

DEPARTMENT OF CITY CLERK

CITY HALL

JUNE 24, 1996

The Committee on Finance meets this day in Committee Room "A",
Department of City Clerk.

PRESENT: Chairwoman Fagnoli, Vice Chairman Rollins, Councilwoman
Nolan-3.

ABSENT: Councilman Igliazzi, Councilman Mancini-2.

Also present are Patricia McLaughlin, Deputy City Solicitor, Thomas
Deller, Deputy Director of Planning & Development; Mark Merlino, Planning &
Development; Steven Lombardi, Executive Director, Civic Center; Michael R.
Clement, City Clerk and Anna M. Stetson, Assistant Clerk.

BUDGET DISCUSSIONS

PROVIDENCE CIVIC CENTER

CHAIRWOMAN FARGNOLI: I would like you to tell us about the
Efficiency Report and what changes you have made since then that would correct
some of the deficiencies of the past.

MR. LOMBARDI: I have a memo dated today that starts talking about the
layoffs, and if you look at full staffing which goes back to 1993, 1992 and below
that, a full staffing budget at the Civic Center was \$742,000, that's June, July and
August. Then in 1995 we got it down to \$474,000 and this year we have it down to
\$356,000, and that's a combination of the ideas of the efficiency committee and a
consultant. That represents an additional savings of \$118,000. Most of that is not
in this budget for 1996, 1997. So you could reduce the expenses or the budget
requests from us by approximately \$60,000. The annual savings due to non
replacement of terminated employees is \$98,000. That represents 5 employees
that have left the Civic Center and through attrition we have decided not to replace
them.

MR. WOERNER: Has that been replaced too?

MR. LOMBARDI: No, you could not take that out of the budget.

COUNCILWOMAN NOLAN: Why, has it already been taken out?

MR. LOMBARDI: Yes. That portion has been. We are showing that we
have decided and agreed not to replace that personnel. We are looking at
employee benefits to review that. That's one thing the consultant and the
efficiency committee has asked us to do. We do feel that the benefit costs are
reasonable for the most part, although we are looking at it to make sure, and the
efficiency committee will be meeting shortly to work that through.

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Potential Bookings: The whole area of potential bookings, the revenue for some of those events is not in the budget, so there is the potential to do better on the revenue side, and I am still booking new events and still probably will book new events for the next two or three months, but that small list, some of those events are not in the budget. The USA hockey game is not in there. Indoor Motorcross is not in there. The Ultimate Fighting Championships are not in there because of obvious reasons. The Amway Internet convention is not in the budget. So there is some potential for some considerable revenue under this.

As I have said before, our feeling is that our charge to generate economic impact events, we are proud to say that we are going to be hosting the NCAA Hockey Tournament in the year 2000. That means millions of dollars for this community and I think we did our job extremely well. I am optimistic that beyond the hockey in the year 2000, we will have other NCAA events to book as well. I would also like to say that as far as the efficiency committee stated, we did submit and had approved by the authority an emission statement. The Civic Center had in it's enabling act legislation, awards that were involved with the mission statement, but the Civic Center decided to adopt...that's included in the packet as well. That was part of the efficiency committee recommendation. I want to point out that the Civic Center reviews it's bills with the Finance Department on a regular basis. I also want to point out that the Civic Center budget is essentially the same as it's been. The reason for the additional \$200,000 is that we are losing the \$200,000 payment that we obtained from the Convention Center. I think very importantly, the Civic Center, for the first time in it's 24 years of it's existence has been lobbying very hard to get state aid. I believe very strongly that state aid should be part of the Civic Center equation. As I have said at this table many times in the past, a lot of the benefits of the Civic Center accrue to the State and I would urge the City Council to get behind this. I understand that a resolution is being contemplated for us to get state aid. I can tell you that the Civic Center is doing it's best with the Mayor's office and I hope the City Council would help us too, because so much of the benefit goes to the state.

Those are some introductory remarks. I am prepared to discuss the budget with you. I have Don LeFluer and Dean Rouselle from my staff. Don is the controller. He had a lot to do with putting the budget together. The expense side of our budget is pretty consistent with the past. The revenue side we are still working on. I just mentioned some things that could be added to the revenue side.

