



State of Rhode Island and Providence Plantations

State House  
Providence, Rhode Island 02903-1196  
401-222-2080

Donald L. Carcieri  
Governor

EXECUTIVE ORDER

09-21

August 26, 2009

2009 AUG 26 PM 4:24  
SECRETARY OF STATE  
OFFICE OF PROFESSIONAL REGULATION

**CREATING A TASK FORCE TO MEASURE THE FISCAL STRESS AND REPORT ON THE FINANCIAL CONDITION OF RHODE ISLAND'S CITIES AND TOWNS**

WHEREAS, several municipalities in the State face deficits in the current year and cumulative deficits from prior years;

WHEREAS, municipal revenue from property taxes, economic activity fees, and State aid have been adversely affected by both the national and local recessions;

WHEREAS, property values have declined over the last two (2) years making increased property taxes a last resort revenue raising measure;

WHEREAS, the lost revenue impact on municipalities and the affect of the recession vary greatly from municipality to municipality within the state depending on various factors;

WHEREAS, the fiscal health of the State is adversely impacted by the poor fiscal condition of cities and towns; and

WHEREAS, it is in the best interests of the State and the cities and towns to identify a set of appropriate criteria to measure the fiscal stress being experienced by cities and towns in the State and to apply those criteria to evaluate the financial condition of each Rhode Island city and town.

NOW, THEREFORE, I, DONALD L. CARCIERI, by virtue of the authority vested in me as Governor of the State of Rhode Island and Providence Plantations do hereby order as follows:


1. There is hereby created a Task Force to develop an appropriate set of criteria to measure fiscal stress of municipalities and apply those criteria to evaluate the financial condition of each Rhode Island city and town.

2. The Task Force shall be comprised of three (3) municipal finance officer representatives from Rhode Island cities and towns; two (2) representatives from separate private auditing firms; a representative of the Rhode Island Public Expenditure Counsel; a professional fiscal advisor; a Rhode Island attorney who has significant experience in serving as bond counsel for a municipality; a representative from the Rhode Island League of Cities and Towns; an individual currently employed as a business manager of a Rhode Island school district; a representative of the Rhode Island Department of Revenue appointed by the Director of the Department of Revenue, the Director of the Department of Administration, a representative of the Rhode Island City and Town Managers Association, a representative of the Rhode Island Department of Education, and designees of the Speaker of the House and Senate President. The Governor may appoint additional members to the Task Force at his discretion. Members shall serve at the pleasure of the Governor.
3. The Governor shall appoint Co-Chairpersons one who shall be the Director of the Department of Administration and one who shall be the designee of the City and Town Managers Association.
4. The Rhode Island Department of Revenue, Division of Municipal Finance shall provide the Task Force with the assistance of its staff to complete its charge as set forth in paragraph one (1) above.
5. In developing a set of criteria to measure fiscal stress, the Task Force shall include, but not be limited to, the following:
  - a. revenue and operating trends;
  - b. other operating indicators such as undesignated fund balance;
    - a. long-term debt indicators;
    - b. pension liabilities;
    - c. reliance on state aid;
    - d. property values including classification by property type;
    - e. other post employment benefit obligations;
    - f. median household and per capita income;
    - g. relative employee count dedicated to various functional spending categories;
    - h. concentration of taxpayers among commercial taxpayers;
    - i. financial management practices;
    - j. pending litigation; and
    - k. contractual labor commitments.
6. The Task Force shall prepare and submit to the Governor a written report on or before January 15, 2010.

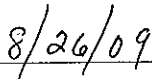
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This Executive Order shall take effect immediately upon the date hereof and shall remain in effect through January, 2010.

So Ordered:



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Donald L. Carcieri



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Date