



City of Providence

Report of the Municipal
Finances Review Panel

February 2011

February 28, 2011

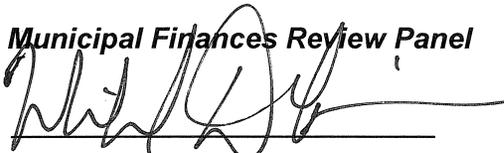
The Honorable Angel Taveras
Mayor of the City of Providence
Providence, Rhode Island

Dear Mayor Taveras:

In response to Executive Order 2011-2 "Appointing a Municipal Finances Review Panel" issued on January 11, 2011, we have performed a review of the City's Budget for the fiscal year ending June 30, 2011. Additionally, we have assessed likely modifications to revenues and expenditures to be considered in developing the City's budget for the fiscal year ending June 30, 2012. We have also included herein, various observations and recommendations that could either result in potential cost savings to the City, improve its financial management, or promote other operational efficiencies.

Respectfully submitted,

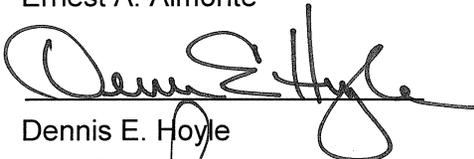
Municipal Finances Review Panel



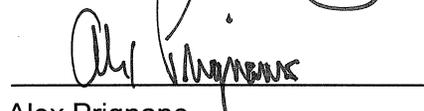
Michael D'Amico, Chairman



Ernest A. Almonte



Dennis E. Hoyle



Alex Prignano



Kenneth L. Richardson

City of Providence

Report of the Municipal Finances Review Panel

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Introduction and Background

The City incurred an operating deficit totaling nearly \$14 million in its General Fund for the fiscal year ended June 30, 2010. The operating deficit was largely attributable to school operations which necessitated a transfer of general fund resources to eliminate an operating deficit in the school unrestricted fund. This operating deficit would have been larger had certain transfers from other funds and financing proceeds not been included within the fiscal year operating results. Although the operating deficit (as reported in the City's audited financial statements) was \$14 million, the City estimated its structural deficit at approximately \$57 million for fiscal 2010.

The City began fiscal 2011 without an approved operating budget. A fiscal 2011 budget was subsequently enacted in February 2011.

The Municipal Finances Review Panel (Panel) was charged with assessing the status of City's fiscal 2011 budget based upon projections of revenue and expenditures through the end of the fiscal year. Similarly, the Panel was charged with identifying the potential budgetary imbalance that may face the City in preparing its fiscal 2012 budget.

The Panel met with the various departments of City government to gain knowledge of their operations, obtain their views on the status of their fiscal 2011 operations to date compared to budget, and develop projections for revenues to be collected and expenditures incurred through the close of fiscal 2011. We also inquired about expected operational requirements for fiscal 2012 that were in excess of planned 2011 spending levels.

The Panel did not conduct a financial or performance audit of the City. The Panel's projections of revenues and expenditures are based on actual results through December 31, 2010 as reported by the City's accounting system and information gathered from various sources regarding expected revenues and expenditures through the end of the fiscal year. Due to the inherent time constraints and urgency of the Panel's charge, the Panel, to a significant extent, relied upon the representations of City management providing financial information. The reasonableness of such projections has been considered and compared to available information; however, the projections have not all been independently tested.

Actual operating results for fiscal 2011 may differ substantially from the Panel's projections due to unforeseen events through the end of the fiscal year or through omission of information that may have impacted the projection of revenues or incurrence of expenditures.

Review Panel's Projections of the City's Fiscal 2011 and 2012 Budgets:

**City of Providence
Overview of Panel's Budget Projections**

	<u>Fiscal 2011 (1)</u>	<u>Fiscal 2012 (2)</u>
General Fund Revenue shortfall (3)	\$ (20,000,000)	\$ (60,000,000)
EXPENDITURES (OVER) UNDER BUDGET		
Salaries and Benefits (4)	(3,400,000)	(4,310,000)
Pension Contribution (5)	-	(2,501,000)
Debt Service (6)	2,200,000	(7,091,000)
Other Expenditures (7)	(8,000,000)	(8,000,000)
School Fund (8)	<u>587,000</u>	<u>(28,000,000)</u>
Budgetary Shortfall - Potential Deficit	<u>\$ (28,613,000)</u>	<u>\$ (109,902,000)</u>
Fiscal 2011 Borrowing included as revenues (9)	<u>(41,000,000)</u>	<u>\$ -</u>
Structural Shortfall	<u>\$ (69,613,000)</u>	<u>\$ (109,902,000)</u>

(see notes 1-9 on page 3)

Summary of the City's liability for pensions and retiree healthcare (OPEB):

Pensions (City Retirement System)

- Unfunded Accrued Actuarial Liability: \$828,484,000

Retiree Healthcare (OPEB)

- Unfunded Accrued Actuarial Liability: \$1,497,451,000

City's total unfunded pension and OPEB Liability **\$ 2,325,935,000**

(detailed on pages 11 and 15)

Notes:

- (1) Fiscal 2011 projection is based on the recently enacted Fiscal 2011 budget for the City.
- (2) Fiscal 2012 projection assumes the same base level revenues and expenditures as Fiscal 2011 – no tax or other fee increases are projected.
- (3) General Fund Revenue Shortfalls are detailed on page 5 for Fiscal 2011. General Revenue estimates include \$30 million to be realized from an anticipated financing which is still pending and requires approval of the PPBA. If that financing does not occur the fiscal 2011 projected general revenue shortfall would increase by \$30 million.

General Fund Revenue Shortfalls for Fiscal 2012 are detailed on pages 9 and 10. General revenue shortfalls are assumed to repeat in Fiscal 2012 and one-time revenue sources which were budgeted in Fiscal 2011 approximating \$48 million are eliminated.

- (4) Salaries are projected to be within budget due to attrition and vacancies. Salary projections were provided by the Acting Finance Director – projections of overtime costs through the end of the fiscal year are inherently variable. The variance results mostly from unbudgeted dental insurance coverage in fiscal 2011. In fiscal 2012, the estimated variance results from dental insurance and a 1.9% increase in health insurance rates as estimated by the City's healthcare consultant. For fiscal 2012, no salary increases have been included for Local 1033 or firefighters.
- (5) The pension contributions variance for Fiscal 2012 reflects the increase over the Fiscal 2011 amount and assumes the City will contribute 100% of the annual required contribution as determined by the actuary for Fiscal 2012.
- (6) The favorable debt service variance compared to budget reflects current debt service projections.
- (7) Other expenditure variances for significant line items are detailed on page 8. Budget variances for these line items are assumed to repeat in fiscal 2012.
- (8) School fund operations are projected to yield an operating surplus of \$587,000 for Fiscal 2011.

