



# Rhode Island League of Cities and Towns

**TO:** Dan Beardsley, Executive Director  
**FROM:** Peder Schaefer, Associate Director  
**DATE:** May 19, 2011  
**RE:** Municipal Financial Condition

A handwritten signature in black ink, appearing to be "Peder Schaefer", is written over the "FROM:" line of the header.

In January of 2010, the state issued a report measuring the fiscal stress of municipalities. As you know, I was involved in the preparation of that report which was prepared under the direction of the "Municipal Fiscal Stress Task Force."

At the time, it was contemplated that the report would be updated as more current information became available. A number of members of the task force (including Jim Thomas and Frank Champi) have asked me whether an update is pending. I have not heard one way or the other, but I do know that some of the updated data is readily available. The following is a summary of what has transpired in two areas – Fund Balance and Pension Contributions.

## Fund Balance

In the aggregate there was very modest deterioration in unreserved undesignated fund balance over the FY 2009 to FY 2010 interval. Balances declined from \$147.7 million to \$142.8 million despite material losses in state aid totaling over \$40 million in general aid and over \$40 million in school aid (see attachment 1). The fiscal stress report of January 2010 utilized FY 2008 audited data. Aggregate fund balances as of the end of FY 2008 were \$155.9 million.

Despite this positive overall outlook, there were several cities and towns which experienced severe deterioration in their overall financial condition. The declines in Central Falls and Providence have been well publicized. The data also indicates further declines in East Providence and Cumberland as well as continued deficit fund balances in North Providence and Woonsocket. While Pawtucket and West Warwick both reported positive general fund balances, both also reported a material deficit in their school fund which has not been recorded as a reserve against the general fund.

## Pension Contributions

Several years ago, I prepared a similar fund balance table and commented to Ernest Almonte the then Auditor General that several municipalities looked in surprisingly good shape. His on target comment was that a simple review of fund balance does not get at long term liabilities associated with pension liabilities which escape general fund scrutiny because they are recorded as long

term debt. The same principal applies to OPEB liabilities although these liabilities are not cast in stone.

From FY 2009 to FY 2010 there was little change in relative municipal commitment to pension contributions (See attachment 2). Those places that had failed to make the required contribution continued along that path while others that had met the ARC in past years maintained their contribution. There were three exceptions to this. The data indicates that Cumberland and Tiverton suspended their public safety ARC contributions in FY 2010 after having met the benchmark in FY 2009. Going in the other direction, Pawtucket substantially increased its public safety contributions in FY 2010 achieving 96% of the ARC in FY 2010 compared with 60% in FY 2009.

### Summary

In general, healthy communities have remained healthy; distressed communities have seen a deterioration in their financial condition. At the end of Fiscal Year 2009, the eight municipalities which had been identified as distressed in the February 2010 report (Quintile ranking over 3.5) had undesignated fund balances of \$2.5 million. By the end of FY 2010, they had deficit fund balances of \$13.8 million (including school deficits). The 31 healthy communities ended FY 2009 with positive balances of \$132.3 million. This increased to \$141.8 by the end of FY 2010. Losses in state aid were a significant driver in the deterioration of financial condition for the distressed group.

Failure to pay the ARC and significant unfunded pension liabilities remain a problem for many municipalities including some healthy cities and towns. This problem may be exacerbated in FY 2013 and thereafter if the MERS experience changes are fully adopted and provide the basis for annual contributions.

