

12 R 58

City of Woonsocket



Rhode Island
Resolution

May 17, A.D. 2012

REQUESTING APPOINTMENT OF A BUDGET COMMISSION
PURSUANT TO RIGL §45-9-5(G)

WHEREAS, the City of Woonsocket has been working diligently to resolve the financial crisis brought about by unforeseen deficits within the Woonsocket School Department; and

WHEREAS, the Woonsocket School Department has experienced extreme difficulties in meeting its financial responsibilities due to significant shortages in cash flow with most recent statements indicating an imminent need of support; and

WHEREAS, the Woonsocket School Department administration has been unable to submit a final proposed FY13 budget to date; and

WHEREAS, the Woonsocket City Council and administration has submitted a proposed supplemental tax increase as part of its ongoing plan to address the cash flow needs presented by the Woonsocket School Department; and

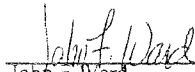
WHEREAS, there remains a degree of uncertainty of the passage of state legislation enabling the issuance of the supplemental tax bill within a sufficient timeframe;

WHEREAS, the City Council of the City of Woonsocket wishes to take all necessary steps to ensure that all financial needs of the city are met within the best interest of its residents.

NOW THEREFORE, BE IT RESOLVED THAT:

1. The City Council of the City of Woonsocket, in compliance with RIGL 45-9-5 (g), hereby requests that the Rhode Island Division of Municipal Finance and the Rhode Island Director of Revenue, in consultation with the Rhode Island Auditor General establish a budget commission for the City of Woonsocket.

2. The City Council hereby directs the Mayor of the City of Woonsocket to forward a copy of this resolution along with communication requesting said budget commission to the Rhode Island Division of Municipal Finance , Director of Revenue, and the Auditor General
3. This resolution shall take effect upon its passage.

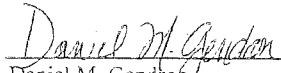


John F. Ward

Roger G. Jalette, Sr



Christopher A. Beauchamp



Daniel M. Gendron

IN CITY COUNCIL May 21, 2012 - Read by title and tabled.
IN CITY COUNCIL May 27, 2012 - Read by title and passed.



OFFICE OF THE MAYOR
WOONSOCKET, RHODE ISLAND

VIA EMAIL

May 29, 2012

Rosemary Booth Gallogly, Director
RI Department of Revenue
One Capitol Hill
Providence, RI 02908

Dennis Hoyle, CPA
Acting Auditor General
Office of Auditor General
86 Weybosset Street
Providence, RI 02903

Susanne Greschner, Chief
Division of Municipal Finance
One Capitol Hill, 1st Floor
Providence, R.I. 02908-5873

Dear Director Booth Gallogly, General Hoyle, and Chief Greschner,

As you know the Woonsocket City Council introduced Resolution 12 R 58 on May 21, 2012 seeking the appointment of a Budget Commission under RIGL § 45-9-5 (g). This resolution was initially tabled pending the vote in the RI House of Representatives on the legislation authorizing the proposed supplemental tax. As the authorizing legislation was recommitted to the House Finance Committee with little chance of future passage, the Council held a special meeting on Sunday May 27th and passed 12 R 58 on a 5-2 vote.

Having worked closely with the City of Woonsocket over the last few years, you understand the work that has been done to avoid having to take this step, and I certainly appreciate the support that you have all provided along this path. Though great strides have been made in many areas, the recently found School Department deficit has placed significant strain on the City's ability to continue our recovery with very little time to respond with necessary adjustments. It has become all the more apparent as we have

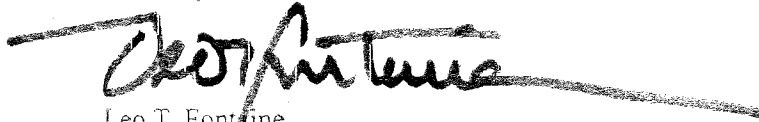
labored through this financial crisis, that ongoing reductions in State Aid over the recent years with no reductions in mandated requirements became more than the community could endure. Despite this setback, we constructed a plan to deal with the crisis. Unfortunately, the first phase of this plan, in the form of the supplemental tax did not receive the legislative support that was originally pledged.