COUNCILWOMAN NOLAN: Last year we subsidized the Civic Center with \$600,000. This year we are being asked to subsidize it with \$800,000. I look at your budget and I see very little difference. The extra \$200,000 is simply replacing what you got from the Convention Center. I see very little change in expenses or revenues. If you are doing what you are supposed to be doing in the report that was just done, I don't see any significant savings.

MR. LOMBARDI: Some of the savings are not in there because of the fact that since we decided to go with this implementation of the further layoffs in the 1996 staffing, they are not in this budget. So of that additional \$118,000, some of that is in the budget, and some of it isn't. We could probably amend it to save about \$60,000. Secondly, we still have the same amount of events. Our event load has not decreased. The Civic Center is as busy as it's pretty much ever been. The problem is that the most profitable things for the Civic Center are not there like they used to be. That's a fact of life in the arena industry.

COUNCILWOMAN NOLAN: We have been hearing that for the last five years. Obviously you have tried. You have brought in other things like the hockey and the skating, but we still are running in a deficit.

MR. LOMBARDI: I don't see how that dramatically can be changed without reducing greatly the quality of the events. The reason we have hockey coming back in the year 2000 is that we do the events right.

COUNCILWOMAN NOLAN: I really strongly feel that the State of Rhode Island has to step forward because we just don't have the money. If we had received a benefit, that would be a different story. The City of Providence does not receive benefit. The State of Rhode Island receives the benefits. I personally don't want to put \$800,000 in the budget because I think you will spend it and then next year it will be a million dollars. Then the year after that it will be a million, two, and it will keep going up. I personally would like to put less than that so that you would have something to reach for as far as savings.

MR. LOMBARDI; We haven't increased our expenses in this budget. It's pretty much flat from our projections of 1995/96 and the 1996/97. Our expenses are flat. We have not increased the expenditures. We come in even. Almost to the penny in terms of what we project. We are not here saying that we need more money because of expenses that we couldn't control. We are here because of \$200,000 was taken away from us by the state.

COUNCILWOMAN NOLAN: That's who you should be going after. It reminds me of the library. The state slowly dropped their participation, what they

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gave to the libraries and the city was supposed to pick up the slack, and this is the same situation here now. We can do it to a certain extent.

MR. LOMBARDI: I sympathize. When I come here, it's not because I feel that the City Council should bear the whole burden of this and not the state. I have been a leading proponent of getting the state to contribute because I have been pointing out consistently that metropolitan areas of 150,000 with 55 percent tax exempt property. That's a tremendous burden for them to carry a modern state of the art Civic Center. I am not here because we can't control our expenses, I am here because of the economics of the situation, it's a systemic thing. I think we have shown them that we can keep our expenses under control. Again, the whole point is that I really feel, despite the fact that we have out of necessity for money, we have done the City of Providence and the State of Rhode Island by the events that we have done, and the fact that these big time, major league events choose to come back to us time and time again. We have done it with keeping the expenses low.

CHAIRWOMAN FARGNOLI: The staffing that you show for 1996, you brought it down to \$356,693.00. The \$98,000 in Section B, your latest report, June 24, doesn't show the savings anywhere.

MR. LOMBARDI: Some of that was actually in 1995/96. Some of those people during this time choose to leave the Civic Center for whatever reason, and during the course of the year, while that report was going on, we choose not to replace them, so a lot of that savings is in 1995/96 and we have chosen to stay with that 1996/97, so we essentially feel that we are running shorthanded.

CHAIRWOMAN FARGNOLI: How many employees do you have now? How many full time and how many part time?

MR. LOMBARDI: Part time, probably about 200, but there's tremendous turnover. We only use some of them on a given night because we need them on evenings and weekends. As far as full time, that number is approximately 45.

CHAIRWOMAN FARGNOLI: Is the box office open all the time?

MR. LOMBARDI: The box office is open 10-4 in the summer, not on weekends. During the year it is open 10-6 and on weekends.

CHAIRWOMAN FARGNOLI: That staff has been diminished somewhat.

MR. LOMBARDI: We are operating the box office with two people right now. One manager and one bargaining unit person.

CHAIRWOMAN FARGNOLI: Have you had any over time in the past year.

