

ALEXANDER D. PRIGNANO
Director of Finance



DAVID N. CICILLINE
Mayor

Finance Department
"Building Pride In Providence"

December 22, 2003

Councilman Jackson
Chairman Finance Committee
Providence City Hall
Providence, RI 02903

Dear Councilman Jackson,

Enclosed is my Annual Report to the City Council, as required by the Code of Ordinances, Section 2-27. Please call me with any questions or comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Alex Prignano".

Alex Prignano
Director of Finance

C.c. Mayor David N. Cicilline
Mike Mello, Chief of Staff
John Simmons, Chief of Administration

IN CITY COUNCIL

JAN 8 2004

READ

WHEREUPON IT IS ORDERED THAT
HE SAY BE RECEIVED.

A handwritten signature in black ink, appearing to read "Claire Bostwick".



Finance Department
"Building Pride In Providence"

December 19, 2003

Councilman Kevin Jackson
Chairman Finance Committee
Providence City Hall
Providence, Rhode Island 02903

Dear Councilman Jackson:

Please accept this letter as my fourth Annual Report as required by the Code of Ordinances. In this report, I will attempt to inform you of major initiatives that the Finance Department has completed or has underway since my last report, which I submitted in December of 2002.

Foremost, the Finance Department balanced the fiscal 2003 budget. The anticipated budget surplus of approximately \$1,000,000 represents the City's twenty-third consecutive budget surplus and will increase the cumulative fund balance to more than \$10.0 million. The receipt of additional revenues from re-financing Prov Port's debt (\$1.25 million), first time reimbursement of rescue runs from Blue Cross (\$700,000), additional recording of deeds fees (\$694,000), additional building permit fees (\$572,000), savings in debt service (\$931,000), and tax receipt collections that exceeded the budget (\$4.5 million) offset shortfalls in attrition savings (\$926,000), overspending of unemployment compensation (\$122,000) and legal claims (\$7.2 million), as well as a shortfall (\$350,000) in the school budget. These were the major components of the surplus in fiscal 2003.

Another important financial achievement was that I had our actuary perform, for the second year in a row, an actuarial calculation on medical claims that are incurred but not reported (IBNR) as of June 30th. These not-yet-reported claims are eventually paid through the health care self-insurance fund the following fiscal year. Reserving \$2.5 million for these claims this past fiscal year will prevent future budgets from being negatively impacted by old year expenses, thus creating budget flexibility and more accurately reflecting City finances. After this fiscal year's audit, Providence will have a cumulative fund balance of approximately \$10.0 million; will have no liability from IBNR healthcare claims, having fully reserved these future health care expenses; and will have reserved an additional \$7.0 million in the legal accrual against potential outstanding litigation. All of these financial actions provide financial flexibility and reserves.

Another important responsibility of the Finance Department is making presentations to rating agencies and bond insurance providers. Last fiscal year, I made presentations to Moody's Investors Services, Fitch, and Standard and Poor's. Both Fitch and Moody's confirmed the City's bond rating. However, it was the first time that S&P had rated the City's general obligation debt. In the past, S&P had rated only the Providence Public Building Authority's debt and last year issued the Authority a BBB+ rating. The BBB+ rating for the PPBA, which is rated one step below the City's general obligation debt, translated to an A- rating for the City. Therefore last spring I requested S&P rate the City's general obligation debt as well, and the City was assigned an A- from S&P. In fact, S&P's credit report noted that "Providence's diversifying economy and strengthening finances support the A- rating". In addition S&P stated, "The City's financial position is adequate, and outstanding debt is moderate. Management has shown an ability to identify potential shortfalls at midyear and react successfully, resulting in consistently fiscal year-end surpluses." I believe with both S&P and Fitch having rated the City general obligation debt an A-; it should help in having Moodys also move the City's credit rating to an A status. Moody's last report stated that "Recent City budgets have featured prudent revenue assumptions, necessary tax increases and tightly controlled expenditures. This formula has provided the City with a measure of operating flexibility previous lacking." The FY04 budget includes all three areas positively noted by the rating agencies: conservative budget practices, especially with the collection rate on the tax levy; increased funding to the pension system; and a willingness to increase revenues when needed. Moody's also stated that "debt position was expected to remain manageable given anticipated State support for the school debt construction program." All three agencies seemed satisfied with the way a balanced approach has been used to balance budgets. The combination of tax increases, new revenue sources, and expenditure reductions to fill the budget shortfall created by lost state aid has been positively received by the various rating agencies. Copies of the latest credit reports from all three agencies are available in my office. In general, I believe the above mentioned comments in the reports continue to be more positive than previously and all three agencies have recognized that the City is dealing with funding the pension system and has adopted conservative budget practices. In my opinion, the City's bond rating is stable at this time.