**Rhode Island Cities and Towns (Attachment 1)**  
**Balance Sheet: General Fund Balance as % of Revenue FY 2009**

| Municipalities    | General Fund      |                            |                    | Total (2)<br>Revenues | General<br>Fund Bal as<br>% of | Unreserved<br>Undesign as %<br>of Revenue | School<br>School<br>Deficit<br>Fund |
|-------------------|-------------------|----------------------------|--------------------|-----------------------|--------------------------------|---|-------------------------------------|
|                   | Reserved          | Unreserved<br>Undesignated | Total              |                       |                                |   |                                     |
| <b>Urban</b>      |                   |                            |                    |                       |                                |   |                                     |
| CENTRAL FALLS     | 189,463           | 41,347                     | 230,810            | 17,486,368            | 1.3%                           | 0.2%                                      |                                     |
| NEWPORT           | 773,846           | 8,011,145                  | 8,784,991          | 91,665,235            | 9.6%                           | 8.7%                                      |                                     |
| PAWTUCKET         | 3,361,312 *       | 952,949                    | 4,314,261          | 202,982,449           | 2.1%                           | 0.5%                                      | (4,724,616)                         |
| PROVIDENCE        | 0                 | 17,361,000                 | 17,361,000         | 640,592,085           | 2.7%                           | 2.7%                                      |                                     |
| WOONSOCKET        | 2,450,289 *       | (3,312,356)                | (862,067)          | 113,834,717           | -0.8%                          | -2.9%                                     | (3,561,701)                         |
| <b>Urban Ring</b> |                   |                            |                    |                       |                                |   |                                     |
| CRANSTON          | 8,990,340 **      | 12,301,082                 | 21,291,422         | 229,880,690           | 9.3%                           | 5.4%                                      | (8,246,359)                         |
| E. PROVIDENCE (1) | 5,730,818 **      | (2,162,876)                | 3,567,942          | 122,427,997           | 2.9%                           | -1.8%                                     | (5,235,195)                         |
| N. PROVIDENCE     | 593,200 *         | (9,537,532)                | (8,944,332)        | 81,473,809            | -11.0%                         | -11.7%                                    | (1,403,723)                         |
| WARWICK           | 3,225,420 **      | 5,916,723                  | 9,142,143          | 282,195,518           | 3.2%                           | 2.1%                                      | (1,353,339)                         |
| W. WARWICK        | 278,440 *         | 3,413,110                  | 3,691,550          | 79,513,635            | 4.6%                           | 4.3%                                      | (3,070,537)                         |
| <b>Suburban</b>   |                   |                            |                    |                       |                                |   |                                     |
| BARRINGTON        | 108,213           | 10,065,173                 | 10,173,386         | 58,344,200            | 17.4%                          | 17.3%                                     |                                     |
| CUMBERLAND        | 4,188,372         | 892,252                    | 5,080,624          | 77,962,229            | 6.5%                           | 1.1%                                      |                                     |
| E. GREENWICH      | 1,538,147         | 2,622,685                  | 4,160,832          | 46,928,424            | 8.9%                           | 5.6%                                      |                                     |
| JAMESTOWN         | 641,994           | 4,120,509                  | 4,762,503          | 20,731,219            | 23.0%                          | 19.9%                                     |                                     |
| JOHNSTON          | 1,903,605         | 2,631,809                  | 4,535,414          | 94,013,832            | 4.8%                           | 2.8%                                      |                                     |
| LINCOLN           | 69,519            | 5,598,853                  | 5,668,372          | 71,819,765            | 7.9%                           | 7.8%                                      |                                     |
| MIDDLETOWN        | 4,326,854         | 4,614,643                  | 8,941,497          | 63,581,416            | 14.1%                          | 7.3%                                      |                                     |
| NARRAGANSETT      | 288,903           | 1,883,690                  | 2,172,593          | 47,648,135            | 4.6%                           | 4.0%                                      |                                     |
| N. KINGSTOWN      | 1,797,399         | 8,355,715                  | 10,153,114         | 89,155,147            | 11.4%                          | 9.4%                                      |                                     |