MR. LOMBARDI: Not since the season was running strong back in February, March.

MR. WOERNER: Looking at the management study and it said that currently it had 58 opposed to 37, do you still intend to go that far?

MR. LOMBARDI: I would like to address that too. In the letter that I sent, we will be conducting negotiations this summer into the fall with 1033. The bulk of those cuts are in 1033. That was a recommendation that the consultant made, but the consultant also recognized the fact that we had union contracts and a union situation that we would have to deal with. We are going to be looking at the possibility, but how to get there and if it's possible to get there, we are not sure, that's the subject of our discussions internally. I want to clarify that. We never said that we were going to get to that, but that was what the consultant suggested we take a look at.

CHAIRWOMAN FARGNOLI: You need the security at the Civic Center all the time? Inside security. You have ushers and you have security people standing around, but these are not police officers. Are those essential?

MR. LOMBARDI: Yes.

CHAIRWOMAN FARGNOLI: For what reason, they don't help you find a seat if you need a seat.

MR. LOMBARDI; They solve the security problem. We have to have security there. There is no arena, no ballpark that doesn't have security. That's essential.

CHAIRWOMAN FARGNOLI: How many do you have in there.

MR. LOMBARDI: If it's a concert, 50. If it's a family show like Disney, 4-6. It doesn't cost us anything. We charge it back to the event holder. Most of it is charged back. We have a very good record of very few incidents. That's what makes the Civic Center safe. We have countless ways to get into the Civic Center. There's always problems with crowd control. We have had very few incidents. You have to have a security presence. The ushering staff does not have the capability to deal with crowd control problems. Crowd control problems with over a million people coming into that building would be commonplace with out security. They are trained, they know CPR, and there are all kinds of things that happen on a given night. You are talking about the basics of running the area. I feel that we are in this business and we have to do it right.

CHAIRWOMAN FARGNOLI: How many cars do you have at your disposal?

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MR. LOMBARDI: Three.

CHAIRWOMAN FARGNOLI: Are they all essential?

MR. LOMBARDI: They were part of the package that the employees had negotiated through their compensation.

CHAIRWOMAN FARGNOLI: They negotiated with whom?

MR. LOMBARDI: The two cars other than mine, one was inherited and the other was given to the Marketing Director on his coming to the Civic Center. Total of three cars.

CHAIRWOMAN FARGNOLI: Do they maintain those cars themselves, or do they have expense accounts?

MR. LOMBARDI: Neither one. There are no expenses relative to those cars for those two employees. Those are borne by the advertiser who supplies the cars.

COUNCILWOMAN NOLAN: The advertiser supplies those cars?

MR. LOMBARDI: That's a car for me, the Marketing Director and the Box Office Director.

CHAIRWOMAN FARGNOLI: Why does the box office manager need a car?

MR. LOMBARDI: The box office manager, prior to my getting there, negotiated with my predecessors, and that was part of his compensation. Instead of at one point getting a raise, he got a car.

CHAIRWOMAN FARGNOLI: Is he in the union?

MR. LOMBARDI: No.

COUNCILWOMAN NOLAN: What does the advertiser get out of this?

MR. LOMBARDI: The advertiser gets the exposure of the sign of the Civic Center.

CHAIRWOMAN FARGNOLI: Wouldn't that be more money for the Civic Center.

MR. LOMBARDI: They would not spend money cash wise that way, they would rather take a car off the fleet, let the Civic Center use it, take it back and do whatever else they want to do than to spend cash. That's not something that they will do, but they will give you a car for a sign. I don't see that as impacting this budget.

CHAIRWOMAN FARGNOLI: It's dollars that make thousands and thousands that make more thousands.

MR. LOMBARDI: I don't think the car advertisers would pay for advertising.

CHAIRWOMAN FARGNOLI: You would have to pay for advertising if you were advertising on a billboard or anywhere else, so why can't you pay advertising to the Civic Center to keep your name in lights.

MR. LOMBARDI: We are getting into advertising details, but a much more effective cash buy would be on TV or in the newspaper.

COUNCILMAN ROLLINS: How much money would they produce if they had to pay the advertiser?

MR. LOMBARDI: \$5,000.

