

DEPARTMENT OF CITY CLERK

CITY HALL

MARCH 4, 1993

The Committee on Finance meets this day at 5:00 o'clock P.M., in Committee Room "A", City Clerk's Department, City Hall.

PRESENT: Chairman Dillon, Councilwoman Fagnoli and Councilman Fenton.

ABSENT: Councilman Glavin and Councilman Iglizzi.

(Subsequently Councilman Glavin joins the Committee).

Also present are Stephen Woerner, City Internal Auditor, Boyce Spinelli, Finance Director, Alex Prignano, Budget Officer, Charles Mansolillo, City Solicitor, Bob Troiano of Planning and Development, Jean M. Angelone, First Deputy City Clerk and Claire E. Brooke-Stewart, Assistant Clerk.

TEACHER'S CONTRACTS

CHAIRMAN DILLON: A fiscal note. Do you want to go over this Boyce?

MR. SPINELLI: Yes. 2 things I wanted to emphasize. First of all I had to rely pretty much exclusively on numbers furnished to me by the School Business Department, primarily because the final teacher's contract was still in the process of being typed and it probably will not be available for another month so what I would propose to do is when I get the final one is take another look at it and if there is any fine tuning but I don't think the numbers are going to really change.

COUNCILMAN FENTON: Why isn't it going to be done for a month?

MR. SPINELLI: Josh, I have no idea. That is what I have been told. I have asking for the contract several times.

COUNCILMAN FENTON: This is absurd.

MR. SPINELLI: All that I got was a handwritten, in pencil, summary, like a four or five page summary of the changes. The final contract, I have no idea what is taking so long with it. It is not available yet and I was told it would be about a month before the final.

CHAIRMAN DILLON: What can they be doing or is it just the printing of the thing.

At this time Councilman Glavin joins the Committee.

March 4, 1993

MR. SPINELLI: For Mr. Glavin's benefit I will recap. I was asked to prepare a fiscal note for the School Teacher's contract for fiscal year 93-95. I had to rely pretty much on information, numbers provided to me by the School Business Department. The final teacher's contract is being typed. It was not made available and I was told it would be ready in about a month but I did get a summary, a handwritten summary, five pages outlining the major changes in the contract. I have reviewed these numbers, talked with Mark Dunham from the School Department and they appear reasonable and accurate and once the final contract is ready, I will take another look at it and if there is anything that was overlooked, which I don't think there is, I will come back to you. Basically, by year, year 1993, there is no cost because as you know, the teachers did not get a percentage increase, nor did they get a step increase. They forewent, if there is such a word, they forewent their step increase for fiscal year 93.

COUNCILMAN FENTON: Are we positive that that will hold through?

MR. SPINELLI: Yes. I don't see why it wouldn't.

MR. WOERNER: What ---- with the police arbitration.

MR. SPINELLI: If the police arbitration could effect, as you know, the fire contract, the 1033 contract and the teacher's contract if there is a police arbitration so we would have to go back and recalculate if infact there is a police arbitration award.

COUNCILMAN GLAVIN: Not if, it is really when.

MR. SPINELLI: Well, when. But running through this very quickly and I will try to answer any questions. Fiscal year 1993, there is no cost. Fiscal year 1994 there is a cost of 4.1 million and that is broken down into two components. Number 1, there will be a step increase next year, which in effect, is a double step increase because the teachers did not permanently give up the step increase this year. They basically went without it for one year and my analogy is they basically gave the city like an interest free loan for one year so next year they are brought up to where they would have been in the absence of the freeze this year. That is why the step increase for next year is as large as it is. On

March 4, 1993

top of that, they get the 4 1/2% increase so that is roughly 4.1 million. The next year, again, they get the regular step increase, they get the 5% increase and that is an increase of 3.5 million. So in terms of salary costs, it is 7.7 million over the three years. Then when you add FICA and the local contribution to the state retirement system on top of that, you are talking 9 million over the three year period.

COUNCILMAN FENTON: This is outrageous.

