

DEPARTMENT OF CITY CLERK

CITY HALL

FEBRUARY 23, 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, Dillon, Farmer, Mansolillo and Flynn. (Joanne L. DeFusco, Assistant Clerk).

Also present are Harry Beard of Peat, Marwick, Mitchell & Co., Ron Marsella of Urban Consultants, Finance Director Jerom I. Baron, City Treasurer Stephen T. Napolitano and City Council Internal Auditor, Stephen Woerner.

Councilman Paolino wishes to bring up a matter that is not on today's agenda that being that at the last meeting the Providence Review Commission was asked to investigate the street cleaning situation for the months of December, 1981 and January, 1982.

The report from the Providence Review Commission is submitted by the City Council Internal Auditor Stephen Woerner.

Councilman Paolino states that according to this report which came directly from Rosciti's records, approximately \$22,000 has been paid over the past two months for work that has not been done. He states that there have been several days that the street sweepers could not go out because of extreme cold and ice, but were paid anyway.

He states they know the streets aren't being done and the constituents know that the streets are not being done. He proceeds to read a letter from an anonymous constituent from his area complaining about the street cleaning.

Chairwoman Brassil questions as to whether or not City Council Internal Auditor Woerner has a report on snow removal to submit to the Committee Members.

Mr. Woerner submits said report and it is reviewed by the Members of this Committee.

Councilman Easton questions as to whether or not these figures come from Rosciti's records and if they have been verified.

Mr. Woerner states that the Supervisor of Street Cleaning recently added several new containers to the City because they did not have enough.

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Councilman Paolino states he has seen City trucks during the day-time doing this work.

Mr. Woerner states that is because there are additional new containers.

Discussion ensues relative to a decision which is pending before this Committee on an administration request to transfer money between accounts within the Public Works Department budget to pay Rosciti through the rest of the year.

Although this matter is not on today's agenda, Councilman Easton suggest that when the time comes, the Committee refuse to transfer the money and request that the contract be voided. He feels this may be the only way this Committee has any say in the goings on in the Public Works Department.

Councilman Farmer questions that if the contract is breached, then what is the City going to do about providing street cleaning for the City of Providence.

Chairwoman Brassil states this contract was passed by the Board of Contract and Supply and given to Rosciti Construction and Mobile Sweeping Service, the subsidiary of the private company. She suggests they be notified and be asked to reconsider their contract.

Councilman Easton suggests they notify the Providence Review Commission and inform them they feel the contract is illegal and take the necessary action to void the contract.

Chairwoman Brassil states that this is not going to be voted on today. She appoints Councilman Paolino, Chairman and Councilmen Dillon and Easton as Members of a Sub-Committee to investigate the Street Cleaning Contract.

RON MARSELLA OF URBAN CONSULTANTS INVITED TO ATTEND.

Mr. Marsella states he is here today to provide the Finance Committee with an update on the Capital Center Project. He wishes to indicate to the Members any progress they have made to date on the subject of financing and any improvements involved and to answer any questions that may be put to them by the Council.

He has brought with him today a map that shows the "Public Improvement" phase of the Capital Center Project.

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He submits to the Members of the Committee a run down of the time frames and the monies required for each phase of the Capital Center Project and also a copy of the cooperative agreement of the Providence Rail Relocation Project.

He states that the first phase of the project will be the relocation of the railroad tracks, the "Railroad Improvement" phase in which there will be a new railroad station, which will entail a two year construction. Right now, they are in the final design phase.

He states they will go to bid in the fall of 1982 and begin construction in the first quarter of 1983.

He states the Redevelopment Agency and therefore the City's participation in this project is really in two areas. The Agency, in particular, in terms of funding for certain improvements; the City in terms of authorization for that funding and also in terms of certain real estate transfers or swaps that are necessary to achieve the entire objective.

Once the railroad improvements are completed, then the present railroad tracks, bridges, etc. can be demolished and other roads in that area can be constructed. Once that takes place, then all the sites are ready for private development, including the rear of the present Union Station Terminal, the land along West Exchange Street near the Providence Civic Center and Bus Station. There are 11 sites all together.

Councilman Dillion questions as to what would have happened if that Bond Issue to Finance had failed in November?

