

DEPARTMENT OF CITY CLERK

CITY HALL

FEBRUARY 1, 1982

The Committee on Finance meets this day at 3:00 o'clock P.M. in Committee Room "A", City Hall.

Present: Chairwoman Brassil and Councilmen Easton, Paolino, Lynch, Mansolillo and Farmer.

Also present are Finance Director Baron, City Treasurer Napolitano and City Council Internal Auditor Woerner. (Rose M. Mendonca, Clerk). RE: PETITION OF MARK E. LIBERATI, ESQUIRE.

Mark E. Liberati, attorney is present and states he represents New City Associates and his office is located at 331 Broadway. They are the petitioner on this matter. They are a Rhode Island Limited Partnership and he represented them with regard to title work. There were forty-three parcels of land in South Providence which are tax delinquent. They did not meet Minimum Housing Standards, there were thirty to forty violations on them. The properties outlined in the petition had in addition, lien notices by the City.

He states New City Associates was a limited partnership and HUD issued mortgages from Industrial National Bank. This involved conforming the new construction with HUD regulations as well as the Building and Housing Codes. The properties were received in 1978 and on December of 1981 there was a final closing. It was realized that New City Associates and the contractor, Mass Construction Co., Inc., General Partner, suffered severe financial losses as a direct result with conditions in the neighborhood.

He is asking this Committee and the City Council to compromise the demolition liens to compromise the parcels involved. This has cost them \$3,613,086, disallowed by HUD was \$67,000.00.

In addition to construction costs, land acquisition has cost \$251,200. Their loss or excess cost was \$289,527. The contractor - builder had to come up with \$290,000 above and beyond what was anticipated.

Chairwoman Brassil is of the opinion that with all the losses, \$10,000 does not seem like a lot of money.

Mr. Liberati states it is another case, if you can minimize you will. It seems insignificant but it is \$10,000. This has been completed, certificates of occupancy have been issued and units are occupied.

FEBRUARY 1, 1982

Questioned by Councilman Lynch, Mr. Liberati states the vandalism figure is \$110,398 that they had to spend themselves. He was the title attorney.

He states he had spoken to Acting City Solicitor Rotondi and he said he would give a favorable recommendation to this Committee.

Councilman Farmer questions as the project is completed, what benefit is there to the City to give up the liens.

Mr. Liberati states there is no drastic benefit at this time. It was not used as leverage to get the City to do things. They are simply attempting to get some sympathy from the City for the losses incurred.

Councilman Mansolillo fails to see the theory on which he comes before the members. At this point the City is not in a position to solve this. He would be hardpressed to sit here when they went ahead and built to vote for this. He could not justify this in his own mind.

He states when they were anticipating this development, they should have approached the City then and asked for consideration from the City at that point.

Discussion ensues on the request and Councilman Easton is of the opinion every dollar given to a taxpayer is taken from another taxpayer in the same form.

On motion of Councilman Mansolillo, seconded by Councilmen Easton and Lynch the petition is Denied.

Mr. Liberati is excused at this time.

#### RELATIVE TO CITY'S FINANCES.

Councilman Paolino refers to a meeting of the Providence Review Commission at which time it was brought out the City has a \$2,000,000 shortfall in revenue, which bothers him.

He reads Sec. 6.29 of the City Charter to the Members. He is of the opinion action should be taken at this time to amend the budget not wait until it is too late.

Councilman Paolino is of the opinion a letter should be transmitted to the Mayor at this time to review that section of the charter and he should come back with the various cuts he feels appropriate at this time.

FEBRUARY 1, 1982

He also questions as to what has happened with the Providence Review Commission's request that the City hire an expert Personnel Director and Purchasing Agent.

Mr. Baron states the Acting Purchasing Agent is John Spagnoli and he does not intend to put in a permanent one at this time. With respect to the Personnel Director, that question should be referred to the Mayor.

