

**State of Rhode Island
Department of Revenue**

Municipal Fiscal Stress Task Force

Task Force Meeting Minutes –September 24, 2009

I. Task Force Members – The following were present:

Committee – Mike Embury, Gary Sasse, Jim Thomas, Tom Bruce, Malcolm Moore, Dean Huff, Frank Champi, Peter Chatellier, Douglas Fiore, Maureen Gurghigian, Bill Fazioli, Susanne Greschner, Cynthia Brown, Normand Benoit, Peder Schaefer

Others – Chantelle Sarrasin, Laurie Brayton, Fred Sneesby

Staff (DOR) – James Savage, Jill Barrette, Marsha Crecelius, Rudy Falcone, Evelyn Moreira

II. Task Force – The task force was introduced. Jim Thomas, the Town Manager from West Warwick, introduced himself as the Speaker's appointment.

The task force reviewed the Executive Order as issued by the Governor and reviewed the mission as identified in the order.

Peder Schaefer indicated that he and Bill Fazioli had met with Mike Embury and prepared a preliminary agenda for future meetings. The agenda included meetings to review balance sheet data on each municipality, revenue and expense trends, property valuation and tax data, and employee data and demographics. It was also indicated that a representative from Standard and Poors would present at one of the meetings on rating agency stress criteria.

Speaking for the Mayor of Warwick, who was not able to attend, Peder Schaefer indicated that the presentations would include an analysis and data on the decline in state aid and relationship to fiscal stress.

Susanne Greschner focused on the need to include education spending and demographic trends as a critical component in assessing stress. Peder Schaefer discussed the difficulty in getting detailed current year data on education spending and budgets.

Bill Fazioli discussed the need for cash position analysis. DOR presented a summary of major municipalities in the state that indicated that the cash

status differed significantly for municipalities depending on whether all funds or just the general fund was analyzed.

Normand Benoit discussed the possibility of considering an alternate fiscal year for municipalities. He also discussed the need to review data in a percentage format (cash or fund balance as a % of operating expenses) rather than just dollar amounts.

Jim Thomas discussed the need to look at the demographics, especially personal and household income levels, for the purpose of determining ability to pay.

Peter Chatellier and others discussed the importance of maintaining the data collected for this task force in future years.