As we have always wanted to remain proactive in dealing with our financial situation, it is imperative that we take all necessary steps to ensure our ability to meet our financial obligation both now and in the future. I believe that it is within that light that the City Council passed 12 R 58. Though the appointment of a Budget Commission does not offer immediate relief of all our concerns, it does afford the option of having State Aid to Education advanced, which may be necessary to allow our schools to continue functioning for the remainder of the year. This in turn will afford the time required to address the other longer term needs as we were hoping to do with the time afforded by the supplemental tax.

That being said, I am forwarding a copy of Council Resolution 12 R 58 and hereby support the request that a Budget Commission be appointed under RJGL § 45-9-5 (g). I understand that under the provisions of the law, that this request would need to be approved by the Division of Municipal Finance and then forwarded to the Director of Revenue who will make the decision in consultation with the Auditor General.

Should you have any further questions, feel free to contact me or Finance Director Thomas Bruce. I appreciate all the support that you have afforded us and also thank Governor Lincoln Chafee for his recognition of the plight of cities and towns and his legislative efforts to assist municipalities as we deal with the fiscal crisis brought upon us. I will await your response, and look forward to continuing our cooperative efforts.

Sincerely,

A handwritten signature in dark ink, appearing to read "Leo T. Fontaine", with a long horizontal flourish extending to the right.

Leo T. Fontaine
Mayor

/Enclosure



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Revenue
Division of Municipal Finance
One Capitol Hill
Providence, RI 02908-5855

TEL: (401) 574-9900
FAX: (401) 574-9912
TDD: (401) 222-1227

May 29, 2012

Ms. Rosemary Booth Gallogly
Director, Department of Revenue
One Capitol Hill
Providence, Rhode Island 02908

Re: City of Woonsocket

Dear Ms. Booth Gallogly:

As you are aware, the Division of Municipal Finance has been monitoring the finances of the City of Woonsocket ("City") over the last two (2) years. On May 27, 2012, the Woonsocket City Council passed a resolution requesting that a budget commission be established for the City pursuant to R.I. Gen. Laws § 45-9-5(g). Via letter dated May 29, 2012, Mayor Leo Fontaine also requested that a budget commission be established for the City.

Based upon my familiarity with the City's finances, I am reporting that the City (i) has not presented a balanced municipal budget; (ii) faces an urgent cash flow situation; and (iii) will not achieve fiscal stability without the assistance of a budget commission. Therefore, because I believe that it is in the best interests of the City, I am notifying you that I approve of the requests of the City Council and the Mayor and recommend that you establish a budget commission for the City pursuant to R.I. Gen. Laws § 45-9-6(a).

Should you have any questions concerning the above conclusions, please do not hesitate to contact me.

Sincerely,


Susanne Greschner
Chief, Municipal Finance



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Revenue
Rosemary Booth Gallogly, Director
One Capitol Hill
Providence, RI 02908-5855

TEL: (401) 574-8999
FAX: (401) 574-8997
TDD: (401) 222-1227

May 29, 2012

Sent via electronic and regular mail

The Honorable Lincoln D. Chafee
Governor, State of Rhode Island
State House, Room 224
82 Smith Street
Providence, RI 02908

Re: City of Woonsocket

Dear Governor Chafee:

As you are aware, the Department of Revenue has been monitoring the finances of the City of Woonsocket ("City") over the past two (2) years. On May 27, 2012 the Woonsocket City Council passed a resolution requesting that a budget commission be appointed for the City pursuant to R.I. Gen. Laws §45-9-5(g). Via letter dated May 29, 2012, Mayor Leo Fontaine sent a letter, also requesting that a budget commission be appointed.

After reviewing the City's requests, on May 29, 2012, Ms. Greschner sent me a letter indicating that pursuant to R.I. Gen. Laws 45-9-5(g) she approved of the requests from the City Council and the Mayor. In that letter she also reported that the City (i) has not presented a balanced municipal budget; (ii) faces an urgent cash flow situation; and (iii) will not achieve fiscal stability without the assistance of a budget commission. Ms. Greschner's letter concludes that it is her belief that it is in the best interests of the City that a budget commission be appointed for the City. (Copy of Ms. Susanne Greschner's letter is enclosed.)