Councilman Mansolillo states he does not think the City, at this point, intends to hire a Personnel Director, John Mancone is doing a good job. They are now preparing for negotiations with the Union. There is no immediate need for anyone else to go into that position. He does not feel this is a priority in the Mayor's mind.

Chairwoman Brassil states the Providence Review Commission saw it as a priority and questions as to why the Administration does not hire Mr. Mancone as a permanent personnel director. She refers to the new Home Rule Charter in which Acting Directors are frowned upon.

Councilman Lynch reminds Mr. Baron, the appointment of the Personnel Director falls within the purview of the Finance Director.

Mr. Baron does not believe an appointment will be made in the very near future.

Councilman Easton questions as to provide stability in the City of Providence, doesn't Mr. Baron think that permanency within the Finance Department give them a better outlook in terms of dealing with Bankers, etc.

Mr. Baron agrees it should be permanent. He has to look at priorities. He has not had the time to evaluate as of yet. He has to satisfy himself as to the overall function of his office. He has not had sufficient time to do that to the Personnel Department.

Councilman Mansolillo assures the Committee that both the Mayor's Office and Finance Director's Office are now part of the overall management responsibility regarding personnel. They believe they have a good handle on personnel transactions.

The budget passed required the Mayor's Office and Finance Director to have an active part in every firing, hiring and transfers. He speaks at length of what is happening relative to personnel in the City. He does not believe the Administration sees this as a priority at this time.

FEBRUARY 1, 1982

In response to Councilman Paolino, Mr. Baron states they have been reviewing for months, various accounts in the budget. As for as revenues, they have been facing a problem with parking tickets. They are waiting for a report from Data Center, that will effect the amount of revenue. This is an extremely tight budget. They have been working since they day of passage on controlling expenses. Almost every day they receive information that has an impact on the budget, such as Amtrack. He does not have comfortable feelings and will not have until he hears from I.S.I. as to the shortfall in parking.

Councilman Lynch refers to last June or July when the Committee sent the budget back to the Mayor to be balanced and he sent it back to the Council. The Committee found themselves in a mess.

On motion of Councilman Paolino, seconded by Councilman Easton, the Clerk is directed to correspond with Mayor Vincent A. Cianci, Jr., and request he follow Section 6.29 of the Charter of the City of Providence.

RESOLUTION AUTHORIZING THE CITY TREASURER, ACTING UNDER THE DIRECTION OF THE COMMITTEE ON FINANCE, TO BORROW, NOT EXCEEDING FOUR MILLION SIX HUNDRED AND TWENTY-FOUR THOUSAND DOLLARS (\$4,624,000.00) TO BE USED EXCLUSIVELY FOR CARRYING OUT THE PURPOSE OF FINANCING THE OFFICIAL REDEVELOPMENT PLAN FOR THE DOWNTOWN PROVIDENCE RENEWAL PROJECT.

Thomas Belcher, Vice President of the Industrial National Bank is present by invitation.

Chairwoman Brassil questions as to whether the City is ready to go on long term funding and Mr. Belcher states the banks must get together and review the first six months of the fiscal year. He does not know the answer at this time.

Ensuing a considerable discussion, Councilman Lynch suggests Mr. Belcher meet with Mr. Woerner and Mr. Baron and report to this Committee as to what position the City finds itself.

On motion of Councilman Lynch, seconded by Councilman Farmer, the foregoing Resolution is Continued until receipt of the report.

FEBRUARY 1, 1982

REPRESENTATIVES OF PEAT, MARWICK, MITCHELL & CO.

Harry Baird, partner, when questioned as to Auditing Report states the City has converted from cash basis accounting to accrual. They are now talking about a statement of revenues and expenses. All revenues due June 30, should be accrued as due and the expenses owed. They are only allowed to accrue property taxes to be collected. They are still looking toward a sizable deficit at year end.