Fiscal 2012 School fund operations are highly variable. The School Department provided the Panel with a projection for fiscal 2012 that showed a budget shortfall of approximately \$40 million. The Panel has reviewed these projections and estimated that shortfall at \$28 million as detailed on the next page. The Panel's estimates are based on updated information on maintenance of effort requirements, healthcare cost increases, and other educational mandates.

School operations for fiscal 2012 are contingent on a large number of variables including expected State and federal funding levels, basic educational plan requirements and efforts to consolidate the number of schools.

Notes (continued)

(8) continued

Loss of Federal Jobs and Stimulus Funding – Salaries	\$10,800,000
Loss of Jobs and Stimulus Funding – Benefits Including projected benefit increases (healthcare)	\$ 8,500,000
Step increases	\$ 1,600,000
City expenses returning to the Schools budget	\$ 3,300,000
Other items including staffing increases for Bishop and PCTA	<u>\$ 3,800,000</u> <u>\$28,000,000</u>

(9) Fiscal 2011 borrowings included as revenue consist of one financing already completed for approximately \$11 million and another planned financing for \$35 million, of which \$30 million is to be recorded in the City's general fund for general operating purposes. This latter financing, if not completed as planned, would increase the projected budgetary shortfall (operating deficit) by \$30 million for fiscal 2011. Because these revenue items are one-time and nonrecurring, they are added to the estimated budgetary shortfall of \$28.6 million to approximate the City's fiscal 2011 structural budgetary shortfall of \$69.6 million.

City of Providence

Fiscal 2011 - Budget Projections through June 30, 2011

REVENUES

Departmental Revenues

	Budget	Actual July-Dec	Projected July - June	Projected Variance	Reason for Projected variance
Clerk	\$ 8,000	\$ 9,355	\$ 18,355	\$ 10,355	projected actual collections
Law	-	519	519	519	projected actual collections
Probate	200,000	78,794	165,000	(35,000)	\$165,000 In FY2010
Housing Court	15,000	15,320	30,000	15,000	projected actual collections
Pay Lieu Taxes	5,000	-	5,000	-	
Public Property	-	60,020	60,020	60,020	projected actual collections
Controller	-	1,095	1,095	1,095	projected actual collections
Collector	550,000	87,191	800,000	250,000	Tax Sale
Assessor	5,000	864	2,000	(3,000)	projected actual collections
Treasury & Personnel	-	161	161	161	projected actual collections
Comm PS	55,000	19,420	40,000	(15,000)	projected actual collections
Police Fed Grant	716,650	-	-	(716,650)	limitations on grant funds - another grant may be available
Police Other	100,000	257,519	500,000	400,000	projected actual collections
Red Light Cameras	400,000	409,751	-	(400,000)	City owes State share - program is revenue neutral
Fire	550,000	223,000	450,000	(100,000)	projected actual collections
Communications	628,000	266,691	328,000	(300,000)	\$38,000 in FY10 (Fire Box Inspections/Connecting
Traffic Parking Meters	1,200,000	669,667	1,369,667	169,667	projected actual collections
Building Inspections	4,655,000	1,729,610	3,600,000	(1,055,000)	projected actual collections
Structures Zoning	-	6,879	13,000	13,000	projected actual collections
Zoning	85,000	30,790	65,000	(20,000)	projected actual collections
Building Applic Fees	25,000	2,640	5,300	(19,700)	projected actual collections
PW Admin	-	607	607	607	projected actual collections
Envire Control	30,000	9,240	18,500	(11,500)	projected actual collections
Highway	300,000	70,099	150,000	(150,000)	projected actual collections
Sewer	-	4,806	8,806	8,806	projected actual collections
Zoo	20,000	-	20,000	-	
NBG Fees	-	78,997	160,000	160,000	projected actual collections
Recorder of Deeds	2,850,000	997,974	2,200,000	(650,000)	projected actual collections
Vital Stats	355,000	153,561	305,000	(50,000)	projected actual collections
Bd Canvassers	-	564	564	564	
Bureau Lic	1,555,000	920,000	1,400,000	(155,000)	\$1.392 million in FY10
Planning	2,457,000	2,066	2,457,000	-	Federal reimbursement CDBG for Federal program employees
Emergency Mgt	197,000	32,539	32,539	(164,461)	updated department projection
Arts & Culture	-	53,996	53,996	53,996	projected actual collections
Human Services	30,000	-	-	(30,000)	projected actual collections
Subtotal Departmental	16,991,650	6,193,735	14,260,129	(2,731,521)	
All revenues	\$ 455,461,471			\$ (20,221,998)	
Medicaid	4,250,000				
Tuitions	585,000				
School Aid	176,475,614				
Indirect Costs	1,700,000				
	\$ 638,472,085				

City of Providence

Fiscal 2011 - Budget Projections through June 30, 2011

Estimated Collections of Property Taxes - Fiscal 2011

	<u>Budget Fiscal 2011</u>	<u>Actual through Dec</u>	<u>Estimated Fiscal 2011</u>	<u>Projected Variance</u>	<u>Source</u>
Current Taxes	\$ 285,159,095	\$151,802,155	\$ 283,502,000	\$ (1,657,095)	Collectors/Review Panel
Back Taxes	\$ 11,000,000	\$ 2,786,875	\$ 8,500,000	\$ (2,500,000)	Collectors/Review Panel

<u>Current</u>	in 000's	<u>First Year Collection Rates Per City Collector's Office</u>
Original Levy	\$ 307,000	96.55% FY10
Abatements	(12,257) as of Dec 31	95.73% FY09
Additions	1,065 as of Dec 31	95.09% FY08
Adjusted Levy	\$ 295,808	95.98% FY07
		95.84% 4 Year Average
285,159/295,808	96%	
295,808 * 95.84%	\$ 283,502	
Adjusted Levy	295,808	
Current Taxes	285,159	
Est Collect 95.84%	283,502	
Est. Shortfall	\$ 1,657	

Back Taxes Current Year

Budget	\$ 11,000,000
Actuals Sept-Dec	<u>2,786,875</u> 4 Months
Required Jan-Aug	\$ 8,213,125 8 Months