As mentioned in last year's report, I believe once the City gets its pension system issues under control, which includes completing its phase-in to fully fund the pension system based on actuarial requirements, an increase in the City's bond rating will occur. However, newly added debt payments, increased pension costs resulting from a police contract that avoided litigation over the 6% compounded COLA going forward in favor of a 3% compounded COLA, and the firefighters arbitration concerning pension benefits that is pending, all impact City finances. These costly items, as well as the pension funding phase-in, will continue to impact future budgets until new contracts are negotiated that are less costly. City budgets will continue to be strained and need a combination of growth in the tax base, collection rate, tax rate, or developing other revenue sources. In addition, if the State of Rhode Island continues to be incapable of significantly increasing state aid to Providence, significant budget shortfalls or gaps are expected and difficult decisions will have to be made concerning reductions in services

and programs. The City does have some solutions developed and has incorporated some of them into the fiscal 2004 budget and will continue to explore alternative revenues and cost savings that were identified by the new Administration and the consulting firm Public Finance Management.

Another major responsibility of the Finance Department is the issuing of the citywide audit. Providence, for three consecutive years, issued the audit within the six months allowed by state law. This is noteworthy since these three fiscal years (1999, 2000 & 2001) are the only years I believe the City ever issued its audit within the six months allowed by state law. The fiscal 2002 audit did require a one month extension from the State Auditor General and was issued last January. This still is a noteworthy achievement considering the audit was much more complicated due to a new accounting pronouncement that was adopted, the Government Accounting Standards Board 34 (GASB34). Mr. Shawn Warren, senior partner at KPMG says, "GASB 34 is probably the most dramatic impact on financial reporting ever." This accounting change had to be reflected in our financial statements as of June 30, 2002. The City Controller's staff worked on this initiative since January 2001, in order to insure that all city departments and agencies (Providence Economic Development Corporation, Civic Center, Skating Rink, Water Board, School Department, Providence-Cranston Work Force Development, and all other departments) were GASB 34 compliant in last year's audit. GASB 34 required major changes to the City's financial reporting. For example, the City had to report infrastructure assets, depreciation was required on City assets similar to for profit businesses, and long-term sick and vacation, as well as long-term liabilities (outstanding bonded debt) and infrastructure had to be included with all other assets and liabilities. In other words, part of the cumulative fund balance. This was important, as failure would have resulted in a qualified audit opinion and could have had rating agency implications. Currently the City has the highest opinion an audit firm can issue, an unqualified opinion on the financial statements, and I plan to issue the audit once again in a timely manner. However, with a new payroll system going live in January, and the added man hours that has been required with this project, I have requested that the City Controller take the necessary precaution of requesting a six week extension from the State Auditor General.

The most time consuming project that the department currently has underway is the continued implementation of the new integrated software package. As you recall, the project was initiated in fiscal 2001 and began with a complex Needs Assessment of all city departments to determine software requirements. It was determined the software implementation would include the general ledger, payroll, tax billing and collections, tax assessments, retirement, budget, human resources, fixed assets, deeds, voter registration, purchasing and the municipal court. The Lawson software product, which was selected, is a tier one; web-based software that allows access to information through the Internet. Other software providers that are part of the implementation are "Govern", a Canadian-based company for tax assessments, collections, land records and permitting; and Leading Edge's "Ticket Tracker", located in Georgia. Ticket tracker software is used in a number of other Rhode Island Traffic Courts and is fully compatible with the State of Rhode Island's Traffic Court.

To update you on the project, the City implemented its general ledger, accounts payable, accounts receivable, purchasing, grants, budget, fixed assets, tax assessments, tax collections and tickets at the Municipal Court in July of 2002

The Purchasing module affects all City departments. The training of all requisition users and department heads, which now approve purchase requisitions online, took longer than expected and required additional training. Approximately 350 users are using the software between city departments and schools, and we have established a help desk in Data Processing to assist with e requisitioning. The purchasing and requisitioning module has been the most difficult module of the phase one implementation. Training issues, resistance to the use of the new software due to department heads having to be more involved with the approval process, and some glitches with the software that have made purchasing more laborious in the school department have all impacted this module. However, we are addressing and resolving these issues.

