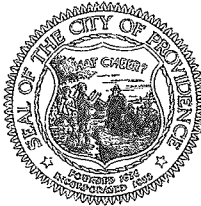


**MATTHEW M. CLARKIN, JR.**  
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## City of Providence, Rhode Island Office of the Internal Auditor

February 4, 2016

Mr. Lawrence Mancini  
Finance Director  
City of Providence  
25 Dorrance Street  
Providence, RI 02903

Dear Mr. Mancini:

I have reviewed the deficit reduction plan that was recently submitted to the City Council for review. In order to assist the City Council with its review of the plan, I have listed below several questions and requests for supporting information concerning items mentioned in the plan.

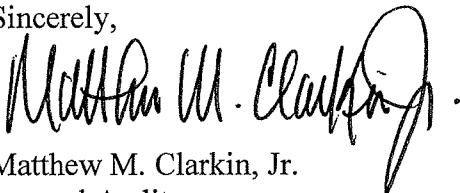
1. In the plan it is mentioned that fire department is experiencing favorable results on expenditures for callback and overtime. Can you provide more detail as to your projections for fire callback and overtime expenditures through the remainder of FY2016 and for FY2017?
2. The potential liability associated with the current arbitration with Local 799 regarding the appropriate compensation for firefighters working under a 3-platoon versus 4-platoon structure, the FLSA public safety arbitration, and the arbitration with the F.O.P concerning the July 1, 2015 wage reopener are not addressed in the plan. Please explain how adverse decisions on any or all of these outstanding arbitrations will impact the stated goal to eliminate \$13.45 million General Fund deficit by the end of FY2021.
3. In the plan it is stated that the administration is committed to utilizing any newly identified and/or non-reoccurring revenues or revenue-enhancements, along with any spending-reduction or savings programs, to further ease the cumulative deficit. Does this mean that the Administration will utilize these revenue and expenditure items to reduce the cumulative deficit more quickly than stated in the schedule on page #2 of the plan?

Mr. Lawrence Mancini  
February 4, 2016  
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4. What fiscal year do you expect to recognize the \$2.5 million one-time rebate from National Grid for the cost of retrofitting of the city's streetlights with LED fixtures?
5. Please provide details on the projects that are expected to generate \$8-9 million of building inspection fees within the next 36 months.
6. Please provide details on the projects that are expected to increase the city's tax base by \$800-880 million between years 2016-2020.
7. Please provide the details on the Tax Stabilization Agreement(s) that is scheduled to expire at the end of the current fiscal year.

If you have any questions concerning any of the above items, please contact me.

Sincerely,



Matthew M. Clarkin, Jr.  
Internal Auditor

Cc: City Council Members  
Cyd McKenna, Chief of Staff – City Council  
James Lombardi, City Treasurer/Sr. Advisor to City Council  
Brett Smiley, Chief Operating Officer