CHAIRMAN DILLON: That is approximately 5.43 per year. If you divide just the total cost by the starting out number, \$54,925,960.

MR. SPINELLI: I didn't divide it that way.

CHAIRMAN DILLON: So it works out that in the second year, 1993-1994, the increase is 7.5% and 1994-1995, it is 6.4%.

COUNCILMAN GLAVIN: Did you include the step increases?

CHAIRMAN DILLON: Including the step increases.

MR. SPINELLI: But it varies with individual teachers. Obviously the teachers at the top don't get as much because they don't get a step increase. The teachers that are not at the top get in effect, a larger percentage increase that is incorporated in here.

CHAIRMAN DILLON: Teachers at the top get some kind of longevity, too?

MR. SPINELLI: I am not sure if there is longevity for teachers or not, do you know?

MR. PRIGNANO: Yes, there is longevity.

COUNCILMAN GLAVIN: How does this effect their longevity pay. That probably could be another line item here. Because their longevity is based upon their salary and the salary is increasing 10% in two years so it is going to have a relatively significant effect on longevity.

MR. PRIGNANO: I would think it was probably included in the salary account.

MR. SPINELLI: Yes, it might be in.

COUNCILMAN FENTON: Well it is really hard to figure out why the city is going broke.

COUNCILMAN GLAVIN: Prudent fiscal management.

March 4, 1993

COUNCILMAN FENTON: Yes.

COUNCILWOMAN FARGNOLI: This is just a fiscal note for the salaries. Are there any other fringes?

MR. SPINELLI: No, as far as I know, like I said, when I get the final contract, I will review it again. As far as I know, any change in the contract that had a fiscal impact is picked up here. Basically the only changes that had a fiscal impact were, basically were salaries. There weren't any other. There was a provision where the teachers would study manage care. That has been dragging on a lot longer than we would have like it to have been. Frankly, we thought we would have had the teachers in manage care by now. They are still not in.

CHAIRMAN DILLON: Are they studying diligently?

MR. SPINELLI: To answer your question, I don't believe there are other contractual changes that have a financial impact.

CHAIRMAN DILLON: Grievances or anything like that? They usually don't put something in the contract that doesn't have an impact, financially.

MR. SPINELLI: Not that I am aware of.

COUNCILMAN GLAVIN: Do we have a legal fund for the teachers? Just out of curiosity. The police, fire and labors have one.

COUNCILMAN FENTON: Do you have the old contract?

COUNCILMAN GLAVIN: Maybe I shouldn't ask that question.

MR. WOERNER: In my file. I don't think so either.

COUNCILMAN GLAVIN: It is not that important right now.

CHAIRMAN DILLON: This is where we started off with the whole investigation of the teacher's contract when it was signed and we started that investigation and then after discussion decided it was best, well we hired Kelly Sheridan and we decided it was best to attach the municipal unions as opposed to the teachers because of the union situation the teachers contract had under state law. At least that would be the best way to start.

COUNCILMAN GLAVIN: ----- we didn't have jurisdiction.

COUNCILMAN FENTON: One, we didn't have the contract and two there was a greater question of.

CHAIRMAN DILLON: At this point in time we still don't have the contracts. We have a fiscal note which we can take under

March 4, 1993

advisement and there is no real need for any further action on our part, as I see it, at this point in time.

COUNCILMAN FENTON: Well, it is absurd that we cannot get a copy of the contract. We have requested it.

COUNCILMAN GLAVIN: Can Charles shed some light on why we can't get a copy of the recent or negotiated or agreed to contract from the teachers.

MR. MANSOLILLO: What have you done about it? Is this revolving around litigation?

COUNCILMAN GLAVIN: No.

MR. MANSOLILLO: You are just waiting for the actual...

COUNCILMAN FENTON: Yes.

MR. MANSOLILLO: To Arthur?

COUNCILMAN FENTON: Yes.

CHAIRMAN DILLON: What they have sent us was like, these are the changes from the last one.

COUNCILMAN GLAVIN: They haven't sent an actual contract.

MR. MANSOLILLO: I don't see any reason why they wouldn't.