COUNCILMAN ROLLINS: \$5,000 is nothing.

MR. WOERNER: The question is whether an auto dealer wants or doesn't want that space, what is that space worth?

MR. LOMBARDI: When you talk about my view, we are only talking about one car. The Marketing Director deserves the car because that is what he goes out and sells. When the Marketing Director got there in 1991, we sold about \$100,000 in advertising. Since then our annual amount is up to \$420,000. In any other sales you get the incentive pay, the only incentive he got was to keep his car.

CHAIRWOMAN FARGNOLI: Your marketing person, is he there to sell ads, or is he there to sell events.

MR. LOMBARDI: Both. I only have one person doing both jobs.

COUNCILWOMAN NOLAN: The problem I have looking at the budget is there's very little variation from year to year. It's the same cost. There doesn't seem to be any decrease. There are some increases. I am looking at this year's compared to last year's.

MR. LOMBARDI: We have the same amount of events. It takes the same amount of people to run the events properly. We have skeleton of non union staff, so it's difficult to have too much variage. We are down five jobs since last year, but there are probably two or three that are ahead of the game from before that, so if you go back seven years ago, we are probably 8 or 9 people ahead. As far as the events are concerned, it's pretty much dictated by the size of the crowd and the type of event it is. It can't vary too much. The first time that you cut it is when you have your security problems.

COUNCILWOMAN NOLAN: Are your temporary workers included in your salary projections, and how many temporary workers do you have this versus how many you had last year.

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MR. LOMBARDI: The rooster is probably the same, but I couldn't tell you how many this year versus last year.

COUNCILWOMAN NOLAN: The details are very sketchy.

MR. LEFLUER: It's the same number. We had about 300 people that we call. Some of them may or may not work. Some work regularly. Some may only work once every month. There is a question of staffing the event. If you need 25 people for a hockey game, it's not going to be the same 25 every night. We have about 80 people we will schedule, based on their ability. That works with security, the control area which are the ushers, the ticket takers and the box office people, the ticket sellers, the people who work the events, only work the events. That's where our temporary work force is. If there are no events, they are not going to work.

COUNCILWOMAN NOLAN: There are no additional employees this year?

MR. LOMBARDI: I have mentioned that. It says we have not added to the staff, but we have hired people. But there is a tremendous amount of attrition on the staff. You have to hire people because you have to make sure there are people working a given event. There are sometimes 10 events a week.

CHAIRWOMAN FARGNOLI: There is an expense item called "Credit Card Fees", it's for \$60,000.

MR. LOMBARDI: That's for when somebody goes to buy a ticket at the box office through their Master Card or Visa, it's the percent that any merchant would have to pay. The recoupment of that is going to be put in the other revenue.

Regarding the study, the consultant, and the plan on reducing the full time work force, the consultant said in that report that we really couldn't say in terms of the number of man hours, so if we were to replace the full time employees, they would be replaced by part timers, so there's not a lot of lee-way in terms of saving hours. If that were to happen, it would save on benefits and full time wages. So I think the consultant after reviewing us for months, felt that we were running events with right amount of manpower.

COUNCILWOMAN NOLAN: What is the "union hall charges" for \$155,000.

MR. LOMBARDI: Those are people that are called out of the union hall for temporary/part time work as we need them. If we have a big turnover at night, or a cleanup at night, they are called in that way.

COUNCILWOMAN NOLAN: So if we were to ask you where in this budget could you save some money, what would you answer?

MR. LOMBARDI: I would say that for the last three to four years, for the first time in 20 years we have been laying off people very deeply which caused some problems, but we dealt with that, but we are going even deeper this year than that. We are going to save another \$50,000. From 1995 to 1996 we are going to save \$120,000. \$60,000 has not shown up in this budget, but that will be amended and be reduced by \$60,000. I don't know if there is much that we can do beyond that. We have a very old building in terms of repairs. We feel that the state or the city needs to put some money into the building. It's not the first time I have said that, because I have taken the pay me now, pay me later kind of thing. The point is the staff has to deal with the building and it hasn't been repaired, so therefore, I know we have put man-hours into keeping the building up. I understand there isn't money for capital improvements, but you have to understand that we have to do engineering repairs, plumbing repairs and all those kinds of things. I think this thing has been cut up as much as it can, other than the \$60,000.