Back Taxes FY2010

11,000,000 Budget
2,961,956 Actuals Sept-Dec

Back Taxes FY10 \$ 8,615,224 with 60 Day Rule

City of Providence				
Fiscal 2011 - Budget Projections through June 30, 2011				
Analysis of Significant Expenditure Budget Line Items - FY 2011				
<i>Significant Line Item</i>	Budget	Projected	Variance	Reason for projected variance
Union Concessions	\$ (3,597,886)	\$ -	\$ (3,597,886)	unrealized savings
Reserve Abatements	10,628,976	10,628,976	-	
School Appropriation	124,476,663	124,476,663	-	
Audit	345,000	395,000	(50,000)	current projection
Claims	600,000	600,000	-	
Law Department Fees	479,464	779,464	(300,000)	current projection
Municipal Court (ACS)	-	1,500,000	(1,500,000)	
Public Property Fees	1,250,000	1,200,000	50,000	current projection
Building Repairs	410,000	410,000	-	
Gas	500,000	500,000	-	
Motor Fuel	1,600,000	1,707,000	(107,000)	current projection
Public Property Private Contractors	150,000	215,000	(65,000)	
Heat, Light, Power	6,148,228	7,548,228	(1,400,000)	current projection - underbudgeted
Data Processing Division Charges	571,099	571,099	-	
Data Processing Priv Contractors	251,000	381,000	(130,000)	current projection
Data Processing Info Technology	1,192,284	1,192,284	-	
Tax Collectors Fees	600,000	600,000	-	
Assessors Priv Contractors	696,850	676,850	20,000	current projection
Debt Service	63,224,811	61,024,811	2,200,000	updated estimate of debt service
Workers Comp Medical	150,000	150,000	-	
Workers Comp Injury	1,288,000	1,423,000	(135,000)	current projection
Workers Comp Fees	304,000	224,000	80,000	current projection
Commissioner Maintenance & Servicing	827,884	827,884	-	
Police Maintenance & Servicing	760,000	820,000	(60,000)	current projection
Police Uniforms	803,609	803,609	-	
Police Tuitions	180,000	180,000	-	
Fire Repairs To Trucks	250,000	275,000	(25,000)	current projection
Fire Uniforms	584,726	534,726	50,000	current projection
Communications Maintenance & Servicing	827,182	677,182	150,000	current projection
Communications Phones	883,094	1,040,094	(157,000)	current projection
Traffic Maintenance & Servicing	397,888	197,888	200,000	current projection
Traffic Priv Contractors	218,000	218,000	-	
Building Inspections Priv Contractors	260,000	260,000	-	
PW Refuse Processing	2,475,000	2,225,000	250,000	current projection
PW Street Sweeping	275,000	275,000	-	
PW Recycling	1,326,840	1,885,840	(559,000)	current projection
PW Garbage Pick Up	4,224,984	3,874,984	350,000	current projection
Snow Removal	1,820,000	2,120,000	(300,000)	current projection
PW Repairs to Vehicles	110,000	260,000	(150,000)	current projection
Parks Grounds Priv Contractors	132,000	132,000	-	
Zoo Transfer	471,114	471,114	-	
Supt Parks Maintenance & Servicing	279,000	279,000	-	
Recorder of Deeds Private Contractors	104,000	104,000	-	
Planning Rent	163,920	163,920	-	
First Source	250,000	250,000	-	
PPBA Expense	225,000	225,000	-	
Attrition	(1,080,000)	-	(1,080,000)	included in salary projection
	\$ 228,037,730	\$ 234,303,616	\$ (6,265,886)	
			(2,200,000)	less Debt service
			(8,465,886)	
			465,886	other potential offsetting variances
			\$ (8,000,000)	rounded variance for significant items

City of Providence

Budget Projections for Fiscal 2012

REVENUES

	Fiscal 2011			Fiscal 2012		comments
	Budget	Projected	Projected Variance	Projected	Projected Variance	
Current Taxes	\$ 285,159,095	\$283,502,000	\$ (1,657,095)	\$ 283,502,000	\$ (1,657,095)	same projected variance as FY 2011
Back Taxes	11,000,000	8,500,000	(2,500,000)	8,500,000	(2,500,000)	same projected variance as FY 2011
PILOT	19,072,758	19,072,758	-	19,072,758	-	
School Construction	25,899,134	25,899,134	-	27,199,913	1,300,779	current FY 2010 estimate from RIDE
Telephone Tax	1,550,000	1,800,000	250,000	1,800,000	250,000	same projected variance as FY 2011
Excise Tax Reimb	2,200,000	1,736,000	(464,000)	1,736,000	(464,000)	same projected variance as FY 2011
Distressed Aid	5,111,263	5,111,263	-	5,111,263	-	assumes no change in distressed aid
Meals Tax	4,015,000	4,083,000	68,000	4,100,000	85,000	same projected variance as FY 2011
Reimb BC Providers	650,000	-	(650,000)	-	(650,000)	should go to self insurance fund rather than general fund
Attrition	-	-	-	-	-	
Fines	7,500,000	7,500,000	-	7,500,000	-	
Int Taxes	3,900,000	4,900,000	1,000,000	5,000,000	1,100,000	updated projection
Int Invest	2,800,000	-	(2,800,000)	-	(2,800,000)	same projected variance as FY 2011
School Rentals & other	-	-	-	3,274,481	3,274,481	School Department projected payments
WSB Med Reimb	375,000	-	(375,000)	-	(375,000)	should go to self insurance fund rather than general fund
Misc Revenues	150,700	25,000	(125,700)	25,000	(125,700)	same projected variance as FY 2011
WSB Reimb	839,200	-	(839,200)	-	(839,200)	same projected variance as FY 2011
Reimb JPTA	50,000	50,000	-	50,000	-	
Room Tax	1,100,000	1,350,000	250,000	1,350,000	250,000	same projected variance as FY 2011
PILOT Coll/Hosp	3,600,000	1,900,000	(1,700,000)	1,900,000	(1,700,000)	same projected variance as FY 2011
Manchester	6,500,000	6,500,000	-	5,200,000	(1,300,000)	updated projection from Law Department
Prov Place	200,000	200,000	-	200,000	-	
Port Prov	20,000	53,716	33,716	53,716	33,716	same projected variance as FY 2011
Transfer 252 Pol Det	800,000	1,200,000	400,000	1,200,000	400,000	same projected variance as FY 2011
Transfer 283 Rescue	3,600,000	3,400,000	(200,000)	3,400,000	(200,000)	same projected variance as FY 2011
Transfer 657	2,172,792	2,172,792	-	-	(2,172,792)	one time transfer to cover fire department retro payments
Transfer NBG	600,000	600,000	-	600,000	-	
Trans Capital Assets	48,226,733	41,423,681	(6,803,052)	-	(48,226,733)	one-time revenue sources included in prior year budget
Trans Fund Balance	1,378,146	-	(1,378,146)	-	(1,378,146)	one-time revenue sources included in prior year budget
	\$ 438,469,821	\$420,979,344	\$ (17,490,477)	\$ 380,775,131	\$ (57,694,690)	

Fiscal 2012 revenue analysis continues on the next page.