MR. SPINELLI: I was told, Charlie, just so you know, I was told that the final contract is being typed now and would be available in about a month.

MR. MANSOLILLO: So what do they have like a memo that they initialed in the negotiations?

COUNCILMAN FENTON: There is a memo here from Zarrella.

MR. MANSOLILLO: No, I am saying, that in the course of negotiations, the Mayor, initial documents that are constructed of the contract, they haven't reduced it to the final form, is that it?

COUNCILMAN FENTON: Yes, that is right.

MR. MANSOLILLO: Contract law allows you to negotiate.

COUNCILMAN FENTON: Initial and then all the rest stays the same. So we have it before us.

MR. MANSOLILLO: Well you have it absent the other provision is what you are saying.

COUNCILMAN FENTON: Right. But we could take action on the changes. That is this.

March 4, 1993

MR. MANSOLILLO: Effectively you have what are the changes but you have to know what the other things are. That is what you are saying.

MR. SPINELLI: The thing, I think it is important to wait until we get the final contract because all I have had to work on is pencil. As a matter of fact, when I first got, I don't know if Steve remembers this, when I first got the pencil changes, they treated any potential arbitration award differently than the other collective bargaining units and I think the reason for that is they were the ones that really went first and they were trying to, you know, protect themselves and if you read literally, the tentative language, for example, if the police were to get a 4% arbitration award, the teachers would get that in full. If you just read the language which is not the way it works with the 1033 and the fire, which I explained in prior meetings. When I questioned it, I was told that the intent is different than what this pencil wording is so I think we really need to wait and see the final.

COUNCILMAN FENTON: It took effect September 1st. It was negotiated late September. It was ratified by the School Committee in late September and this version is dated January 11, 1993 and that is two months ago. Do we have to withhold payment to Mr. Castle in order to get a copy of the contract? Do we have to subpoena the contract? What other fiery hoops do we have to jump through as the City Council to get a copy of the contract.

COUNCILMAN GLAVIN: That should be public document.

MR. MANSOLILLO: It seems to me and I don't know what the situation is, that they at some point, when this last communication was January 15, 1993, that apparently they had not reduced to writing the entire contract.

COUNCILMAN FENTON: How could the contract be ratified by the School Committee if it wasn't reduced to writing?

MR. MANSOLILLO: Just as you said. No, it is very typical in negotiating, Josh, that you have documents.....

COUNCILMAN FENTON: Then this is the contract.

MR. MANSOLILLO: Effectively amending the current contract, right.

March 4, 1993

COUNCILMAN FENTON: But that happened two months ago.

MR. MANSOLILLO: Yes, but I don't know if you have been involved in this kind of thing but they will be passing papers and people come to an agreement and sometimes they are all in hand so this probably memorializes what was done at hand and finally put on a piece of paper.

COUNCILMAN FENTON: Two months ago.

MR. MANSOLILLO: Yes. I don't think that that is extraordinary because the parties have reached an agreement.

COUNCILMAN FENTON: Did the Constitutional Convention take that long?

MR. SPINELLI: This language in here and how the arbitration is handled, if you interpret it literally could add another two or three million dollars to the cost of the contract.

COUNCILMAN FENTON: What ever the police get.

MR. SPINELLI: Right. But I was told by Jeff Castle that it would be the city's positions, that that clause would be interpreted the same way that the firefighters and the 1033 but I am just saying if you looked at literally the wording of the contract....

CHAIRMAN DILLON: I certainly would not want to approve a contract ---- we are going to go in and argue, your Honor, we understand what the word said but we mean something different.

MR. SPINELLI: Anyway, that is why I am saying we need to see what the final wording of the contract is and what happens with the police arbitrations.

COUNCILMAN FENTON: The contract is before us is what the City Solicitor is saying.

COUNCILWOMAN FARGNOLI: We need to drop the parity provision.

MR. SPINELLI: I never saw this document.