He refers to Moody's and what they are looking for is a cleaned up set of financial statements from the City. They are being meticulous in seeing that all "T's" are crossed and "I's" dotted. They will then go to Moody's to see if they can get their bond rating raised.

Following a lengthy discussion, Councilman Lynch questions as to when the preliminary report will be in the hands of the Council.

Mr. Baird responds in about two weeks maximum. They are still finding things. Liabilities pop up everyday. They are concerned regarding the settlement by the Retirement Board 4.8 million dollars still remains as a liability. By one week from Friday, they will have something.

On motion of Councilman Easton, seconded by Councilmen Paolino and Farmer, the Clerk is requested to advertise for proposals for the City Audit, fiscal year 1981-1982, following discussion with Finance Director Baron.

Councilman Paolino is excused at this time.

AN ORDINANCE AMENDING THE APPROPRIATION ORDINANCE CHAPTER 1981-39, EFFECTIVE JULY 20, 1981, BY TRANSFERRING THE SUM OF SIXTY-TWO THOUSAND DOLLARS (\$62,000) FROM PUBLIC WORKS-ENGINEERING DEPARTMENT, ITEM 0 TO PUBLIC WORKS SEWAGE DISPOSAL AND PUMPING, ITEM 0, AS AMENDED.

Chairwoman Brassil states the above ordinance is for the 80¢ per hour increase for the Sewage Treatment Workers.

Councilman Farmer moves passage of the Ordinance.

This motion is seconded by Councilman Mansolillo.

Councilman Lynch desires to be recorded as "Not Voting".

Councilman Easton desires to be recorded as voting "No".

Councilman Easton is of the opinion a better explanation is necessary, other than the communications from the Finance Department as to the reason for the transfers.

FEBRUARY 1, 1982

Chairwoman Brassil reads a communication from Superintendent of Parks Diamond in which he states the Finance Director has not complied with Sec. 7, to transfer 20 employees into the Park Department from wherever he sees fit. No money has been transferred and only 14 employees have been sent to that department.

Finance Director Baron states Mr. Diamond had said if he received the 4 executives back, they could move \$250,000 out of Public Works, create deficits in the appropriation accounts into the Parks, where money is not needed to fund those positions.

Councilman Mansolillo reminds the members the budget was passed with time restraints. They were not as meticulous as they should have been due to layoffs, etc. As it worked out, the Park Department, Item 0, was more than adequate, even with the transfers, because of the consequent layoffs that took place in the City. He was down about 40 employees. He ended up virtually with 14 to 18. The money was never retrieved from his account. At his current level of funding, he will be well within his line, as money was not taken from him.

Councilman Farmer suggests the Ordinances be passed the First Time by the Council and referred back to Committee.

Councilman Lynch questions as to what good the Code and Charter is to the City, as there is a flagrant violation of the Charter. Money is being paid before being transferred by the City Council.

It is requested the Acting City Solicitor be present for his interpretation of the Charter as to the right to expend money that has not been transferred.

A projection and outline as to how the layoff process is going, particularly Public Works and major departments to determine if they are reducing the various appropriation accounts to see where money needs to be appropriated and where it doesn't.

Discussion ensues relative to Public Works Accounts.

FEBRUARY 1, 1982

AN ORDINANCE AMENDING THE APPROPRIATION ORDINANCE CHAPTER 1981-30, EFFECTIVE JULY 20, 1981, BY TRANSFERRING THE SUM OF NINETY-FIVE THOUSAND DOLLARS (\$95,000.00) FROM HIGHWAY 1-05-164 TO HIGHWAY 1-05-08-263.

On motion of Councilman Easton, seconded by Councilman Dillon, the foregoing Ordinance is Postponed Indefinitely in Committee as Item 5 on the agenda transfers the sum requested.

