

DEPARTMENT OF CITY CLERK

CITY HALL

DECEMBER 21, 1989

The Committee on Finance meets this evening at 6:30 o'clock P.M. in Committee Room "A", City Hall.

Present: Chairman Dillon and Councilmen Glavin, Rollins and Farmer.

Also present are Director of Administration Simmons, City Solicitor Clifton, City Internal Auditor Woerner and Tim Duffy of the Mayor's Office. (Rose M. Mendonca, Clerk).

RELATIVE TO RESOLUTION REQUESTING THAT THE CITY COUNCIL EXEMPT MARY G. DAILEY FROM THE RESIDENCY REQUIREMENTS ESTABLISHED UNDER SECTION 1210 OF THE PROVIDENCE HOME RULE CHARTER OF 1980.

Present relative to the above are Superintendent of Schools Joseph Almagno and Ms. Lynn Edmonds.

Mr. Almagno states Ms. Edmonds is doing teacher recruiting and was involved with Arthur Zarella in finding this teacher, who we were able to get certified in Spanish. Bi-Lingual Special Education teachers are almost impossible to find.

Mary Dailey is substituting for the School Department right now. She is covering a Class of four kids and making substitute pay. He is awaiting the outcome of Council action.

She does not live in the City and has no intention of relocating. She is saying up front she is not about to relocate.

Mr. Almagno continues by stating Ms. Edmonds continues to make frequent contacts with colleges, etc. She has advertised extensively. He refers to the data submitted to the Committee members.

This is an ongoing process. Arthur Zarella had met this person and notified Ms. Edmonds. This position would have been vacant all year.

Councilman Glavin, referring to the copies of advertisements, states the words "must meet residency requirements" is very small. He questions whether that is the best way to go. He assumes they are trying to develop the largest number of candidates they can.

Mr. Almagno states they are told everything and they are given a pitch on all of the benefits.

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Ms. Edmonds states Mrs. Dailey lives in Coventry, has children and has not been working for a while. She was taking courses in Rhode Island College. She owns her residence in Coventry and her children go to school there.

Questioned by Councilman Glavin as to how the recruiting is going in general, Ms. Edmonds states they do not have a problem, except in Spanish Bilingual.

Mr. Almagno states they still have about 20 vacancies they are unable to fill. Fifteen people have signed affidavits, their 6 months will expire in March.

Discussion ensues relative to the residency requirements, the affidavits, extending the 6 month residency requirement and assuring their continuity through the second semester.

Councilman Glavin notes the Committee does not have a communication from the Mayor requesting this exemption.

Mr. Duffy states he will have one for the Committee.

On motion of Councilman Farmer, seconded by Councilman Glavin, it is voted to approve the Resolution and transmit same to the City Council with recommendation of adoption, subject to receipt of a communication from the Mayor requesting the exemption.

RELATIVE TO RESOLUTION APPROVING THE PROPOSAL OF THE MAYOR REQUESTING AUTHORITY TO USE ITS BEST EFFORTS TO ACQUIRE, RENOVATE, AND/OR REPAIR CERTAIN REAL PROPERTY AND BUILDINGS IN THE CITY OF PROVIDENCE FOR USE AS AN OFFICE COMPLEX FOR THE PROVIDENCE SCHOOL DEPARTMENT AND FOR USE AS CLASSROOM SPACE AND ANY OTHER COSTS AND FEES NECESSARY AND/OR INCIDENTAL THERETO.

Mr. Simmons refers to a communication sent to him by Chairman Dillon pertaining to the two Resolutions involving the Providence Public Building Authority.

The communication dated December 17, 1989, states:

I have reviewed the materials submitted in regards to the two projects involving the Providence Public Building Authority, as well as the Act which created the Authority. My recollection is that the Public Building Authority was proposed strictly as a financing vehicle so that a referendum would not be required for every single project undertaken by the city. But I read the act carefully over this weekend, and from my layman's reading, it seems that the Authority is granted considerable powers, including the capacity to hire employees, consultants, engineers and architects, and the authority under 45-50-12(f) to "improve, equip, furnish, maintain, renovate, and operate projects, and to establish rules and regulations for the use of any project." It appears to me that the Authority is given the power under section 45-50-12(i) to set the price at which the property is leased back to the city, and to change that price from time to time. Finally 45-50-14(b) gives the Authority the right to issue additional bonds in the event the cost of the project exceeds the estimate.