MR. MANSOLILLO: To make it clear for the record, I am not saying this is the contract. Apparently this is the changes in the current contract. For me to say the current contract is in front of you is not really ---- because you may be concerned about other provisions in the contract besides the changes. I am just pointing that out. Keep in mind that the contract itself is also a --- here. Effectively, you are reviewing those provisions as

March 4, 1993

well.

COUNCILMAN FENTON: Although those have already been adopted or were in effect.

MR. MANSOLILLO: Yes but this is a new period.

MR. WOERNER: So they were supposed to finish Manage Care Review by January 1st with a recommendation.

MR. SPINELLI: Yes, I don't know where they stand right now. My basic point is that this is the fiscal note based on the information that I received and I think it is accurate. It would be a lot easier to do a fiscal note if we had the full contract.

COUNCILMAN FENTON: But are we supposed to wait until whenever Jeff Castle gets around to it. He doesn't even return phone calls to the attorney for the School Department? I have tried unsuccessfully over the past several days to contact Jeff Castle regarding the above noted contracts. Mr. Solicitor, does he work under your direction?

MR. MANSOLILLO: If you are asking me to contact him to ask him to produce the contract, I would be happy to do that. I can't understand, January 15th, it is already March, 6 weeks later.

CHAIRMAN DILLON: Mr. Rotella is saying, I am assuming this is okay with the...

MR. MANSOLILLO: Is it something of the School Department? If it is the School or the attorney for the school teachers.

COUNCILMAN FENTON: The memorandum is from Rotella to Zarrella.

MR. MANSOLILLO: I understand that. I am just trying to determine. It seems to say that there may be something on the school teachers side that is holding it up. I would be happy to communicate with Mr. Castle. I will communicate with Mr. Rotella tomorrow to determine if he has received because you have received nothing from him since then. You asked him for the whole contract and he sent you this stuff, right?

COUNCILMAN FENTON: Right. Boyce asked for the whole contract and they sent him over.

?BY Handwritten just a few days ago.

COUNCILMAN FENTON: The contract is in order, in place.

March 4, 1993

CHAIRMAN DILLON: Right but there is no raise this year, you know what I mean? There is nothing different happening.

MR. WOERNER: Well there could be.

COUNCILMAN FENTON: There could be.

MR. WOERNER: If the arbitration.

COUNCILMAN FENTON: If the arbitration came down tomorrow and said the police get 5%, the parity clause kicks in on the teacher's contract. The teacher's get 5%.

MR. SPINELLI: The way I understand it, that there wouldn't be any impact on this years budget regardless of the way the draft of the contract is written, there would be no cost. There is no impact to the 93 budget that I can determine regardless of what happens with the police arbitration.

COUNCILMAN FENTON: It certainly, obviously, would have a compounding effect on 94-95.

MR. SPINELLI: It could have an impact on succeeding years depending on how it is determined.

COUNCILMAN FENTON: The pay is going to be 5% higher then the double steps kick in and then the other 4.5.

MR. SPINELLI: Well that is not how the city plans to interpret it.

COUNCILMAN FENTON: Well, how do you know? We don't have the contract.

MR. SPINELLI: I know.

MR. WOERNER: It does have a compound effect.

COUNCILMAN FENTON: What page are you on?

MR. WOERNER: Page 2. It would be used effectively this September 1, 1993.

COUNCILMAN FENTON: Right, so it would.

CHAIRMAN DILLON: How much time do you need to find this out. We need to act on this. What is the time table on the police arbitration?

MR. MANSOLILLO: We should know any day. We have completed the argument.

MR. WOERNER: That was what, two weeks ago Alex?

MR. MANSOLILLO: Yes.

March 4, 1993

MR. WOERNER: So usually they have 30 days to get an answer out.

MR. SPINELLI: Mr. Chairman, can I make a suggestion? I am just thinking, why don't we consider this like an interim fiscal note if you are not going to take any action tonight. I would feel more comfortable doing a fiscal note once I had the full contract in front of me and then by that time, we probably would know what happened with the police arbitration.