City of Providence						
Budget Projections for Fiscal 2012						
REVENUES						
	Fiscal 2011			Fiscal 2012		
Departmental Revenues	Budget	Projected	Projected Variance	Projected	Projected Variance	
Clerk	\$ 8,000	\$ 18,355	\$ 10,355	\$ 18,355	\$ 10,355	same projected variance as FY 2011
Law	-	519	519	-	-	
Probate	200,000	165,000	(35,000)	165,000	(35,000)	same projected variance as FY 2011
Housing Court	15,000	30,000	15,000	30,000	15,000	same projected variance as FY 2011
Pay Lieu Taxes	5,000	5,000	-	5,000	-	
Public Property	-	60,020	60,020	60,020	60,000	same projected variance as FY 2011
Controller	-	1,095	1,095	-	-	
Collector	550,000	800,000	250,000	800,000	250,000	same projected variance as FY 2011
Assessor	5,000	2,000	(3,000)	5,000	-	
Treasury/Personne	-	161	161	-	-	
Comm PS	55,000	40,000	(15,000)	40,000	(15,000)	same projected variance as FY 2011
Police Fed Grant	716,650	-	(716,650)	-	(716,650)	same projected variance as FY 2011
Police Other	100,000	500,000	400,000	500,000	400,000	same projected variance as FY 2011
Red Light Cameras	400,000	-	(400,000)	-	(400,000)	same projected variance as FY 2011
Fire	550,000	450,000	(100,000)	450,000	(100,000)	same projected variance as FY 2011
Communications	628,000	328,000	(300,000)	328,000	(300,000)	same projected variance as FY 2011
Traffic Parking Meters	1,200,000	1,369,667	169,667	1,400,000	200,000	same projected variance as FY 2011
Building Inspections	4,655,000	3,600,000	(1,055,000)	3,600,000	(1,055,000)	same projected variance as FY 2011
Structures Zoning	-	13,000	13,000	13,000	13,000	same projected variance as FY 2011
Zoning	85,000	60,000	(25,000)	60,000	(25,000)	same projected variance as FY 2011
Building Applic Fees	25,000	5,300	(19,700)	5,300	(19,700)	same projected variance as FY 2011
PW Admin	-	607	607	-	-	
Envire Control	30,000	18,500	(11,500)	18,500	(11,500)	same projected variance as FY 2011
Highway	300,000	150,000	(150,000)	150,000	(150,000)	same projected variance as FY 2011
Sewer	-	8,806	8,806	8,806	8,806	same projected variance as FY 2011
Zoo	20,000	20,000	-	20,000	-	
NBG Fees	-	160,000	160,000	160,000	160,000	same projected variance as FY 2011
Recorder of Deeds	2,850,000	2,200,000	(650,000)	2,400,000	(450,000)	same projected variance as FY 2011
Vital Stats	355,000	305,000	(50,000)	305,000	(50,000)	same projected variance as FY 2011
Bd Canvassers	-	564	564	-	-	
Bureau Lic	1,555,000	1,400,000	(155,000)	1,400,000	(155,000)	same projected variance as FY 2011
Planning	2,457,000	2,457,000	-	2,457,000	-	same projected variance as FY 2011
Emergency Mgt	197,000	32,539	(164,461)	-	(197,000)	same projected variance as FY 2011
Arts & Culture	-	53,996	53,996	53,996	53,996	same projected variance as FY 2011
Human Services	30,000	-	(30,000)	-	(30,000)	same projected variance as FY 2011
Departmental Subtotal	16,991,650	14,255,129	(2,736,521)	14,452,977	(2,538,693)	
All Revenues	\$ 455,461,471	\$ 435,234,473	\$ (20,226,998)	\$ 395,228,108	\$ (60,233,383)	
Medicaid	4,250,000			4,250,000		
Tuitions	585,000			585,000		
Sch Aid	176,475,614			176,119,397		
Ind Cost	1,700,000			1,700,000		
	638,472,085			577,882,505		

SIGNIFICANT FINANCIAL CHALLENGES FACING THE CITY

The City's pension plan is severely underfunded and large annual required contributions (ARC) utilize an increasing share of budgetary resources.

The City's retirement system covers all City employees except for school teachers who are members of the State Employees' Retirement System. The City's retirement system is severely underfunded – as of the most recent actuarial valuation (June 30, 2010) the plan was only 34% funded. Plans are generally considered adequately funded when funding levels reach 80% or above.

City of Providence Retirement System	
Status of plan at June 30, 2010 (most recent actuarial valuation)	
Actuarial value of assets ¹	\$ 427,891,000
Actuarial accrued liability	\$1,256,375,000
Unfunded accrued actuarial liability	\$ 828,484,000
Funded ratio	34%
Net pension obligation ²	\$ 132,767,000
¹ The actuarial value of assets employs a five-year smoothing technique – the fair value of plan net assets as reported in the City's financial statements at June 30, 2010 is \$316 million.	
² The net pension obligation represents the amount that was not contributed to the plan that should have been to meet the annual required contribution.	

The poorly funded status of the plan is the result of inadequate funding in prior years (failure to make 100% of annual required contributions), generous benefits and cost of living increases, liberal disability pension provisions and the ability to collect benefits at an early age.

City of Providence Retirement System	Fiscal 2009	Fiscal 2010	Fiscal 2011	Fiscal 2012
Annual Required Contribution (ARC)	\$ 48.5	\$ 51.3	\$ 56.4	\$58.9
Annual Pension Cost ¹	\$ 51.5	54.4	59.4	
% of Annual Pension Cost actually contributed	93.93%	90.29%		

¹ Annual Pension Cost includes an interest component when 100% of the ARC was not made in prior years.

Based on the most recent actuarial valuation of the City's retirement system (June 30, 2010), annual required contributions are expected to increase dramatically until the fiscal year ending June 30, 2039 when the annual payment is projected at more than \$210 million. The City's required payments to the retirement system are projected to decrease beginning in fiscal 2040 upon completion of the amortization of the unfunded liability (29 years remaining).

