \$1.2 million for school construction projects.
- \$1.4 million reduction in state aid under the state distressed community formula.

As part of the annual budget process, the City Council held extensive sessions to review and vote on the budget. With the cooperation of some council members, I proposed additional reductions of \$1.1 million dollars to try and relieve some of the burden on taxpayers. In the end, a majority of the Council did not adopt my amended budget nor were alternatives offered for our city. Despite that decision by the Council, I have directed my administration to impose those \$1.1 million budget savings initiatives and I will have more budget cutting measures to come.