The Assessor's and Collector's Offices have moved to the new Govern software with the expected growing pains. However, both offices are using the improved software that has made the workflow in both departments smoother and provided integrated information.

The "Ticket Tracker" system at the Municipal Court required much more training than was anticipated, as Court personnel felt that specific business practices unique to the Court needed developing. The practices, which include interfaces to collection companies, special reports for the boot squad, the ability to track tickets specifically the way court personnel desired, and building an interface to handheld ticket devices, have all been implemented and the court seems to be functioning with very few problems that are software related.

The second phase of the project is underway and includes city, school and retirement payrolls, human resources for city and schools, land records, mass appraisal, Geographical Information Systems, e- Commerce, as well as inspections and permitting.

The human resources and payroll phases are near completion and are set to go live this January. This has been an eighteen-month project due to the complications of the city's payroll with its many different types of employees and number of different business rules for each, sometimes even different rules for the same type of employee. The project has also been delayed due to lack of human resources. The payroll supervisor at the school department retired, a payroll clerk in the Controllers Office is on extended sick leave, and another payroll clerk in that department retired, the payroll clerk for police payroll retired, and the payroll clerk at the fire department moved to a new position at the school department. I would like to mention that with all that has taken up my time with last year's budget, audit issues, and my own lack of department resources, Charles Hewitt, the new city Chief Information Officer, has done a great job keeping the project moving despite the delays that were unavoidable.

The Mass Appraisal implementation, which I wanted in place for the upcoming statistical update that will be reflected in the July 2004 tax bills, has begun. However, the vendor has had difficulty in re-creating the tables that the old Universe system operates on. This

will result in the Assessor's office using the old Universe system and software to complete the ongoing statistical update. We are currently formulating a plan to move the new statistical valuations from the Universe System to the Govern System once the property valuations are completed. However, once again city resources negatively impacted the mass appraisal implementation. Currently the Assessor's Office has three union Appraiser positions funded that require specific certifications. These positions were created nearly three years ago and we have been unsuccessful in filling them. The qualified applicants, who have responded to our employment ads in the past, all lived outside Providence and were not willing to relocate. Over a year ago, Local 1033 and the Cianci Administration entered into a Memorandum of Agreement assigning two individuals into appraiser positions that were not appraisers. Also, four other individuals were promoted into positions that disrupted the business flow of the office. I did not want to implement the agreement, contesting that some of the individuals did not possess the bare requirements of the positions; however it was determined the memorandum of agreement was valid and it was implemented. This has all contributed to the delay of the mass land valuation appraisal, as we had been waiting until there were the needed human resources in place. However, we could not wait any longer in order to complete the statistical update on time. Thus, we will convert data to the Govern software once the statistical update is completed. However, skilled resources remain a key issue that needs resolving, especially if we want to implement the reading of deeds in real time and have the Recorder of Deeds Office integrated with the Assessor's and Collector's departments.

The GIS component of the Govern software required a resource person that can build and deploy GIS capabilities in each city department. The Police and Fire Departments require different information than Parks and Public Works. The City has now hired a new employee in Data Processing with GIS capabilities that can help move this forward and to map and keep accurate information. The Administration has also partnered with the Providence Plan in order to obtain GIS capability and to create a database that is tracking a number of measurable activities in a number of different departments and providing geographical information systems.

E- Commerce is still proceeding cautiously, as the Web Master for the City has been working towards providing the ability for residents to pay taxes and access tax information online. However, though the Web-Master is exploring options, until I am comfortable with security issues that will arise from this online capability and until more important Govern modules are operational (i.e. mass appraisal and deeds), this is a lower priority.

The inspections and permitting phase of the implementation has also not started. For the longest time, I was concerned with spending funds and committing resources to a department in which all the key personnel that participated in the Needs Assessment and selection process have left city employment. More recently, the staffing situation has become more stable, and I hope we can implement this phase within the first six months of calendar 2004.

The Recorder of Deeds Office is to "go live" with land records in phase two. This will allow for the public to record a deed and have the ability to go to the Collector's or

Assessor's Offices and obtain real time tax information. A complete examination has been completed in order to streamline the recording functions, which will include the use of scanners and making changes in the workflow. However, the Assessor's Office has not been able to keep up with recording deeds and is currently about three months behind. The plan is not to "go live" until we have caught up with recordings. This once again goes back to having the properly trained employees in place and having the proper resources.