CHAIRWOMAN FARGNOLI: You have here amounts due the City of Providence for Police Details and Fire Details. You owe and you have not paid. You owe Blue Cross premiums to the City of Providence that you have not paid. You haven't paid for the audit fees either. Have you paid those utilities?

MR. LOMBARDI: We are saying that we are behind in those right now.

COUNCILWOMAN NOLAN: So you are almost \$8,000 behind as we speak. Where are you going to get that money?

MR. LOMBARDI: We are working with the Finance Department on that. I attached a sheet that goes back from 1989/90 to 1995/96 that shows the accumulative deficit of \$2 million dollars.

COUNCILWOMAN NOLAN: I think it's so unfair that the police department took all that back.

MR. WOERNER: Has there been any progress in selling the name.

MR. LOMBARDI: We have been turned down in a lot of different ways. We are still talking to some people, but we are not close. It's not easy with a 25 year old building, they usually attach it to a new building.

COUNCILWOMAN NOLAN: Do you think that we could privatize the Civic Center.

MR. LOMBARDI; I think if you privatize, the private management company would have capital improvements as an issue and the union contract, so

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the whole labor situation is an issue. So those are issues that no matter who is sitting in my chair they would have to deal with.

CHAIRWOMAN FARGNOLI: You are showing a deficit of \$2 million.

MR. LOMBARDI: Cumulative. That shows \$800,000 in payable. We are showing you why we have that in payables because if you look at 5 years, the paper deficit is over \$2 million dollars.

COUNCILWOMAN NOLAN: That deficit, if you add in what the city has subsidized over the past few years, does that wipe out that deficit.

MR. LOMBARDI: That's in there. It also shows that we paid \$400,000 in 1989/90.

CHAIRWOMAN FARGNOLI: So you really have not had a balanced budget since 1989.

MR. LOMBARDI: I would like to say one more thing. It's very easy to look at the pre Great Woods and the pre concert situation and other buildings are in the same situation. We are down in terms of revenues for those days of concerts \$750,000 a year and trade shows \$250,000 a year. Just those two categories alone are a million dollars a year. That's what has happened to us. There is an oversaturation of buildings.

COUNCILMAN MANCINI: Steve makes a good issue, but at the same time he was able to book a lot of things that benefit the state. We know how tough it is to get the state to...everybody on the authority are trying their best. We just hate to see the day when we try to sell the Civic Center. They are doing a good job.

MR. LOMBARDI: We are trying to do the best we can.

COUNCILWOMAN NOLAN: How much did you ask the state for.

MR. LOMBARDI: There's basically a form that they add to the PILOT. It works out between \$250,000 and \$500,000.

CHAIRWOMAN FARGNOLI: I really think the council should make an effort to support this legislation. Maybe the Legislative Committee can vote on a resolution in support of it.

MR. LOMBARDI: We don't come here asking for support thinking it's an open checkbook. We come here because that's what we think it costs to operate the Civic Center, and it's unfortunate for both of us how this is structured and the State is not involved. We have more things in common than you would think. I feel that way strongly. We are just trying to keep the events coming to keep Providence on the map until the state situation is resolved.

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DEPARTMENT OF PLANNING & DEVELOPMENT

MR. PALMIERI: The budget has been amended by the Finance Department and I believe their budget is in their possession. It's been amended slightly to be more accurate for certain expenses for the coming year. There are minor corrections that have been made by the Finance Department.

COUNCILWOMAN NOLAN: Why does it take \$607,000 to deliver your housing program when the amount in CDBG is a little over \$700,000. Why is half the cost of the housing program administrative costs.