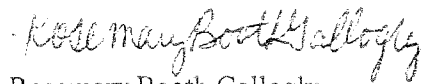
Based upon Ms. Greschner's representations and conclusions set forth in her May 29, 2012 letter, as well as my own familiarity of the current fiscal challenges being faced by the citizens of Woonsocket, after consultation with the auditor general, I have appointed a budget commission for the City.

Pursuant to R.I. Gen. Laws § 45-9-6(a), a budget commission consists of five (5) members, three (3) of whom are designated by the director of the revenue. Via letter dated May 29, 2012, I appointed Mr. Peder Schaefer (Associate Director – League of Cities and Towns) of Providence, Rhode Island, Mr. William Sequino (East Greenwich Town Manager) of East Greenwich, Rhode Island, and Mrs. Dina Dutremble (Retired School Business Officer) of North Smithfield, Rhode Island. (Pursuant to said statute, the other two (2) members will be Mr. Leo Fontaine, Mayor of the City of Woonsocket and Mr. John Ward, President of the Woonsocket City Council.)

I am enclosing herein copies of the letters that I have sent to Mr. Schaefer, Mr. Sequino, and Ms. Dutremble appointing them as my designees to the budget commission as well as copies of the letters to Mayor Fontaine and Mr. Ward notifying them of the establishment of the budget commission and their role as members pursuant to Rhode Island law.

I will keep you advised as to the budget commission's progress in assisting Woonsocket in meeting its fiscal challenges.

Sincerely,



Rosemary Booth Gallogly
Director of Revenue

Attachment

Letter from the Office of the Mayor
Letter from Susanne Greschner, Division of Municipal Finance

CC: Speaker of the House of Representatives Gordon Fox
Senate President M. Teresa Paiva Weed
Chairman Senate Finance Committee Daniel DaPonte
Chairman House Finance Committee Helio Melo
Senator Marc A. Cote
Senator Roger A. Picard
Representative Lisa Baldelli-Hunt
Representative Jon D. Brien
Representative Robert D. Phillips
School Committee Members
City Council Members
Thomas Bruce, City Finance Director
Joseph P. Carroll, City Solicitor
Giovanna M. Donoyan, Ph.D., Superintendent of Schools
Dennis Hoyle, Auditor General
Susanne Greschner, Chief, Municipal Finance



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Revenue
Office of the Director
One Capitol Hill
Providence, RI 02908-5855

TEL: (401) 574-8999
FAX: (401) 574-8997
TDD: (401) 222-1227

May 29, 2012

Sent via electronic and regular mail

Leo Fontaine
Mayor, City of Woonsocket
169 Main Street
Woonsocket, RI 02895

Re: City of Woonsocket – Establishment of a Budget Commission

Dear Mayor Fontaine:

Enclosed herein is my letter to Governor Chafee dated May 29, 2012 advising him that I have established a budget commission for the City of Woonsocket ("City"). Also enclosed is a copy of the letter from Ms. Susanne Greschner dated May 29, 2012 approving your request and that of the Woonsocket City Council that a budget commission be appointed for the City and reporting her conclusion that it is in the best interests of the City that a budget commission be appointed for the City.

Pursuant to R.I. Gen. Laws § 45-9-6(a), as Director of Revenue I have appointed Mr. Peder Schaefer (Associate Director – League of Cities and Towns) of Providence, Rhode Island, Mr. William Sequino (East Greenwich Town Manager) of East Greenwich, Rhode Island, and Dina Dutremble (Retired School Business Officer) of North Smithfield, Rhode Island as my designees on the budget commission. (Pursuant to R.I. Gen. Laws § 45-9-6 (a), you as Mayor and Mr. John Ward as President of the Woonsocket City Council will also serve as members of the budget commission.)

You will soon be receiving a communication of the date, place and time of the first meeting of the commission.