COUNCILMAN FENTON: The only problem is, is that obviously there is an issue between the Council and the Administration on the Council's roll. One of the questions that maybe pursued is whether or not the Council has ratification powers over the teacher's contract as well. Although that is not before the court today but by waiting, the police arbitration comes down, kicks in the parity clause and by waiting two or three weeks it may potentially cost the city a couple million dollars.

CHAIRMAN DILLON: That is good question. How long does it take to get that answered? Do you understand the question?

MR. MANSOLILLO: That Josh just raised?

CHAIRMAN DILLON: Yes, he is saying, if we gain something by rejecting this now, then if tomorrow the police arbitration were to come down, then we have an argument that the teacher's contract is invalid as opposed to if we don't act.....

MR. MANSOLILLO: I am not going to say that your theory is without merit. It is not an absolute but it is not without merit. I would say though, I rendered an earlier opinion on this matter, specifically and I stand by my opinion on this matter.

COUNCILMAN FENTON: I understand that.

CHAIRMAN DILLON: So the worst that can happen is, if you are right and the police arbitration comes down tomorrow costing.

COUNCILMAN FENTON: If my premise is right, or it is a premise that the Council has some authority, either through the ability to ratify under the Ordinance or under the budget language which restricted contracts to one year and we would save the city 2 million dollars by rejecting the contract.

MR. MANSOLILLO: Remember, my opinion was rendered on the School Department only.

March 4, 1993

COUNCILMAN FENTON: Right, not on the issue of the language within the budget.

On motion of Councilman Fenton, seconded by Councilwoman Fargnoli, it is voted to reject the Teacher's Contract.

CHAIRMAN DILLON: All those in favor? "Aye". Opposed? Motion carries.

RESOLUTION URGING THE CREATION OF A CITY COUNCIL INTERNSHIP PROGRAM.

COUNCILMAN FENTON: Peter and I had talked about this awhile ago and I think we submitted it not last summer but the summer before.

CHAIRMAN DILLON: 1992, right?

COUNCILMAN FENTON: Right, last summer, the beginning of the summer I think is when we put it in. Was to set up an internship program selecting one student from each of the high schools to intern over in the City Council in a fairly informal way, at least at the beginning, allow them the opportunity to come to Council meetings, it wouldn't conflict with school, come to Committee meeting that had some interest and allow them to have an opportunity to see municipal government. The state, obviously, has both the page program as well as the internship program and I think there is a lot value in it. You see a lot of case where pages become legislatures. They learned about government, that route. So that was the reason why Peter and I had put it in. Students would be selected, we thought possibly through some type of committee set up.

COUNCILWOMAN FARGNOLI: Would we have to pay them?

COUNCILMAN FENTON: No, I don't think so.

COUNCILWOMAN FARGNOLI: Then do you think they would come?

COUNCILMAN FENTON: I think they would come.

CHAIRMAN DILLON: Yes, probably. They may be able to get some class credit.

COUNCILMAN FENTON: You have a lot of interns volunteering these days who are just looking for the chance of an opportunity and in this case, this obviously would be something that colleges might look upon as interest.

March 4, 1993

MR. MANSOLILLO: I get a lot of them. Not high school though, we are law.

COUNCILMAN FENTON: Yes, you get a lot of college.

MR. MANSOLILLO: College or even law students.

COUNCILMAN FENTON: I get a slew of them every year I get my door knocked down.

COUNCILWOMAN FARGNOLI: Does the city have a program where they hire students for the summer to do different tasks?

COUNCILMAN FENTON: Yes.

COUNCILWOMAN FARGNOLI: Could we have some assigned to us so that they would be part of the summer program? And they might be able to receive a ---.

COUNCILMAN FENTON: We envisioned this as being a school year type of program.

COUNCILWOMAN FARGNOLI: For the whole school year?

COUNCILMAN FENTON: Or that they did it for a semester, either the first half or the second half of the year, depending on how it would work. But ask each of the principals, maybe at the beginning to appoint one student from each of their high schools and grant it that way and it could be overseen by the Council Office, by Rita and see how it works. It is the first time we have ever entered down this course.