AN ORDINANCE AMENDING THE APPROPRIATION ORDINANCE CHAPTER 1981-39, EFFECTIVE JULY 20, 1981, BY TRANSFERRING THE SUM OF NINETY THOUSAND DOLLARS (\$90,000) FROM PUBLIC WORKS - HIGHWAY, ITEM 1 TO PUBLIC WORKS HIGHWAY, ITEM 2.

AN ORDINANCE AMENDING THE APPROPRIATION ORDINANCE CHAPTER 1981-39, EFFECTIVE JULY 20, 1981, BY TRANSFERRING THE SUM OF SIX HUNDRED THIRTY THOUSAND DOLLARS (\$630,000.) WITHIN THE PUBLIC WORKS WASTE COLLECTION ACCOUNT FROM 05-07 TO ITEM "0" TO 05-07 ITEM "1".

AN ORDINANCE AMENDING THE APPROPRIATION ORDINANCE CHAPTER 1981-39, EFFECTIVE JULY 20, 1981, BY TRANSFERRING THE SUM OF ONE HUNDRED FORTY-THREE THOUSAND DOLLARS (\$143,000) WITHIN THE PUBLIC WORKS WASTE COLLECTION AND PROCESSING ACCOUNT FROM 05-07 ITEM "5" TO 05-07 ITEM "189".

AN ORDINANCE AMENDING THE APPROPRIATION ORDINANCE CHAPTER 1981-39, EFFECTIVE JULY 20, 1981, BY TRANSFERRING THE SUM OF TWELVE THOUSAND DOLLARS (\$12,000) WITHIN THE PUBLIC WORKS WASTE COLLECTION PROCESSING ACCOUNT FROM 1-05-07 ITEM "2" TO 1-05-07 ITEM "189".

AN ORDINANCE AMENDING THE APPROPRIATION ORDINANCE CHAPTER 1981-39, EFFECTIVE JULY 20, 1981, BY TRANSFERRING THE SUM OF SEVENTY THOUSAND DOLLARS (\$70,000.) FROM PUBLIC WORKS STREET CLEANING ITEM "0" TO PUBLIC WORKS WASTE COLLECTION AND PROCESSING ITEM "189", AS AMENDED.

AN ORDINANCE AMENDING THE APPROPRIATION ORDINANCE CHAPTER 1981-39, EFFECTIVE JULY 20, 1981, BY TRANSFERRING THE SUM OF ONE HUNDRED FIFTY THOUSAND DOLLARS (\$150,000.) FROM PUBLIC WORKS STREET CLEANING EQUIPMENT RENTAL (1-05-04-164) TO PRIVATE CONTRACTING STREET CLEANING ACCOUNT (1-05-04-189).

AN ORDINANCE AMENDING THE APPROPRIATION ORDINANCE CHAPTER 1981-39, EFFECTIVE JULY 20, 1981, BY TRANSFERRING THE SUM OF ONE HUNDRED FORTY THOUSAND DOLLARS (\$140,000.) FROM PUBLIC WORKS STREET CLEANING ACCOUNT (1-05-04-0) TO PRIVATE CONTRACTING STREET CLEANING ACCOUNT (1-05-04-189), AS AMENDED.

AN ORDINANCE IN AMENDMENT OF SECTION 30 OF CHAPTER 1981-40, EFFECTIVE JULY 20, 1981, ENTITLED: "AN ORDINANCE ESTABLISHING THE CLASSES OF POSITIONS, THE MAXIMUM NUMBER OF EMPLOYEES AND THE NUMBER OF EMPLOYEES IN CERTAIN CLASSES IN THE CITY DEPARTMENTS", RELATIVE TO DEPARTMENT OF PUBLIC WORKS - ENGINEERING OFFICE.

On motion of Councilman Farmer, seconded by Councilman Mansolillo, it is voted to transmit the foregoing Ordinances to the City Council with recommendation of Adoption and transmittal Back to Committee.