| PORTSMOUTH        | 541,681           | 1,907,174                  | 2,448,855          | 54,211,329            | 4.5%                           | 3.5%                                      |                                     |
| SMITHFIELD        | 11,221,253        | 3,048,528                  | 14,269,781         | 61,538,789            | 23.2%                          | 5.0%                                      |                                     |
| WESTERLY          | 0                 | 9,020,357                  | 9,020,357          | 77,175,876            | 11.7%                          | 11.7%                                     |                                     |
| BRISTOL           | 2,885,946         | 13,884,030                 | 16,769,976         | 44,235,731            | 37.9%                          | 31.4%                                     |                                     |
| WARREN            | 3,469,267         | 1,430,402                  | 4,899,669          | 22,586,564            | 21.7%                          | 6.3%                                      |                                     |
| <b>Rural</b>      |                   |                            |                    |                       |                                |   |                                     |
| BURRILLVILLE      | 2,642,390         | 5,876,653                  | 8,519,043          | 46,920,589            | 18.2%                          | 12.5%                                     |                                     |
| COVENTRY          | 235,961 *         | 5,308,281                  | 5,544,242          | 88,458,118            | 6.3%                           | 6.0%                                      | (313,401)                           |
| LITTLE COMPTON    | 196,904           | 1,538,442                  | 1,735,346          | 11,201,066            | 15.5%                          | 13.7%                                     |                                     |
| NEW SHOREHAM      | 2,820,520         | 1,331,903                  | 4,152,423          | 10,728,283            | 38.7%                          | 12.4%                                     |                                     |
| N. SMITHFIELD     | 674,588           | 2,357,227                  | 3,031,815          | 33,982,005            | 8.9%                           | 6.9%                                      |                                     |
| SCITUATE          | 456,601           | 1,397,551                  | 1,854,152          | 31,402,884            | 5.9%                           | 4.5%                                      |                                     |
| S. KINGSTOWN      | 2,245,788         | 9,335,780                  | 11,581,568         | 86,201,630            | 13.4%                          | 10.8%                                     |                                     |
| TIVERTON          | 0                 | 675,671                    | 675,671            | 41,553,238            | 1.6%                           | 1.6%                                      |                                     |
| CHARLESTOWN       | 440,041           | 5,849,755                  | 6,289,796          | 23,826,520            | 26.4%                          | 24.6%                                     |                                     |
| EXETER            | 400,000           | 458,828                    | 858,828            | 13,203,432            | 6.5%                           | 3.5%                                      |                                     |
| FOSTER            | 148,568           | -44,553                    | 104,015            | 13,591,212            | 0.8%                           | -0.3%                                     |                                     |
| GLOCESTER         | 103,805           | 3,826,715                  | 3,930,520          | 27,425,940            | 14.3%                          | 14.0%                                     |                                     |
| HOPKINTON         | 14,629            | 3,195,713                  | 3,210,342          | 23,500,249            | 13.7%                          | 13.6%                                     |                                     |
| RICHMOND          | 0                 | 2,524,045                  | 2,524,045          | 21,826,873            | 11.6%                          | 11.6%                                     |                                     |
| W. GREENWICH      | 100,558           | 963,820                    | 1,064,378          | 17,452,445            | 6.1%                           | 5.5%                                      |                                     |
| <b>TOTAL</b>      | <b>69,054,634</b> | <b>147,656,243</b>         | <b>216,710,877</b> | <b>3,183,259,643</b>  | <b>6.8%</b>                    | <b>4.6%</b>                               | <b>-27,908,871</b>                  |
|                   |                   |                            |                    |                       | <b>RI AVERAGE</b>              | <b>RI AVERAGE</b>                         |                                     |
|                   |                   |                            |                    |                       | <b>8.9%</b>                    | <b>5.6%</b>                               |                                     |

