



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

December 20, 2011

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 East Providence**

Dear Governor Chafee:

As you are aware, on November 14, 2011, pursuant to R.I. Gen. Laws § 45-9-3, I appointed Major Stephen Bannon as fiscal overseer of the City of East Providence ("City").

On December 19, 2011, Susanne Greschner, Chief of the Division of Municipal Finance, received a letter from Major Bannon in which he reported pursuant to R.I. Gen. Laws § 45-9-5 (a) and (b) that he had concluded that the City (i) is unable to present a balanced municipal budget; (2) faces a fiscal crisis that poses an imminent danger to the safety of the citizens of the City and/or their property; and (3) will not achieve fiscal stability without the assistance of a budget commission. Major Bannon's letter further indicated that it is his belief that a budget commission should be appointed for the City. (Copy of Major Bannon's letter is enclosed.)

Based upon Major Bannon's conclusions and his belief that a budget commission should be appointed, as well as my own familiarity of the current fiscal challenges being faced by the citizens of East Providence, I have determined that the appointment of a budget commission is in the best interests of the City.

Therefore, effective as of December 20, 2011, I am abolishing the fiscal overseer and establishing a budget commission for the City. Pursuant to R.I. Gen. Laws § 45-9-6, a budget commission consists of five (5) members, three (3) of whom are designated by the director of the revenue. Via letter dated December 20, 2011, I appointed Major Stephen Bannon (Chief Administrative Officer – Rhode Island State Police) of Smithfield, Rhode Island, Michael O'Keefe (former State Budget Officer and House Fiscal Advisor) of North Providence, Rhode Island and Diane L. Brennan (City of Warwick Financial Report Analyst) of Seekonk, Massachusetts as my designees to the budget commission. (Pursuant to said statute, the other two (2) members will be Bruce Rogers, President of the East Providence City Council and Peter Graczykowski, City Manager.)

I am enclosing herein copies of the letters that I have sent to Major Bannon, Mr. O'Keefe and Ms. Brennan appointing them as my designees to the budget commission as well as copies of the letters to Mr. Rogers and Mr. Graczykowski 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 East Providence in meeting its fiscal challenges.

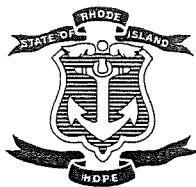
Sincerely,



Rosemary Booth Gallogly
Director of Revenue

Attachment

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 Frank A. DeVall, Jr.
Representative Christopher R. Blazejewski
Representative Roberto DaSilva
Representative Joy Hearn
Representative Mary Duffy Messier
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School Committee Members
City Council Members
Peter Graczykowski, City Manager
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December 19, 2011

Ms. Susanne Greschner
Department of Revenue
Chief, Division of Municipal Finance
One Capitol Hill
Providence, Rhode Island 02908

Re: City of East Providence

Dear Ms. Greschner:

As you are aware, the Director of Revenue appointed me fiscal overseer of the City East Providence ("City") on November 14, 2011. I am writing pursuant to R.I. Gen. Laws § 45-9-5(a) and (b) in my capacity as fiscal overseer of the city of East Providence, Rhode Island to report that I have concluded that the City (1) is unable to present a balanced municipal budget; (2) faces a fiscal crisis that poses an imminent danger to the safety of the citizens of the City and/or their property; and (3) will not achieve fiscal stability without the assistance of a budget commission. Therefore, it is my belief that a budget commission should be appointed.

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

Sincerely,

Major Stephen Bannon
Fiscal Overseer
City of East Providence

cc: Rosemary Booth Gallogly
Director of Revenue



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Rosemary Booth Gallogly, Director
One Capitol Hill
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December 20, 2011

Sent via electronic and regular mail

Major Stephen Bannon
Rhode Island State Police Headquarters
311 Danielson Pike
Scituate, RI 02857-1907

Re: **City of East Providence Budget Commission**

Dear Major Bannon:

Susanne Greschner, Chief of the Division of Municipal Finance is in receipt of your letter dated December 19, 2011 written in your capacity as fiscal overseer for the City of East Providence ("City") pursuant to R.I. Gen. Laws § 45-9-5 (a) and (b). Your letter reports that you have concluded that the City (1) is unable to present a balanced municipal budget; (2) faces a fiscal crisis that poses an imminent danger to the safety of the citizens of the City and/or their property; and (3) will not achieve fiscal stability without the assistance of a budget commission. The letter further indicates that it is your belief that a budget commission should be appointed for the City.