Though there are concerns and delays, the City now has operated for over a year on a new general ledger, accounts payable, purchasing, assessments, billing, collections, and Municipal Court tickets and is about to implement the human resources and payroll modules. Considering the magnitude of the project and the human resource issues that exist in numerous departments, the implementation is going as well as can be expected.

Another project worth mentioning is the Five-Year Financial Plan that was submitted to the City Council last December in accordance with the City Charter. I believe the FY2003-2007 Plan reflected conservative revenue assumptions based on state aid that was received in fiscal 2003 and the State of Rhode Island's Five Year Plan for state aid. Due to this conservative approach and no new revenue sources included, the Plan reflected significant budget shortfalls. This illustrated the need for Providence to be allowed to create new sources of revenue such as selective municipal fees (entertainment tax, meals and beverage tax), broad based taxes (occupation tax), and/or payments from the tax exempts. Also, the Plan demonstrated the need to finally address major expenditures that affect the budget such as healthcare costs and pension contributions. The Finance Department is currently in the process of completing the Five-Year Financial Plan for fiscal years 2004-2008. This Plan will include many of the initiatives that the consulting firm Public Finance Management has recommended, along with a number of cost saving measures that will come with re-organizations and union negotiations as all contracts will expire by August of 2004.

The Department also worked on two major initiatives: refinancing Prov-Port debt and the reduction of healthcare cost by reducing administrative fees the City pays to a third-party health plan administrator.

The Prov-Port debt refinancing allowed the City to be repaid \$900,000 that the City previously paid to replenish the debt service reserve account that was charged to make debt service payments for Prov-Port in fiscal years 2002 & 2001. Also, the City was paid over \$350,000 that Prov-Port owed for police details as a result of September 11th. The refinancing was also structured to generate enough savings to dredge berths that will allow for potential new business. The debt service payment schedule was not extended and will still be completed in September of 2024. The annual debt payments remained approximately the same, the City received \$900,000 for debt service advances and another \$350,000 for delinquent police details, and the port generated the necessary funds for dredging. It is worth noting that the added funding for dredging has resulted in Prov-Port reaching a level of capital improvements that trigger a contract clause that allows the City to share in profits. I have had several meeting with Prov-Port officials to work on a formula for sharing profits. I will be coming before the City Council in the near future

with an update on the profit sharing and a request to continue the tax-exempt status of Prov-Port for the near future.

The other initiative was changing the way the City pays for administration of the self-insured health plan. In prior fiscal years, Blue Cross has increasing their fee to administer the City's Self-Insurance Health Plan annually by the same inflation rate as medical costs were rising. If the medical rate of inflation was 15%, Blue Cross increased their administration fee by the same 15%. In fiscal 2002, after Blue Cross refused to move away from this way of calculating administrative rate increases, I asked our risk management consultant to contact United Healthcare to determine their interest in submitting a proposal to administer our Plan. Cook and Company estimated that changing plan administrators would save \$4 - \$5 million over the next four years. United Healthcare presented the City with a very attractive proposal. However, to move to United Health the City must have the firefighters agree to use a provider other than Blue Cross, which is specified in their current contract, and have the teachers ratify the change. If the teachers rejected the change, the City has the ability by contract to go to arbitration in order to achieve the savings. Currently all other contracts allow for the changing of healthcare providers if the coverage is identical to the coverage current and retired employees now have, which United Health has guaranteed. The issue of getting the unions to change providers has not yet occurred. However, the Administration was able to take the information that the Finance Department had gathered and used it to get the current plan administrator, Blue Cross, to dramatically reduce their per person charge from a flat percentage that was tied to the medical inflation rate, to at first \$52 per person, to finally a \$38 per person fee. These changes allowed the City to achieve much of the savings that would have been realized by switching completely to United and their \$28 per person fee. It is also worth noting, that the management employees were transferred to United Healthcare and are also paying co-pays on emergency room visits, hospitalization and have a more realistic co-pay for prescriptions.

I would also like to report on the activity of the divisions that are part of the Finance Department (Assessor's Office, Collector's Office, Controller's Office, Data Processing and Budget).

The Data Processing department is now being led by Mr. Charles Hewitt, who was hired as the City's Chief Information Officer last March. Charles brings the needed background and experience that had previously been lacking in the area of Information Technology, as he held the CIO position for Textron at one time.