Mr. Marsella states there was some misunderstanding on that. The Bond Issue mentioned the Capital Center Project and the Civic Center interchange in particular. In fact, though, that Bond Issue related to approximately 10% of the cost of the financing for this interchange. This is a 90 - 10 ration. It is 90 per cent federal highway and 10 per cent state funding for this interchange. The State has now approved local bonds and federal highway matches for about 90 per cent of the construction. If no other bonds were ever approved, 90% of this interchange could still be built. Over the course of the next 7 years, he is sure another bond issue will be approved. But even if it were not, it would mean that certain ramps would not be completed. It is not a disaster for the Project, but it certainly would not benefit downtown.

He goes over the Capital Center - Estimated Project Costs - P.R.A. share report he submitted which is as follows:

CAPITAL CENTER - ESTIMATED PROJECT COSTS*

- P.R.A. SHARE -

*000's omitted

<u>PERIOD FUNDS REQUIRED</u>	<u>ITEM</u>	<u>COST</u>
1982	Design Fees to Reimburse FRA	\$.300
1983-85	Construction of:(to match FRA)	
	Pedestrian Overpasses	400
	North & South Walls	757
	Capital Park	590
	Amenities	268
	Deck	964
	Contingencies, etc.	<u>200</u>
		3.200
1986	Utilities, Etc.	<u>.991</u>
		4.491
	Additional Contingency & Administration Costs	.129
	TOTAL P.R.A. COSTS:	4.62

Chairwoman Brassil questions if the Ordinance has come before them for the full 4.6 Million.

Mr. Marsella states he believes that is the case. Whether that is a requirement or not, is another matter. Regardless of how the funds are taken down and invested by the City, the co-op agreement indicates that only when the improvements are going to be met for construction does the Redevelopment Agency have to have the funds for those improvements.

Councilman Dillon questions as to whether the bond referendum for the state going down is not going to have any significance.

Mr. Marsell wishes to describe two things. One is what is the status for the legal relationship with the City of Providence Redevelopment Agency to the whole project. At this point in time, the City Council's Urban Renewal Committee and the City Council as a whole has approved amending the Urban Renewal Plan and committing Redevelopment Agency dollars to this

project. What it has not approved, is this Finance Committee requesting the city government, the City Treasurer's Department of Finance Director to actually come down with the dollars necessary to make the City's match, the Redevelopment Agency match. He reads through the Cooperative Agreement he has submitted to the Members which he states makes it very clear that it is subject to the approval of such plan and the actual providing of funding for the plan to the P.R.A. by the City of Providence City Council subject to the timely availability of matching funds from all other parties as set out in this agreement.

He states the 4.62 Million Dollars is a fixed number and only the City and the Redevelopment Agency can agree to change it.

Councilman Dillon questions about Amtrak being tax exempt.

Mr. Marsella states as he understands it, this is a temporary thing. That is, it was a rider to their 1982 appropriation bill. You could get away with something like that once, but he doubts if they would be able to do it again. That is a one year situation, it is unpleasant but it is something that occurred nationwide. He states the Providence & Worcester Railroad has had for a number of years the development rights. Amtrak owns the land but the development rights over these tracks belong to the P & W Railroad. P & W has said as part of the agreement mentioned earlier, that it would give to the City of Providence, if this project went forward, its development rights between what is now Promenade Street and over about 4.3 acres of land.

Councilman Dillon states that he is skeptical and looking out for the City's best interest, wouldn't it be wiser to lease this land if it is going to be tax exempt and get a fee that way?

Mr. Marsella states that the City is getting more footage than it is giving up. The leasing possibilities could be discussed but he sees their agreement as it is now as an even swap. But if the City wants to lease to Amtrak then maybe Amtrak will turn around and lease to the City.

Chairwoman Brassil questions as to what the deadline is for the \$300,000.00 needed for the Capital Center Project in 1982, as stated on the first report Mr. Marsella submitted this day.

Mr. Marsella states that would be the end of 1982.

Chairwoman Brassil questions whether he has enough funding without bond money.

Mr. Bernstein states they do not have enough funds and they would need the \$300,000.00.

Councilman Paolino questions Mr. Bernstein as to whether this Committee has to approve the whole 4.6 Million in order for them to start drawing from that \$300,000 this year, or can they pay as they go.