MR. WOERNER: We have had interns that have been high school kids in there but they haven't been as motivated as this kind of intern would be and we have had college interns on some occasions.

MR. MANSOLILLO: One of the biggest things they are talking about at the college campuses and I imagine high school campuses as well, is community service and this is something that is getting a lot more attention. President Clinton, the other day, the last couple of years, we are on a list, they refer to various --- there is a lot of people that are interested in law work, particularly law students or even undergraduate students that are interested in law. And some of them come with compensation, some of them don't. Some come to us for credit. Maybe you have to sign something and monitor them and so forth. You have to make it a meaningful experience for them, naturally.

CHAIRMAN DILLON: And that involves some work.

March 4, 1993

COUNCILWOMAN FARGNOLI: And probably Steve. You could use someone to help you with figures and research.

MR. WOERNER: I have actually had a couple from Brown now that I use just on assignment basis. I just started that again and it is working out great.

COUNCILWOMAN FARGNOLI: I have no problems with it.

On motion of Councilman Fenton, seconded by Councilwoman Fargnoli, it is voted to amend the foregoing Resolution to read "September of 1993".

CHAIRMAN DILLON: All those in favor? "Aye". Opposed? Motion carries.

On motion of Councilman Fenton, seconded by Councilwoman Fargnoli, it is voted to approve the foregoing Resolution, as Amended.

CHAIRMAN DILLON: All those in favor? "Aye". Opposed? Motion carries.

OVERTIME FOR DPW SUPERVISORS

CHAIRMAN DILLON: Friday, February 12 snow commenced at 11 AM and just under 2 inches fell throughout the storm event. Snow turned to rain in the early evening and all plowing/sanding concluded by 10 PM. No vendors. Tuesday, February 16, 1993 snow commenced at 12 noon and 1 1/2 inches of snow fell throughout the day, participation turned to rain and plowing/sanding concluded by 8 PM. So it looks like four hours overtime on each one.

SNOW REMOVAL OVERTIME - DPW SUPERVISORY PERSONNEL
STORM OF FEBRUARY 12, 1993

<u>NAME</u>	<u>DATES WORKED</u>	<u>HOURS WORKED</u>	<u>OVERTIME</u>
Pasquale Fiore Dep. High. Supt.	2/12	6 1/2	\$160.48
John Melvin Dep. Supt. Env.	2/12	4 1/2	\$111.39

SNOW REMOVAL OVERTIME - DPW SUPERVISORY PERSONNEL
STORM OF FEBRUARY 16, 1993

<u>NAME</u>	<u>DATES WORKED</u>	<u>HOURS WORKED</u>	<u>OVERTIME</u>
Paul Boccanfusco Highway Supt.	2/16	4 1/2	\$143.75
Pasquale Fiore Dep. High. Supt.	2/16	4 1/2	\$111.10
John Melvin Dep. Supt. Env.	2/16	4 1/2	\$111.39

March 4, 1993

SNOW REMOVAL OVERTIME - DPW SUPERVISORY PERSONNEL
STORM OF FEBRUARY 18, 1993

<u>NAME</u>	<u>DATES WORKED</u>	<u>HOURS WORKED</u>	<u>OVERTIME</u>
Paul Boccanfusco Highway Supt.	2/18-19	10 1/2	\$335.41
Pasquale Fiore Dep. High. Supt.	2/18-19	10 1/2	\$259.23
John Melvin Dep. Supt. Env.	2/18-19	7	\$173.27

SNOW REMOVAL OVERTIME - DPW SUPERVISORY PERSONNEL
STORM OF FEBRUARY 21, 1993

<u>NAME</u>	<u>DATES WORKED</u>	<u>HOURS WORKED</u>	<u>OVERTIME</u>
Pasquale Fiore Dep. High. Supt.	2/21-22	13	\$320.96

On motion of Councilman Fenton, seconded by Councilwoman Fargnoli, it is voted to approve the foregoing Overtime for DPW Supervisory Personnel.

CHAIRMAN DILLON: All those in favor? "Aye". Opposed?
Motion carries.