1 East Providence 10/31/08

2 Total Revenues consist of General Fund & School Unrestricted Revenues (FY 2009 Adopted Budget Survey).

Source: Data compiled by Department of Revenue, Division of Municipal Finance from audited financial statements.

**Rhode Island Cities and Towns  
Balance Sheet: General Fund Balance as % of Revenue FY 2010**

**General Fund**

| Municipalities    | General Fund |                            |             | Total (2)<br>Revenues | General<br>Fund Bal as<br>% of<br>Revenue | Unreserved<br>Undesignated<br>as %<br>of Revenue | School<br>Deficit<br>Fund<br>Balance |
|-------------------|--------------|----------------------------|-------------|-----------------------|---|--|--------------------------------------|
|                   | Reserved     | Unreserved<br>Undesignated | Total       |                       |   |  |                                      |
| <b>Urban</b>      |              |                            |             |                       |   |  |                                      |
| CENTRAL FALLS     | 150,941      | (2,262,726)                | (2,111,785) | 17,780,238            | -11.9%                                    | -12.7%   |                                      |
| NEWPORT           | 838,101      | 9,175,856                  | 10,013,957  | 87,239,461            | 11.5%                                     | 10.5%  |                                      |
| PAWTUCKET         | 2,868,963 *  | 952,951                    | 3,821,914   | 173,500,582           | 2.2%                                      | 0.5%   | (3,481,200)                          |
| PROVIDENCE        | 1,378,000    | 2,080,000                  | 3,458,000   | 617,902,720           | 0.6%                                      | 0.3%   |                                      |
| WOONSOCKET        | 2,473,802 *  | (3,670,390)                | (1,196,588) | 113,680,420           | -1.1%                                     | -3.2%  | (5,886,243)                          |
| <b>Urban Ring</b> |              |                            |             |                       |   |  |                                      |
| CRANSTON          | 9,099,361 ** | 11,840,506                 | 20,939,867  | 233,546,074           | 9.0%                                      | 5.1%   | (6,551,580)                          |
| E. PROVIDENCE(1)  | 6,515,371 ** | (3,308,433)                | 3,206,938   | 125,474,769           | 2.6%                                      | -2.6%  | (6,191,830)                          |
| N. PROVIDENCE     | 568,000 *    | (7,919,406)                | (7,351,406) | 82,617,065            | -8.9%                                     | -9.6%  | (2,228,710)                          |
| WARWICK           | 7,945,895    | 6,862,565                  | 14,808,460  | 280,863,000           | 5.3%                                      | 2.4%   |                                      |
| W. WARWICK        | 815,568 *    | 5,128,315                  | 5,943,883   | 79,782,385            | 7.5%                                      | 6.4%   | (2,709,468)                          |
| <b>Suburban</b>   |              |                            |             |                       |   |  |                                      |
| BARRINGTON        | 945,754      | 10,337,692                 | 11,283,446  | 60,523,222            | 18.6%                                     | 17.1%  |                                      |
| CUMBERLAND        | 4,571,908    | (1,125,975)                | 3,445,933   | 77,519,478            | 4.4%                                      | -1.5%  |                                      |
| E. GREENWICH      | 1,270,860    | 4,445,470                  | 5,716,330   | 46,952,921            | 12.2%                                     | 9.5%   |                                      |
| JAMESTOWN         | 608,900      | 3,909,996                  | 4,518,896   | 20,905,864            | 21.6%                                     | 18.7%  |                                      |
| JOHNSTON          | 1,811,240    | 3,060,424                  | 4,871,664   | 90,747,472            | 5.4%                                      | 3.4%   |                                      |
| LINCOLN           | 388,511      | 5,426,702                  | 5,815,213   | 69,985,669            | 8.3%                                      | 7.8%   |                                      |
| MIDDLETOWN        | 3,934,639    | 4,951,215                  | 8,885,854   | 59,789,584            | 14.9%                                     | 8.3%   |                                      |
| NARRAGANSETT      | 380,047      | 4,099,653                  | 4,479,700   | 50,032,428            | 9.0%                                      | 8.2%   |                                      |
| N. KINGSTOWN      | 1,817,683    | 8,498,068                  | 10,315,751  | 88,294,481            | 11.7%                                     | 9.6%   |                                      |
| PORTSMOUTH        | 378,145      | 2,734,147                  | 3,112,292   | 54,979,950            | 5.7%                                      | 5.0%   |                                      |
| SMITHFIELD        | 11,962,189   | 3,030,955                  | 14,993,144  | 60,970,586            | 24.6%                                     | 5.0%   |                                      |
| WESTERLY          | 389,000      | 8,768,164                  | 9,157,164   | 76,617,640            | 12.0%                                     | 11.4%  |                                      |
| BRISTOL           | 2,680,828    | 11,903,630                 | 14,584,458  | 40,483,984            | 36.0%                                     | 29.4%  |                                      |
| WARREN            | 1,944,162    | 3,335,952                  | 5,280,114   | 22,656,968            | 23.3%                                     | 14.7%  |                                      |
| <b>Rural</b>      |              |                            |             |                       |   |  |                                      |
| BURRILLVILLE      | 3,161,699    | 7,070,085                  | 10,231,784  | 46,972,275            | 21.8%                                     | 15.1%  |                                      |
| COVENTRY          | 8,795 *      | 6,942,332                  | 6,951,127   | 87,021,668            | 8.0%                                      | 8.0%   | (12,445)                             |
| LITTLE COMPTON    | 37,597       | 1,531,655                  | 1,569,252   | 11,262,334            | 13.9%                                     | 13.6%  |                                      |
| NEW SHOREHAM      | 2,673,751    | 461,526                    | 3,135,277   | 10,819,733            | 29.0%                                     | 4.3%   |                                      |
| N. SMITHFIELD     | 761,194      | 2,357,227                  | 3,118,421   | 34,193,129            | 9.1%                                      | 6.9%   |                                      |
| SCITUATE          | 400,313      | 2,541,617                  | 2,941,930   | 31,754,860            | 9.3%                                      | 8.0%   |                                      |
| S. KINGSTOWN      | 2,222,133    | 9,285,482                  | 11,507,615  | 85,152,242            | 13.5%                                     | 10.9%  |                                      |
| TIVERTON          | 0            | 1,891,446                  | 1,891,446   | 41,632,960            | 4.5%                                      | 4.5%   |                                      |
| CHARLESTOWN       | 1,371,671    | 5,463,805                  | 6,835,476   | 24,421,800            | 28.0%                                     | 22.4%  |                                      |
| EXETER            | 450,000      | 636,546                    | 1,086,546   | 12,982,540            | 8.4%                                      | 4.9%   |                                      |
| FOSTER            | 76,748       | 146,681                    | 223,429     | 12,840,884            | 1.7%                                      | 1.1%   |                                      |
| GLOCESTER         | 165,480      | 4,096,583                  | 4,262,063   | 27,565,602            | 15.5%                                     | 14.9%  |                                      |
| HOPKINTON         | 148,788      | 3,240,056                  | 3,388,844   | 23,200,897            | 14.6%                                     | 14.0%  |                                      |
| RICHMOND          | 0            | 2,778,282                  | 2,778,282   | 21,633,623            | 12.8%                                     | 12.8%  |                                      |
| W. GREENWICH      | 0            | 2,056,683                  | 2,056,683   | 17,827,213            | 11.5%                                     | 11.5%  |                                      |