At a minimum, the City must fund 100% of the annual required contribution each year. The City must also aggressively pursue pension reform measures to contain the growing annual required pension contributions to improve the funded status of its pension plan to enhance its overall financial picture.

The City's costs for pension contributions to all plans (State administered ERSRI for teachers, Providence Retirement System, and Local 1033 union administered plan totaled \$70.2 million in Fiscal 2010.

Fiscal 2010 Contributions to:	
City's Retirement System	\$ 49,213,000
State ERSRI for teachers	17,900,000
Local 1033 Pension Plan	3,100,000
Total pension contributions	\$ 70,213,000

An additional \$39 million was paid for retiree health claims on a pay-as you go basis. These total retirement related outlays (\$109 million in fiscal 2010) represent 18% of the total City annual budget and 37% of the annual property tax levy. If the City contributed 100% of the annual required contribution for retiree healthcare (OPEB) - \$79.6 million, the total retirement outlay would have been \$150 million and percentages would increase to 24% and 51%, respectively.

Observations on the City's pension plan:

- Nearly 27% (775) of retired members benefit from compounded cost of living adjustments (COLA) of 5% or 6%. For those receiving a 5% or 6% compounded COLA, their annual pension doubles every 16 or 13 years, respectively. Cost of living increases that amount to 5% or 6% each year are extraordinarily excessive and are inconsistent with their intent, which in essence was to preserve purchasing power eroded through inflation. With 5 or 6% COLA provisions, retirees would far outpace amounts paid to active employees who are not receiving annual salary increases that even approximate 5 or 6% annually. Some members receive a 3% compounded COLA and others (Class A retired after 12/18/1991) receive no COLA.
- Members of Local 1033 are eligible to receive two pensions in addition to Social Security – one from the City's Retirement System and one from a union administered pension plan. The City contributes to both plans (and Social Security) on behalf of employees that are members of Local 1033.
- The actuarial valuation of the plan uses an investment return assumption of 8.5%. Generally, investment return assumptions are being examined to ensure they are consistent with realistic long-term investment returns. The State administered Employees' Retirement System uses an 8.25% investment return assumption. Lowering the assumed rate of return would increase the unfunded actuarial accrued liability and the City's annual required contributions.
- A high percentage of police and fire employees receive disability pensions – 432 out of 1,293 or 33% of Class B pensioners are receiving a disability pension.

Options to consider:

- Strong consideration should be given to merging the City pension system into the State administered Municipal Employees' Retirement System. This would provide the necessary discipline to make required contributions and insulate the City from attempts to increase benefits. Further, the City could largely eliminate the associated costs of administering the System including costs of benefits administration and investment management.
- Negotiate pension reform measures to align benefits consistent with the State's Municipal Retirement System (MERS) If necessary, consider partial funding with a pension obligation bond to (1) accomplish the transfer of the plan to MERS, (2) facilitate the City's ability to make 100% of the annual required contribution, and (3) improve the overall funded status of the City's pension obligations.
- If the City is not successful in transferring the City plan to the MERS, the City should, at a minimum, explore moving to a defined contribution or hybrid plan once the overall funding status of the plan is improved through either normal funding methods or a plan that incorporates pension reform and partial funding through a pension obligation bond.
- Increase employee contribution rates for members of the City's retirement system – most are presently at 8% except firefighters who contribute 9.5%. An increase to 8.75% (the contribution rate for State employees) would generate an additional \$854,000 annually – this would serve to reduce the City's required contribution to the plan or could be an added contribution to attempt to mitigate past underfunding. A 1% increase in the employee contribution rate would generate an additional \$1,140,000 annually.

Further, an employee contribution rate of 9.5% for police to match what is paid by teachers (members of the State Employees' Retirement System) and firefighters would generate an additional \$450,000. The most recent firefighter's contract designates 1.5% within the 9.5% rate for retiree health (OPEB). This rate would not be equitable for Plan A members who presently do not receive a cost of living adjustment as part of their retirement benefit unlike teachers, and police and fire personnel.

- Consider eliminating the City's contribution to the Local 1033 union administered pension plan – this employer contribution was \$3.1 million for the year ended June 30, 2010. This supplemental pension benefit plan could be funded solely by employee contributions. Additionally, the City continues to make employer contributions for employees who assume management positions and are no longer members of the union – this practice should be discontinued.
- Revisit the normal required years of service and age at retirement for public safety employees. Overall, longevity increases and improved health and fitness may allow public safety employees to continue to perform effectively until a later age.
- Reconsider the process used to assess whether disability pension recipients continue to be disabled and are therefore unable to return to work. Presently, disability pension recipients are examined by their personal physician to assess their continued disability status. The City should consider requiring a more independent appraisal of the individual's continued disability status.

- Upon reaching normal retirement eligibility age, disability pensions should be converted to regular pensions.
- No retiree should receive more than 80% of the annual salary paid to an active employee of the same rank, whether police, fire, or other municipal employee.
- Negotiate pension cost of living adjustments (COLA) that are based on the changes in the consumer price index with a maximum cap rather than a fixed percentage.
- Revisit the assumed rate of return assumption for the City's Retirement System to ensure that periodic actuarial valuations of the plan's obligations to employees and retirees are appropriately valued based on realistic long-term investment return expectations.

The City has a structural deficit due to its reliance on significant one-time revenue sources in an attempt to balance budgets.

Reliance on one-time revenue sources and failure to raise taxes creates a budgetary imbalance that cannot be made up within the property tax limit increases that are allowable under State law. The City, in the last two fiscal years, has relied more significantly on one-time revenue sources instead of recurring revenue and expenditure reductions to balance budgets. Further, reserves have been depleted which undermines the fiscal stability of the City's finances. Depletion of reserves restricts the City's financial flexibility and exacerbates its cash flow problems.

Due to the use of reserves in the prior and current fiscal year, cash balances are more tentative. Coupled with projected budgetary shortfalls, cash flow issues could impact the ability to pay vendors and meet employee payroll.

High employee and retiree medical costs represent more than 15% of the City's annual budget.

The City's management of healthcare coverage for its employees and retirees can be improved to result in cost savings and to streamline overall administration. City employees and retirees have multiple plan options which complicates administration of the plan. Savings could be achieved if the City negotiated provisions similar to those implemented by the State for its employees and retirees which include mandatory copays (for employees and retirees), one plan covering nearly all employees and retirees, and the implementation of healthcare initiatives to control the annual escalation in health care costs.