MR. PALMIERI: We do make an allocation to the non profit housing corporations of about \$800,000 in total. The delivery component is different from the sum that appears for the non profit. Those are administrative costs that we provide in the way of grant support. The housing program delivery component represents those personnel costs that we make available to administer programs that the Providence Plan Housing Program administers. I think the difference is those individuals within our housing division are responsible for providing a variety of service to the Providence Plan Housing Corporation as well as some of the support services to our economic development division. Some support services that are associated with the housing non profit grants that we give of \$800,000. The distinction is that we have several individuals within our housing division that are responsible for doing inspections, work write offs, technical assistance support service type activities for the housing programs that are primarily administered by the housing corporation and those are direct program costs that are incurred through that unit for those services. They are not related to roughly \$800,000 for the non profit housing corporations. That's really a separate activity altogether. These are work orders, inspections. In anticipating this question, we collected information on the number of inspections, progress payment reports that the personnel within the department. In the past three years we made a total of 774 inspections, primarily for the housing corporation. There are a variety of programs including the paint the town programs that we do for the housing corporation. Staff within our department have been employed to provide those services to PPHC. We do have a breakdown of the personnel.

CHAIRWOMAN FARGNOLI: We have asked you many times about a sidewalk program, even if it were a program where the taxpayers paid a portion of it. At least it would keep up the appearance of the neighborhood and we wouldn't have these bad sidewalks to be faced with.

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MR. PALMIERI: The Mayor has charged the housing committee to look at ways and means, and not only to repair housing conditions, but in providing access to capital for sidewalks, etc. Sidewalk improvements are critical to home improvement also. That is one of the issues that we over the next 90 days are going to be examining. There are so few federal dollars and state dollars and other grant funds available for those necessary improvements. I think that what we try to do is examine every possible way to provide that resource.

Mr. Woerner sent us a series of questions and we answers in writing. One of the questions has to do with what we are doing to make our operation more efficient and effective. The technologies that exist now and we are tying into will enable us to do a better job.

MR. DELLER: Several months ago we discussed with the Tax Assessor's and the city's Data Processing Department, the fact that we needed to create a citywide data system that helped us as a group to work together to better carry out city programs. I had printed out draft maps. We have been working with the Providence Plan to get all the Tax Assessor's maps in the computer. We have the 1994 aerial photography from the Narragansett Bay Commission. There are a few errors on that that need to be adjusted. By the end of this week we will have all tax information, zoning lines, redevelopment areas, historic districts in the computer. We are also working to tie all the data programs into the system. All our information programs, everything that we generate will be tagged to a street address, plat or lot so that we can tie all of our data together and generate reports. It's a lengthy process and we are working together with this group. Once this mapping is complete, we hope to have a city wide department meeting probably in August or September with the demonstration of what we have and try to get everyone linked together. Lisa Vitullo feels that this is very good technology to move ahead. It's there and it's something that we can have now. It will be useful. We really feel that the Tax Assessor's plat and lot is the base in which to tie all the data. We have moved ahead with this, and with this steering committee we are seeking funding with the State of Rhode Island to continue this work and pull public works, police and fire in. Hopefully we can get this funding and we can continue to build on this system. Right now, given the programs that we have chosen to use, that if everyone moves to the same basic data programs and works to create a data systems, that anything that is tied into a street address or plat or lot will be able to be mapped out on the city's maps and tracked. We feel that the plat and lot number, the street address is the way to tag all data. We hope that by next

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year when we do the Community Development budget, we can feed that information in and we can map out for you where the different organizations are located, so you can see where they are located.

CHAIRWOMAN FARGNOLI: I hope the Recorder of Deeds is on this too.

MR. DELLER; They helped to create. Under the federal transportation dollars that come in, there is a certain amount of money that is allocated to the state planning office every year to do transportation planning. We have to tie our request in to make it look like it is a transportation document. That is why we are doing police, fire, public works. We have been in negotiation now for about four or five months now. We are getting close. We are hoping to reach an agreement in about a month or so and move ahead by using state dollars to do additional stuff for the city.

COUNCILMAN MANCINI: The nine positions that you are not filling, cost ex number of dollars?

MR. PALMIERI: Those positions last year probably represented --- \$240,000.

COUNCILMAN MANCINI: The adjustments that you are making to the other positions....

MR. PALMIERI: Represent a cost maybe about \$50,000.

COUNCILMAN MANCINI: So there is a substantial savings. The only problem that I have is with the new position that you are talking about. We are asking every other department to cut.

MR. PALMIERI: I understand.

CHAIRWOMAN FARGNOLI: John, could you explain what constitutes the \$150,000 in miscellaneous services and \$50,000 in ceremonies.