Mr. Bernstein states they have already approved the 4.6 Million and he has introduced a Resolution into the Council asking for the 4.6 Million to be paid in whole or in part. His only concern is that before the Redevelopment Agency can enter into contract either for planning services or for actual site improvements, then that money has to be put up. That is his concern.

Councilman Farmer states \$300,000.00 has to be put up, so that if they authorized borrowing in anticipation of bonds they could authorize \$300,000 now.

Mr. Bernstein states that is correct prior to the time that they work up their contract for site improvement services, before the Redevelopment Agency will execute that contract they will have to have its monies provided.

Councilman Paolino states what he thinks some of the Council people are concerned about is that because they have been able to look towards the bond market, the City Council people want to have don't want this to be a priority over all the others. The bond people and the banks and the auditors states to them "Yes, you can float 4.6 Million Dollars" they don't want to be in the position where it could only be Capital Center and nothing else.

Councilman Farmer states they at least want to be involved in the system of the process of prioritizing.

Mr. Marsella states he has taken the liberty of sitting down with Representatives of Industrial National Bank, Mr. Baird and has spoken to Mr. Baron, because he knew that there was a concern in this area. He understands that the anticipation is that some time prior to this spring, the City would know ^{what} /its situation is going to be insofar as its ability to borrow and also what the rate will be and what the strategy should be - should they borrow as much money as they can for as

long as they can - the impression he got was that if the City is in the position to do anything it will be in a position to borrow sufficient funds not only to do this project but to do many other projects as well, and it would have to decide within its own wisdom what priorities come first. That is his guess.

He wanted to bring the Committee up to date and make sure there is no doubt in anyone's mind on the Council's prerogatives both in finance and in property transfers are still maintained and no one is trying to weigh those priveleges - the strategy by which the Committee takes down some of the money or all of the money and how that is invested or how much they make available to the agency to pay its obligations, is to be worked out. He states that having all the funds in place would be beneficial.

Councilman Easton states that there were a number of points raised at a meeting of the Committee on Urban Redevelopment, Renewal and Planning, of which he is a Member. In the course of them approving the Resolution to allow for submission of the application for funds and to execute various agreements with the F.R.A., - One of the things they were very adamant about in those meetings was that they were not satisfied with their project. When it was brought before the U.R.R.P. Committee, they saw a number of serious holes in it and there was no overwhelming feeling that this was good for the City of Providence. The reassurance that was given to them, was "Don't worry about it - because we can't go anywhere until we get approval from you to spend the money and that won't be for a long way down the road and you will get a report back from the special sub-committee for the Capital Center Project." The Capital Center Project special report never showed and two months later instead they got a Resolution to authorize the expenditure of 4.6 Million dollars.

He has one thought overwhelming in his mind; that is, the day they vote for the 4.6 million dollars to be expended, that is the last thing he will ever hear about Capital Center Project until he sees bulldozers going down the street and no one will ask his opinion after that at all, once they have authorized the money that will be it. The questions are when are when are you going to resolve the

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points raised by citizens at the public hearing, raised by Council Members at the Public Hearing and until those points are resolved, one of which is that you are not providing adequate parking for the parking you are removing, plus the additional load for parking that is going to be generated by this project. Yes, you are doing one or the other, but the two he is not convinced that they are doing. Secondly, the several alternatives to moving the tracks, none of which overwhelmingly impressed him, but some of which still needed a little bit of further examination and he was given to understand that there would be further examination of those alternatives. The thing that upset him when this thing came on the agenda, and it still upsets him, is that he does not know anything about the Capital Center yet. That Committee has not reported back to the Council yet. He feels badly that the Council is being fast-shuffled. He wants to know a lot more about the project before they authorize the expenditure of one dime for it. All this stuff about re-explaining the project or explaining how the money draws down - he already knows about that. He wants to know about the concerns that were raised and when are those concerns are going to be addressed. That is when they will get the money for whatever vote he has on it.

Councilman Paolino wishes to answer Councilman Easton. The concern that came out of the URRP Committee was parking and competition with downtown. What the Capital Center Commission has done is changed priorities of certain pieces of land. That was a big concern- prioritize it, tell the Council what they are going to be putting there. Let them know what sort of development is going to be happening, and don't let it compete with downtown. That has been done. The parking situation, he heard that to be the largest complaint. He states Mr. Marsella will have to answer the parking question.