The Information Technology Department has two other new employees that are heading up the Mayor's new initiative called Prov-Stat. I believe everyone is now familiar with the Mayor's directive to create this group, that in conjunction with the Providence Plan, is gathering information that can be analyzed, and then tracked and measured using benchmarks and best practices. Currently, Prov-Stat is working with the City Collector's Office, City Assessor's Office, as well as most of the Operations Departments and Fire Department.

The department continues to maintain the City Web Page. Some of the items that have been available on the Website over the last year are City Council Meeting agendas, the Code of Ordinances and City Charter, important public service announcements like parking bans and street sweeping schedules, as well as numerous other sources of information and resident feedback. The upcoming twelve months the Website will be making various Tax Assessor forms and Statistical Revaluation data available, further enhancements for the Office of Neighborhood Services will allow an individual to check on a problem submitted online. Also, Tax Collections, Recorder of Deeds, Licenses, and hopefully a bi-lingual Website into Spanish are all goals for the next year.

The Data Processing department also continues to be heavily involved with the ongoing software implementation. The outside contracted services with City-State have been increased from nine to ten individuals due to the added workload of the payroll conversion to the new Lawson System. However, the payroll implementation is nearing completion and the City is expected to "go live" with the payroll system January 2, 2004. There will still be a need for this added staff to help support the payroll department, as reports are being customized and personnel are on the expected learning curve.

Finally, the Data Processing staff continues to maintain the public safety network, a wide area network that has nine local area networks, as well as hundreds of computers and printers. The department also is responsible for maintaining a firewall to protect the networks from viruses and hackers, is implementing a fiber network between City Hall, Public Safety, and School Administration Building, and has reduced the number of leased lines.

Now that the City is operating its accounting system as well as human resources and payroll functions on Lawson Software, there is a need to address the hiring of an individual that is an expert on Lawson applications. Adding this individual will help to address the learning curve that exists and allow us to gain added functionality that is available with the software which is currently not being used due to unfamiliarity.

The City Assessor's Office, besides carrying out the normal functions of the office that are related to generating the tax role, is implementing a citywide, state-mandated statistical update (revaluation) that will be reflected in tax bills mailed out next July. A statistical update is different from a full revaluation in that the appraisal inspectors review property assessments on every property in the City during a full revaluation. In a statistical update, the field data is only collected on properties that have sold within the last two years. The acting City Assessor, members of the Mayor's staff, and myself will be meeting with City Council members and also scheduling meetings in the neighborhoods to brief members of the City Council and taxpayers on the statistical update process.

Another achievement of the Assessor's Office has been the resolving the backlog of taxpayer appeals that existed from the 2000 revaluation. There were approximately 800 pending appeals that had not been heard due to staffing problems with the Board of Tax Appeals, as well as a lack of resources in the Assessor's Office. However, the Board has been re-organized, and Mr. Gelati has done an admirable job of eliminating the entire

backlog. I am also happy to report that for the tax year 2003, all appeals have been heard within the state statutory requirements. The City Assessor, Solicitor's Office, and myself have also resolved a number of pending tax cases that in many cases go back to the mid 1990's, and though there are still a number of these pending cases, many of the larger cases have been settled.

The City Collector has continued to employ a firm but fair approach in dealing with taxpayers. Unless an individual is experiencing a financial hardship, payment plans are not granted and interest is not waived. Also, the taxpayer must provide evidence that demonstrates the financial hardship. Once a payment plan is allowed, the department monitors the plans in order to assure the conditions of the plans are being honored.

The employees in the Collector's Office have adjusted well to the new Govern software. The office, however, did experience a problem with an employee stealing last year, but she was caught and an internal investigation was conducted which led to her dismissal and criminal charges. The new Govern software that is now functional provides security features that prevents anyone except those with "superuser" authority to be able to adjust or abate any tax or interest fee, and there is also an audit trail on all transactions and who initiated the transaction. After learning of criminal activity in the office, KPMG, the City's audit firm was asked to review cash controls that existed. The auditor for KPMG recommended eight changes or improvements. The recommendations ranged from not accepting cash, which was not implemented, to installing security cameras trained on the cashier stations, which is currently being bid by the department of Public Property. Other improvements that were recommended and implemented included providing a separate area for balancing out cashiers, eliminating the practice of leaving checks unsecured, and developing additional reports and training with Govern. However, due to space constraints, some of the recommendations have not been implemented such as making improvements to cashier work stations, adding barriers between public and cashiers, and building a separate locked room for balancing out cashiers.