FEBRUARY 1, 1982

AN ORDINANCE AMENDING THE APPROPRIATION ORDINANCE CHAPTER 1981-39, EFFECTIVE JULY 20, 1981, BY TRANSFERRING THE SUM OF ONE HUNDRED THOUSAND DOLLARS (\$100,000.) FROM INSURANCE FUND, ITEM 3 TO SCHOOL DEPARTMENT, ITEM 0.

On motion of Councilman Farmer, seconded by Councilman Easton, it is voted to Postpone the Ordinance in Committee Indefinitely and Finance Director Baron is requested to transfer an Ordinance to transfer the responsibility as requested with no money being transferred.

RESOLUTION REQUESTING THE MEMBERS OF THE RETIREMENT BOARD OF THE EMPLOYEES RETIREMENT SYSTEM TO PURSUE ALL AVENUES TO HAVE THE CITY OF PROVIDENCE PAY THE FUNDS DUE THE PENSION SYSTEM.

On motion of Councilman Farmer, seconded by Councilman Easton, it is voted to Postpone the Resolution in Committee Indefinitely.

RESOLUTION REQUESTING THE COMMITTEE ON FINANCE TO RESCIND PARKING FINES IN THE CITY OF PROVIDENCE TO A MAXIMUM OF TWENTY-FIVE DOLLARS (\$25.00) FOR PARKING ALONG HYDRANTS, CORNERS AND EMERGENCY TOW ZONES AND TO REDUCE ALL FINES TO FIVE DOLLARS (\$5.00).

Councilman Moise, being present and sponsor of the Resolution speaks at length.

Chairwoman Brassil states a sub-committee has been appointed relative to fines.

Councilman Easton states as a member of the Sub-Committee, they have not completed their work. He is thinking of doing something about the \$50.00 fines, but cannot see changing the others.

Councilman Farmer states it does not make sense to amend the parking fines until the end of this fiscal year.

On motion of Councilman Farmer, seconded by Councilman Mansolillo it is voted to Postpone the Resolution in Committee Indefinitely.

Councilman Easton is of the opinion if the fines are made too low, it is telling the people they can break the laws. The direction to move in is to find more parking spaces.

Councilman Farmer states it is not fair to have the residents pay taxes and subsidize people to break the law.

Councilman Dillon desires to be recorded as voting "No".

Councilman Easton desires to be recorded as "Not Voting".

RESOLUTION REQUESTING THE BOARD OF PARK COMMISSIONERS TO STUDY THE FEASIBILITY OF ESTABLISHING ADMISSION CHARGES FOR THE ROGER WILLIAMS PARK ZOO, MUSEUM OF NATURAL HISTORY AND OTHER PARK FACILITIES.



FEBRUARY 1, 1982

On motion of Councilman Easton, seconded by Councilman Dillon, the Resolution is Continued.

REQUEST FOR CAR ALLOWANCES FROM SUPERINTENDENT OF PARKS DIAMOND.

The Clerk is requested to refer the above request to Finance Director Baron.

RELATIVE TO COMMUNICATION FROM COLONEL MANCUSO REQUESTING ENDORSEMENT OF THE CITY COUNCIL RELATIVE TO 81-H 5830 A.

Chairwoman Brassil reads a communication from Colonel Mancuso, attached thereto is House Bill 81-H 5830 A relating to the Providence Municipal Courts.

The bill would grant authority to the Providence Municipal Court to suspend drivers licenses and/or registration for periods up to six months for those failing to respond to ten or more parking violations within a 48 month period.

On motion of Councilman Mansolillo, seconded by Councilman Dillon, it is voted to direct the Clerk to transmit the appropriate Resolution to the City Council endorsing House Bill 81-H 5830 A.

ADJOURNMENT: On motion of Councilman Easton, seconded by Councilman Mansolillo, the Committee adjourns at 5:25 o'clock P.M.

*Rose M. Henderson*  
Clerk

Copied *J.M.A.*

Compared *J.L.D.*