**RI AVERAGE RI AVERAGE**

|              |                   |                    |                    |                      |             |             |                    |
|--------------|-------------------|--------------------|--------------------|----------------------|-------------|-------------|--------------------|
| <b>TOTAL</b> | <b>77,216,037</b> | <b>142,755,337</b> | <b>219,971,374</b> | <b>3,122,128,721</b> | <b>7.0%</b> | <b>4.6%</b> | <b>-27,061,476</b> |
|--------------|-------------------|--------------------|--------------------|----------------------|-------------|-------------|--------------------|

**RI MEDIAN RI MEDIAN**  
9.3% 8.0%

1 East Providence 10/31/09

2 Total Revenues consist of General Fund & School Unrestricted Revenues (FY 2010 Adopted Budget Survey).

Source: Data compiled by RI League of Cities and Towns from audited financial statements.

**Rhode Island Cities and Towns  
Balance Sheet: Change - FY 2009 to FY 2010  
General Fund**

| Municipalities    | General Fund     |                            |                  | Total (2)<br>Revenues | General<br>Fund Bal as<br>% of<br>Revenue | Unreserved<br>Undesig as %<br>of Revenue | School<br>Deficit<br>Fund<br>Balance |
|-------------------|------------------|----------------------------|------------------|-----------------------|---|--|--------------------------------------|
|                   | Reserved         | Unreserved<br>Undesignated | Total            |                       |   |  |                                      |
| <b>Urban</b>      |                  |                            |                  |                       |   |  |                                      |
| CENTRAL FALLS     | -38,522          | -2,304,073                 | -2,342,595       | 293,870               | -797.2%                                   | -784.0%                                  | -                                    |
| NEWPORT           | 64,255           | 1,164,711                  | 1,228,966        | -4,425,774            | -27.8%                                    | -26.3%                                   | -                                    |
| PAWTUCKET         | -492,349         | 2                          | -492,347         | -29,481,867           | 1.7%                                      | 0.0%                                     | 1,243,416                            |
| PROVIDENCE        | 1,378,000        | -15,281,000                | -13,903,000      | -22,689,365           | 61.3%                                     | 67.3%                                    | -                                    |
| WOONSOCKET        | 23,513           | -358,034                   | -334,521         | -154,297              | 216.8%                                    | 232.0%                                   | (2,324,542)                          |
| <b>Urban Ring</b> |                  |                            |                  |                       |   |  |                                      |
| CRANSTON          | 109,021          | -460,576                   | -351,555         | 3,665,384             | -9.6%                                     | -12.6%                                   | 1,694,779                            |
| E. PROVIDENCE(1)  | 784,553          | -1,145,557                 | -361,004         | 3,046,772             | -11.8%                                    | -37.6%                                   | (956,635)                            |
| N. PROVIDENCE     | -25,200          | 1,618,126                  | 1,592,926        | 1,143,256             | 139.3%                                    | 141.5%                                   | (824,987)                            |
| WARWICK           | 4,720,475        | 945,842                    | 5,666,317        | -1,332,518            | -425.2%                                   | -71.0%                                   | 1,353,339                            |
| W. WARWICK        | 537,128          | 1,715,205                  | 2,252,333        | 268,750               | 838.1%                                    | 638.2%                                   | 361,069                              |
| <b>Suburban</b>   |                  |                            |                  |                       |   |  |                                      |
| BARRINGTON        | 837,541          | 272,519                    | 1,110,060        | 2,179,022             | 50.9%                                     | 12.5%                                    | -                                    |
| CUMBERLAND        | 383,536          | -2,018,227                 | -1,634,691       | -442,751              | 369.2%                                    | 455.8%                                   | -                                    |
| E. GREENWICH      | -267,287         | 1,822,785                  | 1,555,498        | 24,497                | 6349.7%                                   | 7440.8%                                  | -                                    |
| JAMESTOWN         | -33,094          | -210,513                   | -243,607         | 174,645               | -139.5%                                   | -120.5%                                  | -                                    |
| JOHNSTON          | -92,365          | 428,615                    | 336,250          | -3,266,360            | -10.3%                                    | -13.1%                                   | -                                    |
| LINCOLN           | 318,992          | -172,151                   | 146,841          | -1,834,096            | -8.0%                                     | 9.4%                                     | -                                    |
| MIDDLETOWN        | -392,215         | 336,572                    | -55,643          | -3,791,832            | 1.5%                                      | -8.9%                                    | -                                    |
| NARRAGANSETT      | 91,144           | 2,215,963                  | 2,307,107        | 2,384,293             | 96.8%                                     | 92.9%                                    | -                                    |