Active employees

Observations on the City's employee medical benefit provisions:

- The City provides multiple healthcare plan options to City employees as provided in various collective bargaining agreements. This adds significant complexity to the management of the City's benefit program. Some of the plan options are significantly more costly than others.

- The City has implemented employee co-pays for health insurance; however, each bargaining unit has different provisions and all appear less than copays required of State employees.

Options to consider:

- Negotiate employee medical benefit provisions similar to those enacted by the State – adopt uniform minimum copays for all employee classes.
- Negotiate one medical benefit plan for all City employees to consolidate administration and make healthcare benefits uniform among all employee classes.
- Consider wellness options to contain and manage the growth in annual healthcare costs.

Retirees

The City’s retiree healthcare plan covers all City employees. The plan is essentially operated on a pay as you go basis – the City’s annual contribution covers actual retiree medical benefit claims. The City has assets totaling \$1,040,000 in a trust dedicated for future retiree healthcare costs. The following table details the status of the City’s retiree healthcare plan:

City of Providence - Retiree Healthcare (OPEB) Plan	
Status of plan at June 30, 2009 (most recent actuarial valuation)	
Actuarial value of assets	\$ 1,040,000
Actuarial accrued liability	\$ 1,498,491,000
Unfunded accrued actuarial liability	\$1, 497,451,000
Funded ratio	.07%
Net OPEB obligation ¹	\$ 53,983,000
¹ The net OPEB obligation represents the amount that was not contributed to the plan that should have been to meet the annual required contribution.	

Observations on the City’s retiree medical benefit provisions:

- Many employees have lifetime medical coverage for the employee and their spouse. For state employees retiree health coverage is generally limited to the employee - spouses can purchase coverage through the State plan. The high cost of such a benefit is increased significantly by the early age at which City employees retire. The City cannot afford or fund this extremely costly benefit particularly for early retirees and the expected annual health care cost increases built into such a benefit.
- Copays for retirees are minimal (maximum of \$400 annually) – the State implemented a 20% retiree copay for all employees retiring after October 1, 2008. Additionally, the City has not updated its co-pays for healthcare coverage for retirees in several years. This is a significant loss to the City.
- Retirees have various healthcare plan options.

- Many retired employee groups are not required to convert to a Medicare supplement at the applicable Medicare eligibility age. The cost of Medicare supplement coverage is significantly less than full plan coverage.
- Retiree healthcare is available earlier for City employees than for State employees – the State implemented a mandatory eligibility age of 59 years for the availability of retiree healthcare benefits.

The impact of the plan design and benefit provisions adopted by the State compared to those currently in place for the City are demonstrated in the comparison of unfunded actuarial accrued liability on a per plan participant basis as shown below.

OPEB Liability Comparison				
State of Rhode Island and City of Providence				
		Members	Unfunded Accrued Liability	Average Liability Per Member
State of Rhode Island (1)				
<i>General</i>				
Active		12,571		
Retired		7,778		
		<u>20,349</u>	<u>\$ 679,537,879</u>	<u>\$ 33,394</u>
Judges				
Active		65		
Retired		51		
		<u>116</u>	<u>\$ 14,024,170</u>	<u>\$ 120,898</u>
State Police				
Active		214		
Retired		319		
		<u>533</u>	<u>\$ 54,619,585</u>	<u>\$ 102,476</u>
Legislators				
Active		112		
Retired		139		
Deferred		38		
		<u>289</u>	<u>\$ 29,764,102</u>	<u>\$ 102,990</u>
State Totals		<u>21,287</u>	<u>\$ 777,945,736</u>	<u>\$ 36,546</u>
City of Providence (2)				
Active		5,270		
Retired		4,287		
		<u>9,557</u>	<u>\$ 1,497,451,000</u>	<u>\$ 156,686</u>
 (1) Based on an actuarial valuation performed as of June 30, 2007 (2) Based on an actuarial valuation performed as of June 30, 2010				

Options to consider:

- Negotiate retiree medical benefit provisions similar to those enacted by the State – which should include a minimum age before eligibility commences, standard copays (20%), and required conversion to a Medicare supplement plan upon attainment of Medicare eligibility.
- Eliminate City paid spousal or family retiree coverage – allow retiree spouses and dependents to purchase coverage at the applicable retiree rate. In addition, the City should set a date for which new retirees would no longer receive these benefits.
- Negotiate one medical benefit plan for all City employees and retirees.

Reliance on the property tax has limitations - the City must consider options to increase revenue.

The City must examine new sources of revenue. The State's General Laws impose limitations on property tax increases (for Fiscal 2012 the limit is 4.25%). Since the growth in expenditures is outpacing the growth in revenues, the City must further institute user fees for those who use services in an effort to reduce reliance on the property tax. There have been numerous revenue enhancement committees that have issued reports and recommendations to the City. Many of those suggestions should be reconsidered and new sources explored.

Options to consider:

- Demonstrate the imbalance of City economic activity and tax revenue generated for the State compared to the amount of State aid received by the City. Use such statistics to support requests for increased State Aid. Many individuals who work in the City are employed by tax-exempt entities such as State government, colleges and universities, and hospitals. Those employees contribute significantly to income taxes paid to the State, yet minimal benefits accrue to the City due to the employer's exemption from the property tax.
- Review property tax exemptions particularly those for homestead and non-owner-occupied property owners. In the recent adoption of the fiscal 2011 budget, an exemption previously eliminated was partly restored without sufficient consideration of whether the City could sustain the revenue loss and still balance its budget for the fiscal year.
- The City's legislative package should focus on revenue enhancements. Fees that require state action, education funding formula, hydrant rentals, etc. should be the focus.
- The City can enhance its enforcement of parking violations, which should result in increased revenue. Additionally, police can increase enforcement of parking and traffic violations, especially at night, to enhance safety and serve as a revenue generator. Enforcement and collection of fines and fees should be enhanced through the Municipal Court.

- Building permits currently are collected on a project when the project is approved and for the estimated cost. The City does not typically reassess building permit fees when the cost of a project increases. Therefore, it is in the interest of developers to underestimate or under-value a project in order to save on permit charges. The City should implement a process to obtain updated project cost estimates and assess additional building permit fees when warranted.
- The City collects fees for reviewing plans for projects on a daily basis. The deposit is held until a project is reviewed. If the project is denied the City returns the cost of the fee even though City staff had to review the plans. The fee should be charged whether the plans are approved or denied.
- Payment plans on taxes or other penalties must be reviewed regularly and kept current. If plans are not current they should be voided with the tax or fee and due immediately.
- The City lost a significant amount of revenue with the reduction of the excise tax reimbursement from the State. The City, in light of its current financial condition, must re-examine lowering the exemption to \$500 (from \$6,000) to make up for the loss in excise tax reimbursement from the State. The City did not lower the exemption for fiscal 2011 tax bills. Many other communities did lower the exemption to compensate for the lost State revenue.
- The City could consider an on-street overnight parking permit fee as a new revenue source. Residents could purchase a monthly or quarterly pass that would allow overnight street parking in permitted areas.
- The City should offset taxes or fees owed to the City from amounts due vendors. Additionally, the City should ensure that licenses for businesses are not issued to delinquent taxpayers.