Mr. Marsella states that the two concerns were brought up at the URRP meeting. He states downtowns nationwide have a serious parking problem. The bullet that needs to be bitten on the parking and the bullet that exists today, and it is a very serious problem the City has. It requires real commitment to dollars or either tax subsidies, etc. It's not something

that any one project, whether it be the Capital Center, the Inbank Tower, or Old Stone or any project is going to resolve. He doesn't have a solution except to say, that they have at least mandated, regardless of the height of the building, to replace all the parking that is out there.

Chairwoman Brassil appoints Councilman Easton as her designee on the Capital Center Project and directs the Clerk to send a communication to Judge Joslin, Chairman of that Committee, informing him of same.

Councilman Easton further discusses the problem of parking and states he feels they ought to hold the Resolution on authorizing the funds, since it is the last fight this Council has, as a hold on this project, until they are satisfied that it is going to be in the best interest of the City. 95% of the Capital Center works, but if that one piece doesn't work and you create a further parking problem, you are only going to kill the downtown in order to make capital center work.

Mr. Marsella states that to treat these concerns properly is very difficult in a meeting where you have multi-agenda items, it is very complex. It is now an issue and capital center is not going to be the solution of it. Capital center has demanded that you provide parking regardless of the height of the buildings so you cannot get away with buildings a six story building 200,000 square feet and not put in parking, you must do it. Two, it is provided for a voluntary method of property owners taxing themselves. They can tax themselves to create parking facilities.

Mr. Bernstein states right now a study is being done on the problem of downtown parking. That parking plan for downtown will be completed by June 1st.

Messers Marcella and Bernstein are excused at this time.

HARRY BAIRD OF PEAT, MARWICK, MITCHELL & CO., INVITED TO ATTEND.

Chairwoman Brassil asks Mr. Baird about the draft that was promised to them a week ago Friday.

Harry Baird states he will let Mr. Baron answer that question.

Chairwoman Brassil directs the question to Mr. Baron, who responds that it is not yet ready.

Chairwoman Brassil questions as to when they will have that draft.

Mr. Baron states it should be ready in about one and one-half weeks. He states right now they are changing the accrual method to the sixty day rule.

Chairwoman Brassil asks for an explanation of the 60 day rule.

Mr. Woerner states that over the years they have been trying to upgrade them, so for the past year they have made some steps with statement one and now they are trying to tighten down the rules of accrual accounting revenue.

The question becomes, when they set a levy this year, what amount is actually collectible. What should they recognize this year for revenues. Should it be what they expect to collect over the life of the levy, which could be anywhere from three to six years. Should they set it at three years, or do they expect to collect it in three years. The 60 day rule says that anything you collect within 60 days at the end of the fiscal year should be what is recorded as revenue. Now, they just passed on that, the National Committee of Governmental Accounts, it doesn't go into effect for the City until June 30 of 1983. That would be first year that we are required to report on that. Now, Mr. Baron was planning on improving the condition of the City's financial statements and basic reports, they have been put in conformity with generally accepted accounting principals. It was his feeling at the time, that it would make the City look good if they went to the 60 day rule right away. In discussing this more with other persons in the field and with bankers, fiscal advisors and with myself frankly, there's a lot of confusion as to whether the 60 day rule is a good rule and whether it will stick. Meaning the Governmental accounting Associations may go back to other rules. There is nothing hard and fast about 60 days. Personally, he has problems with it. So, there is a great deal of ambiguity in the field -so, both are acceptable, whether they go on a 60 day basis, whether they go back to the then accepted full accrual method as before.

Mr. Baron states financial advisors have expressed certain concern about implementing the 60 day rule, He thinks what they have to do in all fairness to the City is to rough draft the

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statements under existing rules, present them to them and get their input.

Councilman Paolino states this sixty day situation will help the City with Moody's indirectly.

Mr. Baron states he does not think it will have any effect on that. If the City went with it, they would be implementing something that does not have to be implemented now.

Councilman Paolino states his second question is will the Finance Committee see the audit before it is made public.

Mr. Baron states it is his understanding that the intentions for first distribution is to the chairperson of the Finance Committee, President of the City Council and Chairman of the Providence Review Commission for their official reviews.