Sincerely,

Rosemary Booth Gallogly
Director of Revenue

Enclosure

CC: Governor Lincoln D. Chafee
Speaker of the House of Representatives Gordon Fox
Senate President M. Teresa Paiva Weed
Chairman Senate Finance Committee Daniel DaPonte
Chairman House Finance Committee Helio Melo
Senator Marc A. Cote
Senator Roger A. Picard
Representative Lisa Baldelli-Hunt
Representative Jon D. Brien
Representative Robert D. Phillips
School Committee Members
City Council Members
Thomas Bruce, City Finance Director
Joseph P. Carroll, City Solicitor
Giovanna M. Donoyan, Ph.D., Superintendent of Schools
Dennis Hoyle, Auditor General
Susanne Greschner, Chief, Municipal Finance



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Revenue
Office of the Director
One Capitol Hill
Providence, RI 02908-5855

TEL: (401) 574-8999
FAX: (401) 574-8997
TDD: (401) 222-1227

May 29, 2012

Sent via electronic and regular mail

John Ward
President, Woonsocket City Council
169 Main Street
Woonsocket, RI 02895

Re: City of Woonsocket – Establishment of a Budget Commission

Dear Council President Ward:

As you are aware, on May 27, 2012 the Woonsocket City Council passed a resolution requesting that a budget commission be established for the City of Woonsocket ("City") pursuant to R.I. Gen. Laws § 45-9-5(g). Via letter dated May 29, 2012, Mayor Leo Fontaine also requested that a budget commission be established for the City. On May 29, 2012 Susanne Greschner, Chief of the Division of Municipal Finance, approved the Mayor's and Council's requests. A copy of a letter from Ms. Greschner dated May 29, 2012 reflecting her approval of the establishment of a budget commission is enclosed. Therefore, after consulting with the Auditor General, I am hereby establishing a budget commission for the City.

Enclosed herein is my letter to Governor Chafee dated May 29, 2012 advising him that I have established a budget commission for the City. Pursuant to R.I. Gen. Laws § 45-9-6(a), as Director of Revenue I have appointed Mr. Peder Schaefer (Associate Director – League of Cities and Towns) of Providence, Rhode Island, Mr. William Sequino (East Greenwich Town Manager) of East Greenwich, Rhode Island, and Mrs. Dina Dutremble (Retired School Business Officer) of North Smithfield, Rhode Island as my designees on the budget commission. (Pursuant to R.I. Gen. Laws § 45-9-6 (a), you as Council President and Mr. Leo Fontaine as Mayor will also serve as members of the budget commission.)

You will soon be receiving a communication of the date, place and time of the first meeting of the commission.

Sincerely,

Rosemary Booth Gallogly
Director of Revenue

Enclosure

CC: Governor Lincoln D. Chafee
Speaker of the House of Representatives Gordon Fox
Senate President M. Teresa Paiva Weed
Chairman Senate Finance Committee Daniel DaPonte
Chairman House Finance Committee Helio Melo
Senator Marc A. Cote
Senator Roger A. Picard
Representative Lisa Baldelli-Hunt
Representative Jon D. Brien
Representative Robert D. Phillips
School Committee Members
City Council Members
Thomas Bruce, City Finance Director
Joseph P. Carroll, City Solicitor
Giovanna M. Donoyan, Ph.D., Superintendent of Schools
Dennis Hoyle, Auditor General
Susanne Greschner, Chief, Municipal Finance



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Revenue
Office of the Director
One Capitol Hill
Providence, RI 02908-5855

TEL: (401) 574-8999
FAX: (401) 574-8997
TDD: (401) 222-1227

May 29, 2012

Sent via electronic and regular mail

Mr. Peder Schaefer
75 Irving Avenue
Providence, RI 02906

Re: City of Woonsocket Budget Commission

Dear Mr. Schaefer:

On May 27, 2012 the Woonsocket City Council passed a resolution requesting that a budget commission be appointed for the City pursuant to R.I. Gen. Laws §45-9-5(g). Via letter dated May 29, 2012, Mayor Leo Fontaine sent a letter to Ms. Susanne Greschner, Chief of the Division of Municipal Finance, also requesting that a budget commission be appointed.

After reviewing the City's requests, on May 29, 2012, Ms. Greschner sent me a letter indicating that pursuant to R.I. Gen. Laws 45-9-5(g) she approved of the requests from the City Council and the Mayor. In that letter she also reported that the City (i) has not presented a balanced municipal budget; (ii) faces an urgent cash flow situation; and (iii) will not achieve fiscal stability without the assistance of a budget commission. Ms. Greschner's letter concludes that it is her belief that it is in the best interests of the City that a budget commission be appointed. (Copy of Ms. Susanne Greschner's letter is enclosed.)