The items highlighted above are just some suggestions for revenue enhancements, numerous others exist. The City needs to determine which will be most beneficial and can be implemented expeditiously.

A large portion of the City's property is tax-exempt – there is a critical need for tax-exempt property owners to contribute more towards the cost of City services.

Tax-exempt property owners (e.g., colleges and hospitals) contribute a disproportionately small amount as payments in lieu of taxes compared to the assessed value of tax-exempt property and the amount of City services utilized. Current payments in lieu of taxes from tax-exempt entities total only \$1.9 million (actual payments for fiscal 2010). The value of tax-exempt property owned by hospitals and colleges in the City has been assessed at nearly \$3 billion, which represents approximately one-third of the total assessed value of all property (after deducting other exemptions). Hospitals and colleges need to either increase or begin to make payments for City services.

Options to consider:

- Negotiate or renegotiate agreements with colleges/universities and hospitals within the City to increase their contribution towards the cost of City services.
- College students could be required to register their cars with a special student registration for the 9 months they are Providence residents by virtue of attending a university or college in the City.
- Implement a student housing fee paid to the City that could be included in the room and board component of tuition.
- Apply the property tax to student housing owned by colleges since the use of these buildings is not principally education. Similarly, apply the property tax to medical office buildings that are rented by physicians and other medical personnel but are owned by the hospitals and therefore are considered tax-exempt. If General Law amendment is deemed necessary, then the City should make this a high priority in its legislative package.

The City's overall financial management should be significantly improved.

The City's overall financial management needs to be enhanced particularly in light of the immediate fiscal challenges facing the City. As noted in the section of this report detailing the Panel's budget projections for fiscal 2011 and 2012, the budget for fiscal 2011 was enacted more than seven months into the fiscal year and did not reflect current estimates of revenues and expenditures. Adoption of the annual operating budget for a government, reflecting realistic revenue and expenditure estimates, is a critical component of responsible financial management. The City's failure to adopt a budget until more than 7 months into the fiscal year and without updated revenue and expenditure estimates is problematic.

We also observed that routine budget monitoring is not performed. Obtaining estimates of projected revenues and expenditures through the remainder of the fiscal year was challenging.

Options to consider:

- Enhance the City's Finance staff by hiring a permanent finance director to oversee the financial administration of the City. The City presently has an acting finance director and the School finance director position is vacant.
- The City must use realistic assumptions in preparing its budgets. Many items that were not realistic and contributed to the deficit in Fiscal 2010 were once again included, without modification in the Fiscal 2011 budget. Budgeted line items for fire callback, utility costs, investment earnings, and collection fees are some of the line items that were major causes of the FY2010 deficit and are estimated to be the part of the budget shortfall again in Fiscal 2011.

- Improve budgetary controls to prevent overspending by departments. Encumber budgeted payroll expenditures at the beginning of each fiscal year in each department to limit the amount of budget authority that is available for non-payroll expenditure items and to enhance overall budgetary control.
- The City has abandoned the charter requirement of submitting a Five Year Financial Plan to the City Council. This should be reestablished as the development of the Five year Financial Plan leads to better decision making by City officials and demonstrates to outsiders (e.g., rating agencies) that the City has a long-term perspective on its finances.
- The City Finance Department must reestablish monthly budget monitoring on all City revenue and expenditure line items, including monthly updates from the school department. This lack of budget monitoring and forecasting contributed to the difficulty in determining estimates for the Fiscal 2011 budget and likely contributed to the Fiscal 2010 operating deficit.

Certain City assets and operations have a statewide benefit.

The City has significant and unique assets that benefit more than just City residents. These most notably include the Water Supply System (Providence Water Supply Board) and Roger Williams Park, Zoo, and Casino.

The Providence Water Supply Board provides water to Providence residents as well as Johnston, North Providence, and Cranston and 9 other communities on a wholesale basis. The operations of the Providence Water Supply Board are operated as an enterprise fund and are therefore supported by user fees (separate from the City's general fund). However, a credible argument can be made that a City asset is providing a regional, if not a statewide benefit, and therefore, the City should be compensated for the use of those assets by other than City residents.

The City should also look to privatize operations such as the Roger Williams Park Casino, Botanical Center, and Zoo. Concession arrangements could generate additional revenue and insulate the City from the overtime costs associated with seasonal or non-regular work day hours related to the operation of these facilities. Certain employees of these facilities with non-regular work hour shifts are making significant compensation that is inconsistent with actual job responsibilities.

Capital and infrastructure items are underfunded.

We were informed that equipment in the Public Works and Parks Departments is in poor condition, requires continued costly maintenance, and in general, is in need of replacement. The City has not done a master lease financing in recent years, which is the typical way that the City acquires capital equipment. Private snow plowing vendors are required largely because the City truck fleet cannot meet the need.

Capital related outlays tend to be deferred due to budgetary constraints; however, critical capital outlay expenditures should be recognized in the budget development process. Deferral

of certain equipment and vehicle replacements can actually increase expenditures due to increased repair costs and reduced efficiency. Additionally, infrastructure replacement and maintenance costs (e.g., roads) should be considered in the development of the annual operating budget and five year financial plan.

School Operations

The School department is a significant component of the City's operating budget. The schools operating budget is very dependent on the amount of State Education Aid appropriated each year as well as a myriad of federal grants that fund various programs. Projections of operating results for the School Department in Fiscal 2012 is highly speculative due to the high number of variables as well as decisions regarding instructional mandates and school closings that have yet to be determined.