Based upon your above-referenced conclusions and your belief that a budget commission should be appointed for the City, as well as my own familiarity of the current fiscal challenges being faced by the citizens of East Providence, I have determined that the appointment of a budget commission is in the best interests of the City. Therefore, I have advised Governor Chafee that I am abolishing the fiscal overseer position and establishing a budget commission for the City.

Pursuant to my authority under R.I. Gen. Laws § 45-9-6, I am hereby designating you as a member of the budget commission. I am also appointing as my designees to the commission Michael O'Keefe (former Budget Officer and House Fiscal Advisor) of North Providence and Diane L. Brennan (City of Warwick Financial Report Analyst) of Seekonk, Massachusetts. (Pursuant to said statute, the other two (2) members of the budget commission will be Bruce Rogers, President of the East Providence City Council and Peter Graczykowski, City Manager.)

You will soon receive additional financial information relating to the City as well as notification of the date, place and time of the first meeting of the budget commission.

Thank you for your outstanding service as fiscal overseer for the City and for your future service as a budget commission member.

Sincerely,

A handwritten signature in cursive script that reads "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
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December 20, 2011

Sent via electronic and regular mail

Mr. Michael O'Keefe
4 Quail Ridge Road
North Providence, RI 02904

Re: **City of East Providence Budget Commission**

Dear Mr. O'Keefe:

In November, 2011, pursuant to R.I. Gen. Laws § 45-9-3, I appointed Major Stephen Bannon as fiscal overseer of the City of East Providence, Rhode Island ("City"). On December 19, 2011, pursuant to R.I. Gen. Laws § 45-9-5 (a) and (b), Major Bannon wrote to Ms. Susanne Greschner, Chief of the Division of Municipal Finance reporting that he had concluded that the City (i) is unable to present a balanced municipal budget; (2) faces a fiscal crisis that poses an imminent danger to the safety of the citizens of the City and/or their property; and (3) will not achieve fiscal stability without the assistance of a budget commission. Major Bannon's letter further indicated that it is his belief that a budget commission should be appointed for the City. (Copy of Major Bannon's letter to Ms. Greschner is attached.)

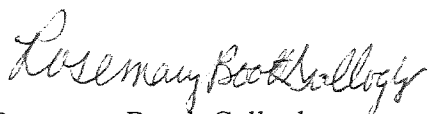
Based upon Major Bannon's conclusions and his belief that a budget commission should be appointed for the City, as well as my own familiarity of the current fiscal challenges being faced by the citizens of East Providence, I have determined that the appointment of a budget commission is in the best interests of the City. Therefore, I have advised Governor Chafee that I am abolishing the fiscal overseer position and establishing a budget commission for the City.

Pursuant to my authority under R.I. Gen. Laws § 45-9-6, I am hereby designating you as a member of the budget commission. I am also appointing as my designees to the commission Major Bannon (Chief Administrative Officer – Rhode Island State Police) and Diane L. Brennan (City of Warwick Financial Report Analyst) of Seekonk, Massachusetts. (Pursuant to said statute, the other two (2) members of the budget commission will be Bruce Rogers, President of the East Providence City Council and Peter Graczykowski, City Manager.)

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 that reads "Rosemary Booth Gallogly".

