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With eye on deficit, communities plan for lean times

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As state leaders wrestle with a second-straight year of mid-term budget cuts, mayors and managers across Rhode Island are looking at everything from later bill payment schedules to union concessions to offset expected losses in state aid.

In Cumberland, Warwick, South Kingstown and other communities, major purchases are on hold, unfilled positions are staying vacant, and other options, including layoffs, are being considered given the likelihood of cuts this fiscal year.

Some local leaders think those moves won't be enough.

In Cranston, the mayor and City Council president are trying to schedule a meeting next week at which city and school officials, as well as union leaders and members of the local State House delegation, can discuss the city's options, including concessions from the unions.

"I may be dreaming a little bit, but all the unions know their contracts and the areas where they can save money," said Council President Aram G. Garabedian. "Maybe they give something and we give something back."

Cities and towns are not just looking at the here and now. The state's budget woes and the poor economy have some communities looking to combine or consolidate services — a concept that might not help this year but could help in the future.

Just yesterday, the Rhode Island Public Expenditure Council announced that it has been asked by leaders in Newport, Middletown and Portsmouth — the three Aquidneck Island communities — to study the possibility of combined or shared school services. The results of the study by the business-backed organization are expected in February.

Also looking at combined school districts is the Rhode Island League of Cities and Towns, which has a subcommittee meeting weekly to study how the concept might save money, said Dan Beardsley, the league's executive director.

There are also moves across the state to consolidate some municipal operations.

East Greenwich and North Kingstown have talked about combining services such as inspections and fire dispatch operations. And a group of about a dozen communities, known as the Coalition of Communities Improving Rhode Island, is looking at health insurance and purchases of items, such as salt and sand, as possible areas to consolidate. The group also plans to pursue an "efficiency study" of all 39 cities and towns to show state leaders which ones have lean operations and which have waste, said Cumberland Mayor Daniel J. McKee.

IF LOCAL AID is cut, it would be the second consecutive year cities and towns have had to adjust midway through the budget year.

The state cut \$12.5 million in non-school aid to cities and towns during fiscal 2008. That translated into reductions that ranged from about \$22,000 in Little Compton to about \$2.8 million in Providence.

For some communities, word of another cut comes as local officials are already facing budget deficits. Even with tax receipts keeping pace despite the poor economy, Cranston faces a school budget deficit that could be more than \$9 million, and Warwick faces a schools deficit of about \$4 million, mayors in the two cities said.

Like many municipal leaders, Warwick Mayor Scott Avedisian said he is not filling open positions or approving major purchases. He is also looking at other options to prepare for reduced state aid, including layoffs and cutting back hours at city agencies that include the library, ice rink and pool.

Providence Mayor David N. Cicilline said his city is not projecting a deficit but is reviewing every department for possible cuts.

With staff reports by Cynthia Needham