Options to consider:

- The City has completed a review of vacant classroom space according to the School Acting CFO. The study indicates that the School Department could potentially operate with maybe up to seven less schools. Such options should be pursued aggressively and potential costs savings should be realistically estimated. Potential savings exist in staff, utilities, and building maintenance and repairs. Costs to secure and "moth-ball" the properties should be included in the analysis to avoid deterioration and vandalism.
- Providence teachers receive generous sick time allowances of 20 sick days per school year (exclusive of bereavement and two personal days). Since substitute teachers must cover all absences, the generous sick time allowance results in a substantial incremental cost to the City notwithstanding the obvious adverse instructional impact. Teachers can actually use up to five sick days and still be considered eligible for a perfect attendance bonus. Sick time allowances should be reduced through negotiation, which should assist the Department in reducing the cost of substitute teachers.
- The School Department offers school choice, which ultimately increases student transportation costs. The School Department should reassess the school choice option to ensure that the additional transportation costs can be justified because it affords enhanced educational opportunities for students. Insignificant differences in school performance among the City's schools may suggest that the additional transportation costs are unwarranted.

Administration of Collective Bargaining Agreements

Most of the City's personnel costs (and retirement related costs) are driven by provisions of collective bargaining agreements. Consequently, savings in these areas must generally be obtained through renegotiation of labor agreements and through concessions. Negotiation of these agreements must strive for management flexibility to allow containment of certain costs, most notably overtime. City contracts are very balanced in favor of unions - the City has little or no management rights in areas of staffing, flexible work weeks, privatization, etc. This results in excessive overtime and callback salaries in nearly all major departments.

Options to consider:

- Explore a substitute fire pool for the City. Overtime and call back savings could be significant. It would also reduce shortages in the ranks because the substitutes would be able to take permanent jobs when they become available.
- The City must commission a professional fire review to determine the appropriate number of fire vehicles and personnel required to adequately protect the City.
- Gain flexibility in work schedules through renegotiation of collective bargaining agreements. Many union positions that work nonstandard hours generate opportunities for significant overtime.

Other Issues

- The City has nearly 400 cell phones issued to employees for a total annual cost of approximately \$275,000. Approximately, 140 of the 400 cell phones are issued to nonpublic safety employees. With the implementation of the police radio system, cell phones assigned to police officers are an expensive duplicate means of communication. The City should review its overall policy regarding provision of cell phones to ensure use is required for job performance.
- The City has numerous vehicles that are taken home at night by employees. The Public Property department does not always have updated information on who is taking a vehicle home. This information must be kept current. Over 50 vehicles go home within the Police Department. The City should review this policy to ensure there is a legitimate need to allow employees to take City vehicles home after work hours and institute reasonable commuting distances. With escalating fuel costs, this is an expensive practice.
- The City should consider installing GPS systems in City vehicles for accountability and safety.
- The City must examine its snow policy from the perspective of trying to reduce costs. Snow removal costs for the City are significant due to the large number of outside vendors that are required and substantial overtime costs. Currently the City has less than 40 vehicles in the Department of Public Works for snow plowing which leads to significant use of vendors which is costly. Additionally, overtime costs are significant. The overtime costs may be affected by the practice of calling in City personnel well before the snow event. Many of those who make these decisions also receive overtime and have incentive to report as early as possible. This practice should be reviewed.
- The City is spending over \$500,000 a year on fees to dump mattresses that are dropped on City streets and sidewalks. The City needs to establish a cost effective way of disposing of these mattresses either through available dump sites and then city trucks taking them to the landfill rather than the garbage vendor.

- The City has approximately \$17 million in potential legal claims per the Solicitor's letter to the auditors, however, only \$7 million is reserved for these claims causing a potential negative impact on future budgets depending on the outcome of these suits.
- The administration should perform a cost analysis of privatizing the Mayor's security detail compared to the current practice of using police officers.
- The City's "red light camera" program should be evaluated since initial reports suggest that there may be no net revenue that accrues to the City after payment to the vendor and remittance to the State for their share of ticket revenue.
- Review the need for park rangers and evaluate their performance. There are 12 park rangers of which 11 are assigned to Roger Williams Park. The rangers are not each assigned a City vehicle – only one vehicle is available for all rangers to use. Consequently, the security presence is limited. The City should do an analysis on incidents reported to police by the security staff, tickets issued, and the cost effectiveness to provide security through these means.
- Use temporary employees in truly temporary types of positions. Currently, the City hires temporary employees in cases of long-term absences when a position cannot be left vacant. The City could develop fulltime clerical staff to be assigned to departments as replacements when needed or during heavier workloads. This would leave contractually allowed temporary positions to be used for activities (e.g., lawn cutting and ball field maintenance) that are seasonal and conducive to temporary positions.
- Many non-union management positions received significant overtime or callback compensation, especially in the fire and public works departments. When management employees also receive overtime compensation, there is less effective oversight and incentive to minimize hours and related costs. In the fire department, many of the management personnel received callback (overtime) that approached the level of their base salaries. Overtime and callback costs in the public safety areas need to be thoroughly reviewed as the cost in calendar 2010 exceeded \$15 million for both police and fire personnel.
- Numerous other potential operational efficiencies were discussed with the Panel by City management involving parking enforcement, snow removal, parking meter operations, and police detention. The cost of providing these functions and/or the efficiency of the operation should be further reviewed by the City's management.

Appendix A



Mayor of Providence

Angel Taveras

January 11, 2011

**Executive Order 2011-2
Appointing a Municipal Finances Review Panel**

Whereas, pursuant to Sections 301 and 302 of the Providence Home Rule Charter, I hereby create and appoint an ad hoc Municipal Finances Review Panel to expeditiously review the current financial condition of all City departments, including the School Department, and report its findings to me.

Whereas, I hereby direct all offices of the city government, including those of the school department, and all employees therein, to furnish such information and data relating to the financial condition of said offices, departments and the city, as well as their activities and operations, as may be required to enable the Panel to comply with the provisions of this order.

Whereas, said information and data shall include but not be limited to revenues, expenditures, liabilities, obligations, arrearages, projections, assumptions and any other category of information and data deemed relevant by the Panel.

Whereas, all City employees are hereby ordered to cooperate fully with the members and designated staff of the said Panel, and to assist them in carrying out their duties. The members of the Panel and their designated staff shall have the right to review all records which they might request and require in their original form and condition whether in hard copy or electronic form as they may deem necessary to enable them to comply with the provisions of this Order.

Now therefore do I, Angel Taveras, Mayor of the City of Providence, hereby create a Municipal Finances Review Panel and appoint Michael D'Amico, Director of Administration, to chair said Panel. Additionally, I hereby appoint Ernest Almonte, Alex Prignano, Kenneth Richardson, and Dennis Hoyle to serve on this Panel and prepare a report no later than thirty (30) days from today, and reserve the right to appoint other members in addition to or substitution of any of the above.


Angel Taveras
MAYOR

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