COUNCILWOMAN FARGNOLI: I would like to say for the record. I had no complaints on snow removal. I guess I am talking too soon. I will wait until this storm is over. But I have had no complaints, so they have done a good job and I think we should let them know.

BOB TROIANO - PLANNING AND DEVELOPMENT

CHAIRMAN DILLON: Bob Troiano is here on the Providence Public Building Authority. We have previously approved these recreation center expansions and a technical amendment is needed to provide security for the security to the lending agencies. This is not technically in front of us. It is coming on the docket today. They are looking for passage for the first time tonight and with reference to Committee but I wanted to make sure that everybody gets every opportunity to hear about this.

MR. TROIANO: Thank you Mr. Chairman. As you will recall, back in the fall, you all approved the Providence Public Building Community Facilities Project with nine projects proposed by the Mayor, endorsed by you and approved unanimously by the City Council. As we have been working with our financial advisor, Fleet to enter into a finance fund, those projects to start the construction cycle. Fleet in analyzing the original Ordinance and

March 4, 1993

Resolution that you passed with the PBA said that they felt there was insufficient security, such that the structure of the deal simply is the PBA built the facilities for the city and then turns them over to the city in about 36 months and is taken out financially by the TIF Bonds issued by the city. Fleet, in analyzing the Ordinance and the Resolution said, for the city to insure, not only the PBA but more importantly the bond holders that in fact, it would issue the TIF Bonds, the actual project list which is a component of the original TIF Ordinance must be amended to include the Community Facilities Projects and so that is what this Ordinance does. It amends your existing TIF Ordinance to include within the project list, the list of Community Facilities. So it is a technical issue but what it does is, just as you said David, it provides the security so that in fact we can get the interim financing to build these facilities.

MR. MANSOLILLO: They were not originally sited from it?

MR. TROIANO: What happened, Charles, was that the Administration at the same time it was moving the PBA Projects through the City Council, was moving the PPHC Ordinance under the TIF legislation through the City Council for policy reasons they told us, get the Resolution done and we will amend the project list later on. There was also the expectation, originally, that maybe the Ordinance as drafted was broad enough so they didn't have to be specific.

MR. MANSOLILLO: They wanted it specifically mentioned.

MR. TROIANO: They wanted it specifically. So that is what we are doing.

MR. WOERNER: I have gone through those and that is infact all that is happening there is that they have added in the specific reference to the Communities Facilities Project. The dollars are the same.

CHAIRMAN DILLON: The bond holders are going to have a bond that says what on the top of it, Providence Public Building Authority?

MR. TROIANO: Well we are going to do a note actually but the note will be issued by the PPBA leasing the facilities to the city with security that the ban will be taken out at the completion of

March 4, 1993

the construction program by the dedicated portion of the TIF Revenue which you all will be pledging to issue the TIF Bonds. So irrespective of the city's general physical condition, I think this is what is the worry is that irrespective, you as the City Council will have already said we have made this an official part of your TIF Program and that dedicated portion of this TIF Revenue will fund bonds which will take out the bans.

CHAIRMAN DILLON: There won't be any of these between the city or anything.

MR. TROIANO: Excuse me?

CHAIRMAN DILLON: There won't be title.

MR. TROIANO: Title, in the short term, during the construction phase as in all other PBA projects will rest in the PBA. At the end of the construction cycle, we will convey all of that to you when you take us out with your TIF Bonds.

MR. SPINELLI: That was my question. There won't be a lease type after the permanent financing is issued like there normally is.

MR. TROIANO: That's right.

MR. SPINELLI: This will be our TIF financing.

MR. TROIANO: It will be yours solely. There is no additional cost one way or another and because we have the structure in place. Everything goes to the Board of Contract and Supply.

ADJOURNMENT: On motion of Councilman Fenton, seconded by Councilman Glavin, it is voted to adjourn the meeting at 5:55 o'clock P.M.

Jean M. Angelone
First Deputy City Clerk

Claire E. Brock Stewart
Assistant Clerk