

Senate Defeats Supplemental Tax Hike

By JANET KERLIN, Breeze Correspondent

NORTH PROVIDENCE - The proposed supplemental tax has been defeated by state lawmakers, so taxpayers will not pay a tax increase before July 1, necessitating payless paydays for town employees, and cuts to popular programs.

"I can almost guarantee a payless payday," Mayor Charles A. Lombardi said Monday, May 11.

The Lombardi administration was planning to talk with council members this week to revise the \$81.7 million budget it had planned to adopt by July 1.

The seemingly resolved controversial closing of the pool and cutbacks at the library, and layoffs, are probably back on the table for the Town Council to consider, Lombardi said.

A tax increase of at least \$3.75 will become necessary after July 1, according to Lombardi and his top aides. If passed, the \$3.75 per \$1,000 valuation would result in a tax increase of \$750 for an owner of a house valued at \$200,000.

Lombardi had proposed a supplemental tax which would have been payable within 30 days. The proposal of \$1.50 per \$1,000 valuation would have resulted in a tax increase of \$300 for an owner of a house valued at \$200,000. It would have raised \$3.87 million and was intended to help the town to avoid a deficit for the current fiscal year. The Town Council said next year's budget would have needed another 80-cent increase.

The supplemental tax increase was recommended by Ernest A. Almonte, state auditor general, who had warned the town in February of the necessity of raising taxes and decreasing expenses. The town has a projected deficit of \$13.5 million, and plans to borrow \$6.1 million.

Without the supplemental tax, the town will have a cash flow problem, which will harm the town's ability to meet its payroll within a month or so, the mayor said. Employees' pay would be delayed until enough of the last quarter of taxes are paid, he said.

The Senate's defeat of the supplemental tax on May 5 was unusual. State lawmakers customarily approve taxes if towns ask for them; Johnston and Cranston have received such permission in recent years. North Providence was the only town to ask for a supplemental tax this year, Lombardi said. The House approved it.

The Senate's decision was about politics, Lombardi said. He declined to elaborate.

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Sen. Dominick Ruggerio, of Providence, told fellow senators that the town didn't need the money. Lombardi called that inaccurate.

"All of his calculations and figures were bogus," Lombardi said. Ruggerio did not return a phone call on Monday.

Sen. Edward O'Neill, a freshman whose district includes North Providence, said that he based his decision on the needs of the average taxpayer.

"I campaigned door to door. I talked to a lot of people on Social Security, on the edge of losing their homes," O'Neill said Monday. "Taxes were key in terms of maintaining residency, and this supplemental increase would be payable immediately, with no time to budget for it." Taxpayers phone him with their concerns, he said.

"I know the town needs the money and they're in dire straits, but trimming a budget is cutting branches one at a time," O'Neill said. "Some of the overtime we're paying for municipal services, it's extremely expensive. I'm sure the mayor's going back and looking at all those things. But having people forced out of their homes is a terrible way to resolve this. Every street I was on, there was at least one house vacant due to foreclosure."

Sen. Frank Ciccone III, a member of the Senate Finance Committee whose district includes North Providence, supported the town's request for the supplemental tax.

"I did the most prudent thing" based on the town's needs and the "serious concerns" of the auditor general, Ciccone said Monday.

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