

City of Providence
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

CHAPTER 2011-22

No. 388

AN ORDINANCE AMENDING THE CODE OF ORDINANCES TO ADD A SECTION TO CHAPTER 21, ENTITLED, "ANNUAL BUDGET REQUIREMENTS AND OVERSIGHT"

EFFECTIVE ~~APPROX~~ July 18, 2011

Be it ordained by the City of Providence:

SECTION 1. Chapter 21 of the Code of Ordinances of the City of Providence is hereby amended to add ~~a section~~ **Section 21-21** Entitled: "Annual Budget and Oversight," as follows:

(a) *Purpose.*

The purpose of this ordinance is to ensure the annual budget of the City of Providence is submitted in accordance with the requirements prescribed in the Providence Home Rule Charter and to establish proper oversight of the City's financial system.

(b) *Budget submission*

(1) In accordance with Section 803 of the Providence Home Rule Charter, it shall be the duty of the mayor to frame and submit to the city council not later than sixty (60) days prior to the start of each fiscal year an operating budget for the ensuing fiscal year containing:

(i) An estimate of the amount of any general fund surplus in the current fiscal year available for appropriation in the ensuing fiscal year;

(ii) An estimate of receipts for the ensuing fiscal year from taxes on real estate and tangible and intangible personal property;

(iii) An estimate of other receipts for the ensuing fiscal year itemized by sources;

(iv) Debt service requirements for the ensuing fiscal year;

(v) An estimate of any deficit from the operations of the current fiscal year and any other charge or obligation required by the Providence Home Rule Charter or by law to be paid in the ensuing fiscal year;

(vi) An estimate of the expenditures recommended by the mayor as necessary or desirable for the purpose of carrying on the work of the several departments, offices and agencies of the city for the ensuing fiscal year itemized by activities and objects and related to the performance goals and objectives of each department, office and agency of the city under guidelines established by the finance director;

(vii) An overall statement of the financial condition of the city at the end of the last completed fiscal year, the estimated financial condition at the end of the current fiscal year, and an estimate showing what the financial condition at the end of the ensuing fiscal year would be in the event that the financial proposals contained in the budget should be adopted.

The operating budget shall further be arranged to show in parallel columns comparative figures for receipts and expenditures as estimated for the current fiscal year and the ensuing two (2) fiscal years and actual receipts and expenditures for the preceding two (2) fiscal years. The total of estimated expenditures listed in the operating budget shall not exceed the total receipts estimated therein, taking into account any general fund surplus or deficit estimated to be carried over from the current fiscal year and the estimated receipts from proposed new revenue measures within the authority of the city council to enact.

(2) Additionally, the mayor shall submit the following items at the time of the submission of the annual budget:

(i) **An itemized listing** ~~A complete explanation~~ of any new revenue initiatives included in the proposed budget and a narrative detailing the same;

(ii) **An itemized listing** ~~A listing and complete explanation of any of~~ non-recurring revenue sources **greater than \$5,000** in the proposed budget **and a narrative detailing the same**;

(iii) A narrative of each department and expenditure category highlighting any **material** changes in the financial or overall operations of the department or category;

(iv) ~~An comprehensive~~ analysis of personnel costs including across-the-board salary increases, a listing of newly established or eliminated positions, salary increases beyond scheduled step increases, and changes in fringe benefits;

(v) ~~An complete~~ analysis of the healthcare budget, including a ~~comprehensive~~ **detailed** breakdown of the proposed budget, assumptions made for the upcoming fiscal year, and a year-to-date projection for the current fiscal year.

(c) *Submission of five-year financial plan*

In accordance with Section 813 of the Providence Home Rule Charter, the Finance Director shall develop a five-year financial plan for the city which shall be deposited by the mayor with the city clerk to be open for public inspection. The plan shall include projections of anticipated revenues and general estimates of expenditures during the five (5) fiscal years next ensuing, with appropriate supporting information, arranged so as to identify the planning goals, planning objectives and anticipated programs of city government for the ensuing five (5) years. The plan shall be revised annually and submitted to the council ~~at the time of the submission of the annual budget~~ by December 31st of each year.

(d) *Capital budget submission*

In accordance with Section 812 of the Providence Home Rule Charter, at the same time that the mayor submits the operating budget to the city council, the mayor based upon estimates and recommendations of the city plan commission as provided for in Section 1013 of the Providence Home Rule Charter, shall prepare and submit to the city council a capital budget for the ensuing fiscal year and the next four (4) fiscal years thereafter. Said capital budget shall embody the mayor's estimates of cost and recommendations of means of financing each project contained with the capital improvement program, provided that no project shall be included in said budget which has not been favorably considered by the city council. In acting on the capital budget, the city council may accept, reject or modify the projects described therein or the proposed methods of financing the same.

(e) *Reporting requirements*

(1) In accordance ~~with Chapter 45, Section 12 of the Rhode Island General Laws~~ R. I. G.L. 45-12-22.2, the Finance Director shall be required to submit to the city council and the internal auditor an operating statement on a monthly basis. The monthly reports shall be in a format prescribed by the division of property valuation and the state auditor general. This analysis shall be submitted within thirty (30) days of the end of the subsequent month and shall include but is not limited to:

- (i) Year-to-date expenditures and revenues of all city departments, including the school department;
- (ii) Year-end budget projections and variances.

(2) In accordance with ~~Chapter 45, Section 12 of the Rhode Island General Laws~~ R. I. G.L. 45-12-22.2, the Finance Director shall be required to submit to quarterly financial reports to the city council and the internal auditor within thirty (30) days of the first day of January, April, and October. The quarterly reports shall be in a format prescribed by the division of property valuation and the state auditor general. This analysis shall include but is not limited to:

(i) Estimates of the revenue and expenses in the categories provided in the budget ordinance effective for three (3) months preceding its issuance and for the year-to-date, showing the variance of those items to the budgeted amounts;

(ii) Current month and year-to-date information on revenues and expenditures as well as comparison to the prior year.

(3) The Finance Director shall be required to submit a cash-flow analysis to the city council and internal auditor on a monthly basis. This analysis should be submitted within fifteen (15) days of the close of the previous month and shall include an analysis of all funds.

(4) The Finance Director and the Director of Administration shall be required to sign all monthly, quarterly, and cash-flow reports submitted to the city council and internal auditor to attest to the accuracy of said reports.

~~(5) In the event that a monthly or quarterly report is not submitted to the city council or internal auditor within the timeframe prescribed in this section, the Finance Director shall be fined five hundred dollars (\$500).~~

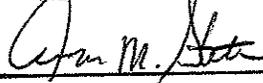
(f) Severability

If any word, phrase, clause, subsection, or section of this Ordinance is for any reason held unconstitutional or invalid by a court of competent jurisdiction, the invalidity thereof shall not affect the validity of any remaining portions of the Ordinance.

SECTION 2. This ordinance shall take effect ninety (90) days following upon passage.

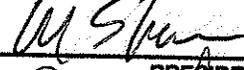
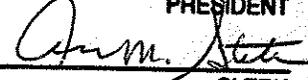
IN CITY COUNCIL
JUN 16 2011

FIRST READING
READ AND PASSED

 CLERK

IN CITY
COUNCIL
JUL 07 2011

FINAL READING
READ AND PASSED

 PRESIDENT
 CLERK

Effective without the
Mayor's Signature


Anna M. Stetson
City Clerk