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I can understand why some of these provisions are necessary to give comfort to the bondholders, but they give me the uneasy feeling of writing a blank check. Since the approval of the project is the only point at which the City Council has input into this process, the scope of each project has to be defined very carefully.

Several projects have been lumped together in these proposals. The Act provides that the bond proceeds shall be used solely for the project or projects for which the bonds are issued, although the Authority is allowed to combine the projects for financing purposes. For these reasons, I think each "project" should stand on its own.

As I indicated previously, I see the PBA strictly as a financing vehicle, and do not think it should create a bureaucracy which is outside the normal city budget process. If the PBA needs services, they should be provided by regular city employees as is the practice with other boards and commissions. The contracts involved in these projects should be bid through the Board of Contract and Supply, and perhaps those bids should be opened before the project is approved for transfer to the PBA. The PBA should set the lease payments equal to its debt service costs plus very minimal administrative costs. I would look for assurances that the projects will not exceed the project budget and that these leases will not involve maintenance beyond the completion of the renovation projects.

My final questions are accounting-type questions:

Is there a significant difference between the interest rate at which the city could sell these bonds and the rate at which the Public Building Authority will probably sell them?

Will the authority use a trustee as allowed under 45-50-15?

Will the financial statements of the Public Building Authority be combined with the financial statements of the City of Providence?

Will the Public Building Authority insure these buildings? Would the city still be liable for the lease payments in the event the buildings involved burned down?

Why would a public body want to sell bonds at a private sale as is allowed in the last sentence in 45-50-14 (a)?

For Thursday's meeting, we will look for the construction or rehabilitation budget for each project, as well as your best estimate of the debt service costs to the PBA, the lease payment costs to the city, and the reimbursement from state aid to education for each year of the projects. Since there is no rush on the projects not relating to schools, we may defer action on them until after we have a better sense of where the budget is going for this year, but if you have a presentation ready, we will hear it on Thursday.

I would ask that you send the amortization and lease payment schedules to Stephen Woerner by Wednesday so that he can review them for the meeting Thursday. If there are any problems with this schedule, please let me know. Although none of us wants to delay the opening of schools or cause other hardships, there are substantial issues and sums of money involved in these projects, and the Finance Committee needs sufficient time and information to evaluate them properly.

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Mr. Simmons distributes information to the members in response to Chairman Dillon's request, which is on file in the City Clerk's Department.

He reviews the information, in detail, which is on tape in the City Clerk's Department.

Considerable discussion ensues and on motion of Councilman Farmer, seconded by Councilman Glavin, it is voted to approve the foregoing Resolution and transmit same to the City Council with recommendation of Adoption.

RELATIVE TO RESOLUTION APPROVING THE PROPOSAL OF THE MAYOR REQUESTING AUTHORITY TO USE ITS BEST EFFORTS TO DEVELOP THE MUNICIPAL BUILDINGS AND FACILITIES REHABILITATION PROGRAM WHICH SHALL INCLUDE BUT NOT BE LIMITED TO, RENOVATIONS AND IMPROVEMENTS TO CITY HALL, INCLUDING BUT NOT LIMITED TO, FURNISHING AND INSTALLING A SMOKE EVACUATION SYSTEM, UPGRADING ELECTRICAL SYSTEMS, REPAIRING THE FOUNDATION AND SIDEWALKS AND REPAIRS TO THE ROOF, RENOVATIONS TO FIRE STATIONS, REPAIRS TO CITY SWIMMING POOLS AND RECREATION CENTERS AND DEVELOPMENT OF AN ELDERLY EDUCATION CENTER AT CAMP CRONIN.

Mr. Simmons is requested to contact the Providence Public Building Authority and request that they submit their plans to the Committee.

On motion of Councilman Glavin, seconded by Councilmen Farmer and Rollins, the foregoing Resolution is Continued.

ADJOURNMENT. On motion of Councilman Glavin, seconded by Councilman Rollins, the Committee adjourns at 7:40 o'clock P.M.

*Rose M. Mendonca*  
CLERK

(For verbatim record - tape is in City Clerk's Department)

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