MR. PALMIERI; The \$150,000 in our budget is to cover the PPBA fee and miscellaneous service. The PPBA fee is a fee that we were budgeted for last year, and I think that it was an effort on part of the city to find a place that would allow the Public Building Authority to be paid for certain services. It just so happened that the department's budget was used for that purpose. Alex might be able to speak more, it's a budget that we require. The \$100,000 is for the PBA. \$50,000 is set aside for us to cover costs that have to do with survey's, title reports, engineering services and the like. The \$50,000 is a bare bones budget, because we are required routinely to secure appraisals, title reports and other technical engineering services. I am not sure whether that PBA budget is one that we should assume or whether the city is prepared to consider disconnecting the

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\$100,000 from the this \$150,000 request. But the \$50,000 of this is really needed by the department to do those things that is interval to the work that we do in the neighborhoods.. I can only say that \$50,000 of it is really critical. I can't speak about what the other \$100,000 is for.

CHAIRWOMAN FARGNOLI: Actually you are assisting both the PPBA and also Providence Plan Housing.

MR. PALMIERI: To the extent that this is within our departmental budget, if you were to subtract the \$100,000, which is not really a departmental expense persay, we would be coming with that much of a smaller request, but over the past year or two we have accepted that expense for PPBA purposes, and yes, I guess you could say that we do support PPBA activities, administrative overhead activities.

CHAIRWOMAN FARGNOLI: There is no other area that you feel that you can decrease your line item?

MR. PALMIERI: I must say that we have created a very efficient operation over the past several years. The services that we are asking to be supported really have to do mostly with personnel expenses associated with 55 employees. This represents a reduction of 41 employees since 1985, which is significant. We have accepted a cut of 9 employees last year, we have been able to run the department well, we haven't really lost step, we have established certain efficiencies. We do need some basic support through the appropriation process in order to do those things that I have to do those things that I have to do. Those adjustments to personnel are really ---- we struggled to do this, so I would say that I am very comfortable with the fact that we can live with a bare bones budget. I know that there is a question as to whether or not a new employee is warranted in lite of the fact that the city is taking a stand on all new employees. I think that you can decide for yourself if you want to support, but beyond that we have submitted a budget that we haven't fattened for purposes of negotiation. We know how tough things are city wide and we are prepared to continue to work with limited resouces in performing those functions.

TAX ABATEMENTS-150 ROYAL LITTLE DRIVE

CHAIRWOMAN FARGNOLI: There is a resolution from the PRA approving condemnation of this property.

COUNCILMAN ROLLINS: That's what we request that we have done in order to bring the cost of land down to make it more appealing to the developer.

CHAIRWOMAN FARGNOLI: The amount of \$39,424.95.

JUNE 24, 1996

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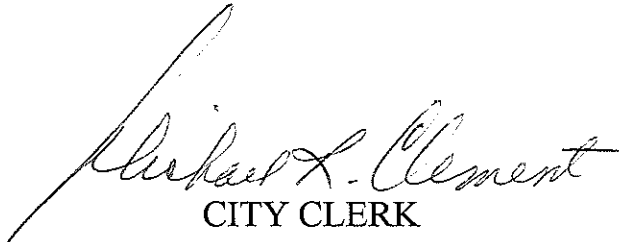
MR. DELLER: The taxes have accumulated on the property and if we sell it for enough funds...we have a situation here where the developer has come forward....

MR. WOERNER: This is a question of land not selling as quickly as everyone hoped it would.

MR. DELLER: It was all committed in 1988 and giving the change in the economy, most people back away, and we had some additional expenses we hadn't anticipated because of larger water lines, larger sewer lines, changing of lines. We had to run the lines a different way. It was a very expensive project in the long run. We are looking to create a tax base and jobs, it's just that if we have to pay these taxes, we are not going to sell this piece of property.

On motion of Councilman Rollins, seconded by Councilman Mancini, it is voted to approve the above matter.

ADJOURNMENT: On motion of Councilman Mancini, seconded by Councilman Rollins, it is voted to adjourn the meeting at 6:30 o'clock p.m.


CITY CLERK


ASSISTANT CLERK