| N. KINGSTOWN      | 20,284           | 142,353                    | 162,637          | -860,666              | -18.9%                                    | -16.5%                                   | -                                    |
| PORTSMOUTH        | -163,536         | 826,973                    | 663,437          | 768,621               | 86.3%                                     | 107.6%                                   | -                                    |
| SMITHFIELD        | 740,936          | -17,573                    | 723,363          | -568,203              | -127.3%                                   | 3.1%                                     | -                                    |
| WESTERLY          | 389,000          | -252,193                   | 136,807          | -558,236              | -24.5%                                    | 45.2%                                    | -                                    |
| BRISTOL           | -205,118         | -1,980,400                 | -2,185,518       | -3,751,747            | 58.3%                                     | 52.8%                                    | -                                    |
| WARREN            | -1,525,105       | 1,905,550                  | 380,445          | 70,404                | 540.4%                                    | 2706.6%                                  | -                                    |
| <b>Rural</b>      |                  |                            |                  |                       |   |  |                                      |
| BURRILLVILLE      | 519,309          | 1,193,432                  | 1,712,741        | 51,686                | 3313.7%                                   | 2309.0%                                  | -                                    |
| COVENTRY          | -227,166         | 1,634,051                  | 1,406,885        | -1,436,450            | -97.9%                                    | -113.8%                                  | 300,956                              |
| LITTLE COMPTON    | -159,307         | -6,787                     | -166,094         | 61,268                | -271.1%                                   | -11.1%                                   | -                                    |
| NEW SHOREHAM      | -146,769         | -870,377                   | -1,017,146       | 91,450                | -1112.2%                                  | -951.8%                                  | -                                    |
| N. SMITHFIELD     | 86,606           | 0                          | 86,606           | 211,124               | 41.0%                                     | 0.0%                                     | -                                    |
| SCITUATE          | -56,288          | 1,144,066                  | 1,087,778        | 351,976               | 309.0%                                    | 325.0%                                   | -                                    |
| S. KINGSTOWN      | -23,655          | -50,298                    | -73,953          | -1,049,388            | 7.0%                                      | 4.8%                                     | -                                    |
| TIVERTON          | 0                | 1,215,775                  | 1,215,775        | 79,722                | 1525.0%                                   | 1525.0%                                  | -                                    |
| CHARLESTOWN       | 931,630          | -385,950                   | 545,680          | 595,280               | 91.7%                                     | -64.8%                                   | -                                    |
| EXETER            | 50,000           | 177,718                    | 227,718          | -220,892              | -103.1%                                   | -80.5%                                   | -                                    |
| FOSTER            | -71,820          | 191,234                    | 119,414          | -750,328              | -15.9%                                    | -25.5%                                   | -                                    |
| GLOCESTER         | 61,675           | 269,868                    | 331,543          | 139,662               | 237.4%                                    | 193.2%                                   | -                                    |
| HOPKINTON         | 134,159          | 44,343                     | 178,502          | -299,352              | -59.6%                                    | -14.8%                                   | -                                    |
| RICHMOND          | 0                | 254,237                    | 254,237          | -193,250              | -131.6%                                   | -131.6%                                  | -                                    |
| W. GREENWICH      | -100,558         | 1,092,863                  | 992,305          | 374,768               | 264.8%                                    | 291.6%                                   | -                                    |
| <b>TOTAL</b>      | <b>8,161,403</b> | <b>-4,900,906</b>          | <b>3,260,497</b> | <b>-61,130,922</b>    | <b>-5.3%</b>                              | <b>8.0%</b>                              | <b>847,395</b>                       |
|                   |                  |                            |                  |                       | <b>RI AVERAGE</b>                         | <b>RI AVERAGE</b>                        |                                      |
|                   |                  |                            |                  |                       | <b>1.7%</b>                               | <b>3.1%</b>                              |                                      |
|                   |                  |                            |                  |                       | <b>RI MEDIAN</b>                          | <b>RI MEDIAN</b>                         |                                      |