Rosemary Booth Gallogly
Director of Revenue

Attachment

CC: Governor Lincoln D. Chafee
Speaker of the House of Representatives Gordon Fox
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December 20, 2011

Sent via electronic and regular mail

Ms. Diane L. Brennan
225 Jacob Street
Seekonk, Massachusetts 02771

Re: **City of East Providence Budget Commission**

Dear Ms. Brennan:

In November, 2011, pursuant to R.I. Gen. Laws § 45-9-3, I appointed Major Stephen Bannon as fiscal overseer of the City of East Providence, Rhode Island ("City"). On December 19, 2011, pursuant to R.I. Gen. Laws § 45-9-5 (a) and (b), Major Bannon wrote to Ms. Susanne Greschner, Chief of the Division of Municipal Finance reporting that he had concluded that the City (i) is unable to present a balanced municipal budget; (2) faces a fiscal crisis that poses an imminent danger to the safety of the citizens of the City and/or their property; and (3) will not achieve fiscal stability without the assistance of a budget commission. Major Bannon's letter further indicated that it is his belief that a budget commission should be appointed for the City. (Copy of Major Bannon's letter to Ms. Greschner is attached.)

Based upon Major Bannon's conclusions and his belief that a budget commission should be appointed for the City, as well as my own familiarity of the current fiscal challenges being faced by the citizens of East Providence, I have determined that the appointment of a budget commission is in the best interests of the City. Therefore, I have advised Governor Chafee that I am abolishing the fiscal overseer position and establishing a budget commission for the City.

Pursuant to my authority under R.I. Gen. Laws § 45-9-6, I am hereby designating you as a member of the budget commission. I am also appointing as my designees to the commission Major Bannon (Chief Administrative Officer – Rhode Island State Police) and Mr. Michael O'Keefe (former State Budget Officer and House Fiscal Advisor) of North Providence, Rhode Island. (Pursuant to said statute, the other two (2) members of the budget commission will be Bruce Rogers, President of the East Providence City Council and Peter Graczykowski, City Manager.)

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 that reads "Rosemary Booth Gallogly".

Rosemary Booth Gallogly
Director of Revenue

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December 20, 2011

Sent via electronic and regular mail

Bruce Rogers
President, East Providence City Council
145 Taunton Avenue
E. Providence, RI 02914

Re: **City of East Providence – Establishment of a Budget Commission**

Dear Council President Rogers:

Enclosed herein is my letter to Governor Chafee dated December 20, 2011 advising him that I have abolished the fiscal overseer for the City of East Providence ("City") and have established a budget commission for the City. Also enclosed is a copy of the letter from Major Bannon dated December 19, 2011 with his conclusions with respect to his work as fiscal overseer and his belief that a budget commission should be appointed for the City.

As Director of Revenue I have appointed Major Bannon (Chief Administrative Officer – Rhode Island State Police), Michael O'Keefe (former Budget Officer and House Fiscal Advisor) and Diane L. Brennan (City of Warwick Financial Report Analyst) as my designees on the budget commission. (Pursuant to R.I. Gen. Laws § 45-9-6, you as Council President and Peter Graczykowski as City Manager 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
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December 20, 2011

Sent via electronic and regular mail

Peter Graczykowski
East Providence City Manager
145 Taunton Avenue
E. Providence, RI 02914

Re: **City of East Providence – Establishment of a Budget Commission**

Dear Mr. Graczykowski:

Enclosed herein is my letter to Governor Chafee dated December 20, 2011 advising him that I have abolished the fiscal overseer for the City of East Providence ("City") and have established a budget commission for the City. Also enclosed is a copy of the letter from Major Bannon dated December 19, 2011 with his conclusions with respect to his work as fiscal overseer and his belief that a budget commission should be appointed for the City.

As director of revenue I have appointed Major Bannon (Chief Administrative Officer – Rhode Island State Police), Michael O'Keefe (former Budget Officer and House Fiscal Advisor) and Diane L. Brennan (City of Warwick Financial Report Analyst) as my designees on the budget commission. (Pursuant to R.I. Gen. Laws § 45-9-6, you as City Manager and Bruce Rogers as President of the East Providence 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

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Speaker of the House of Representatives Gordon Fox

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