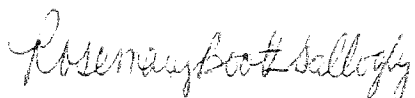
Based upon the representations and conclusions set forth in Ms. Greschner's May 29, 2012 letter, as well my own familiarity of the current fiscal challenges being faced by the citizens of Woonsocket, and after consultation with the auditor general, I have appointed a budget commission for the City.

R.I. Gen. Laws § 45-9-6(a) provides that a budget commission must consist of five (5) members, three (3) of whom are designated by the director of the revenue. Pursuant to my authority under that law, I am hereby designating you as a member of the budget commission. I am also appointing as my designees to the commission Mr. William Sequino (East Greenwich Town Manager) of East Greenwich, Rhode Island and Ms. Dina Dutremble (Retired School Business Officer) of North Smithfield, Rhode Island. (Pursuant to said statute, the other two (2) members of the budget commission will be Mr. John Ward, President of the Woonsocket City Council and Mr. Leo Fontaine, Mayor of the City of Woonsocket.)

In a separate communication you will soon be provided with additional information related to the City's finances as well as a date, time and place of the first meeting of the budget commission.

Thank you in advance for agreeing to serve as a member of this important commission.

Sincerely,



Rosemary Booth Gallogly
Director of Revenue

CC: Governor Lincoln D. Chafee
Speaker of the House of Representatives Gordon Fox
Senate President M. Teresa Paiva Weed
Chairman Senate Finance Committee Daniel DaPonte
Chairman House Finance Committee Helio Melo
Senator Marc A. Cote
Senator Roger A. Picard
Representative Lisa Baldelli-Hunt
Representative Jon D. Brien
Representative Robert D. Phillips
School Committee Members
City Council Members
Thomas Bruce, City Finance Director
Joseph P. Carroll, City Solicitor
Giovanna M. Donoyan, Ph.D., Superintendent of Schools
Dennis Hoyle, Auditor General
Susanne Greschner, Chief, Municipal Finance



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Revenue
Division of Municipal Finance
One Capitol Hill
Providence, RI 02908-5855

TEL: (401) 574-9900
FAX: (401) 574-9912
TDD: (401) 222-1227

May 29, 2012

Sent via electronic and regular mail

Mr. William Sequino
74 Walnut Drive
East Greenwich, Rhode Island 02818

Re: City of Woonsocket Budget Commission

Dear Mr. Sequino:

On May 27, 2012 the Woonsocket City Council passed a resolution requesting that a budget commission be appointed for the City pursuant to R.I. Gen. Laws §45-9-5(g). Via letter dated May 29, 2012, Mayor Leo Fontaine sent a letter to Ms. Susanne Greschner, Chief of the Division of Municipal Finance, also requesting that a budget commission be appointed.

After reviewing the City's requests, on May 29, 2012, Ms. Greschner sent me a letter indicating that pursuant to R.I. Gen. Laws 45-9-5(g) she approved of the requests from the City Council and the Mayor. In that letter she also reported that the City (i) has not presented a balanced municipal budget; (ii) faces an urgent cash flow situation; and (iii) will not achieve fiscal stability without the assistance of a budget commission. Ms. Greschner's letter concludes that it is her belief that it is in the best interests of the City that a budget commission be appointed. (Copy of Ms. Susanne Greschner's letter is enclosed.)

Based upon the representations and conclusions set forth in Ms. Greschner's May 29, 2012 letter, as well my own familiarity of the current fiscal challenges being faced by the citizens of Woonsocket, and after consultation with the auditor general, I have appointed a budget commission for the City.

R.I. Gen. Laws § 45-9-6(a) provides that a budget commission must consist of five (5) members, three (3) of whom are designated by the director of the revenue. Pursuant to my authority under that law, I am hereby designating you as a member of the budget commission. I am also appointing as my designees to the commission Mrs. Dina Dutremble (Retired School Business Officer) of North Smithfield, Rhode Island and Mr. Peder Schaefer (Associate Director – League of Cities and Towns) of Providence, Rhode Island. (Pursuant to said statute, the other two (2) members of the budget commission will be Mr. John Ward, President of the Woonsocket City Council and Mr. Leo Fontaine, Mayor of the City of Woonsocket.)

In a separate communication you will soon be provided with additional information related to the City's finances as well as a date, time and place of the first meeting of the budget commission.

Thank you in advance for agreeing to serve as a member of this important commission.