Councilman Paolino questions as to if you will give someone a copy at 9:00 and have a press conference at 10:00?

Mr. Baron states he doesn't have a schedule yet for distribution.

Councilman Easton questions as to whether there is a draft of the audit available at this point.

Mr. Baird questions as to under what basis.

Chairwoman Brassil states under the basis that the rules are now, as the rules stand now.

Mr. Baird states there is no draft, not as full accrual.

Councilman Easton asks if there is any draft available, under any basis.

Mr. Baird, states no, the audit was, the original drafts were that they were going to apply the 60 day rule and they went forward under that basis and the work they have completed was on the 60 day basis. Now we have another week and a half of work to put it on full accrual basis. We don't know if that is good or bad, the results of that. You have to get the two of them in front of you and see, and if you want to make the change to the new rule, which was the original concept, the 60 day, because that is what they are going to be stuck with on June 30, anyway.

Councilman Easton states that they do have a draft of the 60 day accrual method that is completed.

Mr. Baird states yes.

Councilman Easton questions as to if that draft has been reviewed by the Mayor.

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Mr. Baird states Mr. Baron and he have been reviewing it.

Councilman Easton states his problem is waiting for a decision to be made. Why not involve the people that pay for the audit and contracted the audit in the decision making and make them privy to the information that the audit contains. He states he knows what is going to happen, the Mayor is going to get his copy of the audit, we will read about it in the paper and then they will have a Finance Committee meeting two days later in order to review the thing. He doesn't want that to happen, he would be very upset if that happened. He thinks this Committee ought to insist that nothing from the audit be disclosed until it has been brought before this Committee and that the audit not be shown to anyone until it has been brought before this Committee.

Councilman Farmer questions as to what provision of the open meetings law says the City audit is an exception?

Chairwoman Brassil states she has no problem with the Mayor seeing the audit, she thinks he has the right to, but she also thinks that the Finance Committee contracts the services of the auditor and has the right to see it at the same time the Mayor is seeing it. They should be privied to that information at the same time, they do the hiring.

Councilman Mansolillo states this budget was fashioned under, in terms of being put together by this Finance Committee, last winter when it was refashioned. It was put together anticipating that the so-called accrual method of accounting under the existing rules were in effect. He thinks it only serves the best interest of this committee and this government to see to it that and in utilizing rules that are yet to be promulgates where they stand utilizing those rules where they stand/because clearly, it would not show an accurate picture of there they are in terms of when they put this budget together we were operating under certain rules. When rules get changed in the middle of the game, and different results take place, then the least that can be done for their own self image is see where they were in terms of the rules that were in place at that time. Subsequent rules may change that picture, most likely will change that picture. But he thinks that they owe it to themselves and to the City of Providence to show that they did what amounts to honest work.

When we adopt this budget and the expectation was if your playing a game, by a certain set of rules and they change the rules in the middle of the game, down the pike those rules are going to be in effect. He states they should show the people where they were when they were playing the rules by those games.

Chairwoman Brassil states basically what they are saying is when Mr. Baird is showing it to the Mayor, maybe the Mayor can call the members and ask them to come in and see it at the same time.

Mr. Baird states the budget was prepared on a cash basis, it was no different because of the accrual.

Councilman Easton states the accrual was necessary to assume past deficits.

Councilman Dillon questions about the supplemental tax.

Mr. Baird states the supplemental tax and the levy for the supplemental tax has been accrued totally. That is a separate and distinct thing. The money was all accrued and for all practical purposes, the City borrowed on it as of June 30th and spent it in order to make the year go through. So that's been accrued. The regular/^{property}taxes is where the 60 day thought was coming in.

Chairwoman Brassil states another reason Mr. Baird was invited here is that they had talked about hiring auditors early this year so they don't get in the harang they've gotten into in previous years. She has talked to several members of the Finance Committee and they think they should go with the big 8 firm without a doubt. They checked the Charter, they do not have to go out to bid and they can give the audit out without going out to bid, according to section 6.32. They were wondering what he would have to offer them at this time, Peat, Marwick & Mitchell, seeing they are the auditors of record at this date. She questions if they have anything that they could offer them to stay on.