The City Collector's Office continues to do an admirable job collecting taxes. The City has exceeded the budgeted amount for taxes twelve consecutive years, and the collection rate of all taxes against the current levy has continued to increase. For fiscal year 2003, the actual collection rate was 97.4% against a budgeted amount of 95.6%.

Another division of the Finance Department is the City Controller's Office. All retiree benefits, accounting, payroll and accounts payable are the responsibility of this department.

The Controller's staff deserves credit for completing the 2002 City Annual Audit within seven months after the close of the fiscal year, and the Single Audit and Management Letter within the nine months allowed by the federal government. In fact, we have focused on eliminating the management comments contained in the Single Audit. The last two year's audit findings have been reduced to only nine comments each year and two of those were positive comments praising the effort that has been made in issuing timely financial information despite the complexity of the audit.

Another area I feel worth mentioning is the Police Details collection function that is handled by the staff of the City Controller's department. There have been some recent concerns about receivables that exist, some over sixty days, and over a \$1.0 million in total. However, in reality, the bulk of these receivables are "good" receivables as they are owed to the Detail Account from other City agencies or departments, colleges and universities, State of Rhode Island, or various utility companies. Though I recognize the fact it would be preferable if we did not have to wait for payments, in reality, often times details that are requested are not always filled due to volume. If details were prepaid, the Controller's Office would be in the business of issuing refunds and tracking these unfilled detail request. The reality is that the City Controller's Office has collected approximately 97% of the details issued since assuming this function in fiscal 1995 and through the surcharge added to the detail, has generated more than \$4.0 million for the general fund and operating budget since then. The Police Detail Account has been a tremendous success story despite some of the delays in collecting receivables and stories of a free ride I feel our exaggerated and incorrect.

As it is now, the Controller's Office with only six professionals is understaffed. City departments and agencies that receive funds from the City are numerous and need to be monitored more directly. However, with a Controller, Deputy, and six accountants it is impossible to get thoroughly involved as much as we would prefer. When considering all the different funds that exist (general, school, capital projects, trust, pension system) and all the satellite agencies (Providence Water, Public Building Authority, Civic Center, Skating Rink, Community Development Grants, Drug and Alcohol Grants, Housing Corporation to name some) and all the extensive interaction and review that is needed, the department needs more resources.

The last area that I wish to report on is the City Budget. The annual budget is the most important document prepared each year, by not only the Finance Department, but also by the entire City. The budget determines the level of governmental services and methods of distributing costs to the various segments of the community through collection of taxes and other revenues.

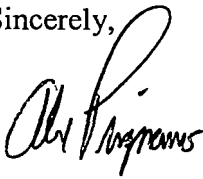
Providence, like most cities, is faced with increasing demands for public services. Charter and State Law limit sources of revenue and those available are strained. It is more important than ever, therefore, that citywide goals and objectives be clearly defined. The primary purpose of the budgeting process is to provide for the allocation of available resources to satisfy the increasing demand for public services. The budgeting process also provides the basis for monitoring governmental activities to assure that the services being provided are within available funding constraints and that the established goals and objectives are achieved.

The budget process involves much more than balancing anticipated revenues and expenditures. It is a policy and administrative tool, a method by which priorities are established and resources are allocated to meet public service needs. Effective budgeting requires continuing inquiry, analysis, review, feedback, and planning if maximum service

is to be provided to the community from available resources. The Finance Department is currently performing all budget functions with just two individuals and Mathew Clarkin, the Budget Analyst, deserves recognition for his hard work in assisting me in not only budget preparation, but also the tremendous amount of analytical review that occurs each month on citywide departments.

I have attempted to address what I believe are the major initiatives and responsibilities of the Finance Department. I hope this; my fourth report, provides you with an understanding of some of the Finance Department's accomplishments and challenges the last twelve months.

Sincerely,

A handwritten signature in black ink, appearing to read "Alex Prignano". The signature is fluid and cursive, with the first name "Alex" and last name "Prignano" clearly distinguishable.

Alex Prignano
Director of Finance

C.c. All City Council Members
Mayor David N. Cicilline
Mike Mello, Chief of Staff
John Simmons, Chief of Administration