Sincerely,

A handwritten signature in cursive script, reading "Rosemary Booth Gallogly".

Rosemary Booth Gallogly
Director of Revenue

CC: Governor Lincoln D. Chafee
Speaker of the House of Representatives Gordon Fox
Senate President M. Teresa Paiva Weed
Chairman Senate Finance Committee Daniel DaPonte
Chairman House Finance Committee Helio Melo
Senator Marc A. Cote
Senator Roger A. Picard
Representative Lisa Baldelli-Hunt
Representative Jon D. Brien
Representative Robert D. Phillips
School Committee Members
City Council Members
Thomas Bruce, City Finance Director
Joseph P. Carroll, City Solicitor
Giovanna M. Donoyan, Ph.D., Superintendent of Schools
Dennis Hoyle, Auditor General
Susanne Greschner, Chief, Municipal Finance



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Revenue
Office of the Director
One Capitol Hill
Providence, RI 02908-5855

TEL: (401) 574-8999
FAX: (401) 574-8997
TDD: (401) 222-1227

May 29, 2012

Sent via electronic and regular mail

Mrs. Dina Dutremble
5 Duane Court
North Smithfield, RI 02896

Re: City of Woonsocket Budget Commission

Dear Mrs. Dutremble:

On May 27, 2012 the Woonsocket City Council passed a resolution requesting that a budget commission be appointed for the City pursuant to R.I. Gen. Laws §45-9-5(g). Via letter dated May 29, 2012, Mayor Leo Fontaine sent a letter to Ms. Susanne Greschner, Chief of the Division of Municipal Finance, also requesting that a budget commission be appointed.

After reviewing the City's requests, on May 29, 2012, Ms. Greschner sent me a letter indicating that pursuant to R.I. Gen. Laws 45-9-5(g) she approved of the requests from the City Council and the Mayor. In that letter she also reported that the City (i) has not presented a balanced municipal budget; (ii) faces an urgent cash flow situation; and (iii) will not achieve fiscal stability without the assistance of a budget commission. Ms. Greschner's letter concludes that it is her belief that it is in the best interests of the City that a budget commission be appointed. (Copy of Ms. Susanne Greschner's letter is enclosed.)

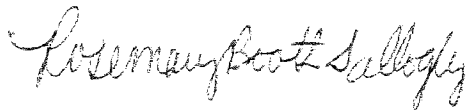
Based upon the representations and conclusions set forth in Ms. Greschner's May 29, 2012 letter, as well as my own familiarity of the current fiscal challenges being faced by the citizens of Woonsocket, and after consultation with the auditor general, I have appointed a budget commission for the City.

R.I. Gen. Laws § 45-9-6(a) provides that a budget commission must consist of five (5) members, three (3) of whom are designated by the director of the revenue. Pursuant to my authority under that law, I am hereby designating you as a member of the budget commission. I am also appointing as my designees to the commission Mr. William Sequino (East Greenwich Town Manager) of East Greenwich, Rhode Island and Mr. Peder Schaefer (Associate Director – League of Cities and Towns) of Providence, Rhode Island. (Pursuant to said statute, the other two (2) members of the budget commission will be Mr. John Ward, President of the Woonsocket City Council and Mr. Leo Fontaine, Mayor of the City of Woonsocket.)

In a separate communication you will soon be provided with additional information related to the City's finances as well as a date, time and place of the first meeting of the budget commission.

Thank you in advance for agreeing to serve as a member of this important commission.

Sincerely,

A handwritten signature in cursive script, reading "Rosemary Booth Gallogly".

Rosemary Booth Gallogly
Director of Revenue

CC: Governor Lincoln D. Chafee
Speaker of the House of Representatives Gordon Fox
Senate President M. Teresa Paiva Weed
Chairman Senate Finance Committee Daniel DaPonte
Chairman House Finance Committee Helio Melo
Senator Marc A. Cote
Senator Roger A. Picard
Representative Lisa Baldelli-Hunt
Representative Jon D. Brien
Representative Robert D. Phillips
School Committee Members
City Council Members
Thomas Bruce, City Finance Director
Joseph P. Carroll, City Solicitor
Giovanna M. Donoyan, Ph.D., Superintendent of Schools
Dennis Hoyle, Auditor General
Susanne Greschner, Chief, Municipal Finance