1 East Providence 10/31/09

2 Total Revenues consist of General Fund & School Unrestricted Revenues (FY 2010 Adopted Budget Survey).

Source: Data compiled by RI League of Cities and Towns from audited financial statements.

# Rhode Island Municipal Pension Plans - Percentage of Annual Required Contributions Made - Fiscal Years 2009, 2010

| Attachment 2<br>Municipality |   | 2009           |      | 2010           |      | Comments  | Unf Act Liability | % Funded |
|------------------------------|---|----------------|------|----------------|------|---|-------------------|----------|
|                              |   | ARC            | %    | ARC            | %    |   |                   |          |
| Bristol                      | Police Pension Plan (prior to 3/22/98)                              | \$ 640,220     | 100% | \$ 770,003     | 112% | consistently funding at least 100% since 2007   | \$ 8.6            | 59.2%    |
| Central Falls                | Police & Fire John Hancock (after 7/1/72)                           | 2,573,298      | 0%   | 2,573,298      | 0%   | substantial underfunding of ARC   | 33.6              | 16.2%    |
|                              | Police & Fire 1% (prior to 7/1/72)                                  | 1,265,866      | 100% | 1,260,491      | 100% | consistently funding at least 100% of ARC   | 13.0              | 8.8%     |
| Coventry                     | Town's Municipal EE Retirement Plan                                 | 806,558        | 89%  | 806,558        | 68%  | substantial underfunding of ARC - see Note 3  | 8.9               | 30.0%    |
|                              | Police Pension Plan   | 3,084,953      | 83%  | 3,084,953      | 74%  | substantial underfunding of ARC - see Note 3  | 36.6              | 17.0%    |
|                              | School EE's Pension Plan  | 1,974,659      | 35%  | 1,974,659      | 35%  | substantial underfunding of ARC - see Note 4  |                   |          |
| Cranston                     | Police & Fire EE's Pension Plan (prior to 20,062,219)               | 20,062,219     | 95%  | 21,507,692     | 90%  | mostly consistent funding of ARC  | 244.8             | 15.8%    |
| Cumberland                   | Town of Cumberland's Pension Plan                                   | 1,135,722      | 100% | 1,315,293      | 16%  | suspended contributions in FY 2010  | 12.6              | 44.6%    |
| East Providence              | Firemen's & Policemen's Pension Plan                                | 6,256,502      | 25%  |                | 25%  | substantial underfunding of ARC - See Note 2  | 57.1              | 52.4%    |
| Jamestown                    | Police Pension Plan   | 139,929        | 123% | 285,616        | 90%  | consistently funding at least 100% of ARC   | 0.1               | 99.3%    |
| Johnston                     | Police  | 3,338,000      | 84%  | 3,464,000      | 87%  | declining funding of ARC  | 37.2              | 27.6%    |
| Lincoln                      | Fire (prior to 7/1/99)  | 3,704,000      | 76%  | 3,834,000      | 93%  | declining funding of ARC  | 47.6              | 26.8%    |
|                              | Town Retirement Plan  | 386,977        | 100% | 618,012        | 93%  | consistently funding at least 100% of ARC   | 5.7               | 71.9%    |
| Little Compton               | Town Employees Other than Certified Teachers                        | 424,375        | 80%  | 507,896        | 84%  | declining funding of ARC  | 2.8               | 64.3%    |
| Middletown                   | Town Plan   | 2,715,725      | 95%  | 2,839,777      | 106% | mostly consistent funding of ARC  | 12.9              | 75.8%    |
| Narragansett                 | Police Plan (prior to 7/1/78)                                       | 77,093         | 0%   | 76,825         | 156% | pay-as-you-go;  | 0.9               | 0.0%     |
|                              | Town Plan   | 2,462,870      | 55%  | 1,654,965      | 94%  | substantial underfunding of ARC   | 23.1              | 69.9%    |
| Newport                      | Firemen's Pension Plan  | 3,310,657      | 105% | 3,781,258      | 103% | consistently funding at least 100% of - see Note 7  | 51.2              | 37.6%    |
| North Providence             | Policemen's Pension Plan  | 2,406,091      | 103% | 2,470,822      | 111% | consistently funding at least 100% of ARC - see Note 7  | 32.6              | 56.4%    |
|                              | Police Pension Plan   | 1,529,633      | 54%  | 1,459,506      | 51%  | declining funding of ARC  | 9.4               | 68.5%    |
| Pawtucket                    | Pre 1974 Policemen & Firemen (pay-as-Post 1974 Policemen & Firemen) | 790,725        | 82%  | 10,154,357     | 96%  | funded on a pay-as-you-go basis - see Note 8<br>Increased funding to close to 100% in FY 2010 | 130.4             | 29.6%    |
| Portsmouth                   | Employees of the Town of Portsmouth                                 | 8,117,103      | 60%  | 2,590,523      | 100% | consistently funding at least 100% of ARC   | 21.3              | 60.6%    |
| Providence                   | ERS of the City of Providence                                       | 2,346,316      | 100% | 51,299,000     | 96%  | mostly consistent funding of ARC  | 828.5             | 34.1%    |
| Scituate                     | Police Pension Plan   | 48,509,000     | 100% | 683,831        | 85%  | mostly consistent funding of ARC  | 7.5               | 23.4%    |
| Smithfield                   | Police (prior to 7/1/99)  | 472,897        | 95%  |                | n/a  | pay-as-you go for 40 retirees - see Note 9  | 19.2              | 11.4%    |
| Tiverton                     | Fire Pension Plan   | 1,044,019      | 54%  | 1,452,418      | 39%  | substantial underfunding of ARC   | 3.8               | 74.1%    |
|                              | Policemen's Pension Plan  | 711,225        | 100% | 1,023,362      | 0%   | suspended contributions in FY 2010  | 8.9               | 38.8%    |
| Warwick                      | City Employees Pension Plan   | 3,340,223      | 100% | 3,973,247      | 100% | consistently funding at least 100% of ARC   | 21.4              | 79.2%    |
|                              | Police Pension II Plan  | 2,369,750      | 100% | 2,062,481      | 100% | consistently funding at least 100% of ARC   | -2.4              | 104.9%   |
|                              | Police Pension I & Fire Pension Plan                                | 19,551,645     | 65%  | 19,638,790     | 67%  | substantial underfunding of ARC in past three years   | 210.4             | 26.6%    |
| West Warwick                 | Fire Pension Plan II  | 1,535,840      | 100% | 1,594,677      | 100% | consistently funding at least 100% of ARC   | 0.4               | 97.0%    |
|                              | Warwick Public Schools Employee                                     | 1,569,248      | 100% | 2,195,400      | 100% | consistently funding at least 100% of ARC since 2008  | 9.7               | 76.9%    |
| Westerly                     | Town Plan   | 4,676,096      | 21%  | 5,799,056      | 43%  | substantial underfunding of ARC   | 84.1              | 29.7%    |
| Woonsocket                   | Police Pension Plan   | 1,249,700      | 88%  | 1,458,500      | 88%  | underfunding of ARC - see Note 6  | 12.4              | 55.2%    |
|                              | Police (pre 7/1/80) & Firemen's (pre 7/1/85)                        | 1,518,900      | 2%   | 2,705,110      | 0%   | Note 5  | 29.0              | 70.0%    |
| <b>Totals:</b>               |   | \$ 156,098,034 |      | \$ 160,916,376 |      |   | \$ 2,023          |          |