Mr. Baird states he will give it to her very factually, he wants to get the point across that when you appoint someone, you really should do it for a two year period when you do it. To have somebody come in, and then have somebody new come in, by the time they figure out where everything is and do it, the time in as to getting the report out - it just takes too much time. So, when you do it, and you give consideration to doing it, you should really do it for a two year

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period. Now, two things, you have a Council that is sort of like lame duck - you are going over to the Charter in January 1, 1983 - it goes down to 15 people. He is sure they do not want any decisions for the new Council. You would want them to make to be making/their own decisions. You might leave a recommendation behind, The question then comes up June 30, 1982 before the election, does it make sense now to go with the same firm, and does this make any difference because Jerry is going to have his facilities management system coming on July 1. As fast as you can get any kind of updated information as of June 30 on the new system and start rolling some statements out by October, November or whatever. He is sure the big question is going to be, "you know, we'd like to have the audit out before November 1982, so people can see what the administration did." The job is very costly. It is a contribution kind of thing. When you stop to look at it. We got the job for \$53,000 and we have got about \$120,000 in it right now, The real question would be if we proposed on it, we would be willing to pick it up for this one last time and then after that we would say that you should really go out, the new Council should go out on a confirmed competitive proposal. And the fees would probably bounce again up. I'll pick it up for the same numbers as we had this time just one more time but that will be the extent of it. A lot of people in our office are questioning why I even would want to do it again. He thinks if we are going to get things cut over to the new system. The Facilities Management System, you want the numbers to roll off on some kind of a timely basis. He questions in his own mind if they go out and come in with someone else, how long it it going to take to do that. Are we going to then again delay getting the information out on time. He states that is a decision they have to make. His position is that they would be willing to do it one more time for the same fee and consider that to be a contribution on their part.

On motion of Councilman Farmer, seconded by Councilman Paolino, it is voted to retain the services of Peat, Marwick & Mitchell for fiscal year ending June 30, 1982 for the same fee of \$53,000.00 and that the necessary Resolution be transmitted to the City Council.

Councilmen Flynn and Dillon request to be recorded as "Not Voting".

Mr. Baird states he will get the report to them as fast as possible.

Chairwoman Brassil states she hopes the Committee will be notified when they are meeting with the Mayor and they can sit down with the Mayor and review the audit.

Councilman Dillon states it has been a long-standing practice of the City that in the latter part of May and June, the department directors order materials and they tell the vendor "We'll pay for it out of next year's budget". He assumes that Mr. Baird went through and picked up those liabilities that existed as of June 30. That should allow them to reduce the appropriation for those departments this year because they budgeted, assuming that they were going to have to pay some of last years bills next year. Now they don't have to pay them this year. So they have more money than they need. So, his proposal would be to reduce expenditures by those amounts and reduce revenues on the parking tickets.

Mr. Baird states he doesn't know how he is managing that in 1982.....

Councilman Dillon states he assumes it has stopped now that they have financial management, but he knows it was a long time practice.

Mr. Baron states they were aware of a series of invoices that were charged to last fiscal year and were paid for out of that budget.

Mr. Baird states that for financial statement purposes, anything that came in after June 30, was related to last year..

Mr. Baird is excused following further discussion of the budget.

RESOLUTION AUTHORIZING THE ACTING CITY SOLICITOR TO APPEAR BEFORE THE 1982 SESSION OF THE GENERAL ASSEMBLY AND URGE PASSAGE OF AN ACT AUTHORIZING THE CITY OF PROVIDENCE TO EXEMPT OFF-STREET PARKING STRUCTURES FROM TAXATION.

Ken Orenstein is present and submits a report relative to the above , which be briefly reviews for the Members.

Councilman Paolino questions Mr. Orenstein as to if you own a building and you want to knock it down and the building is paying \$10,000.00 a year in taxes, the land pays \$5,000.00 you would normally lose \$5,000.00 right off the bat. Is there any way you could structure it so that you won't lose anything so that it will be your minimum price, your minimum taxes will be at least \$15,000 and anything over and above that you could exempt.

Mr. Orenstein states there is another bill on the books that allows the City Council to give a tax stabilization and establish what the exact taxes are. The land would be assessed and be re-assessed continually and the taxes would be charged to the land on the basis of whatever mileage existed that year. He states no one is going to tear down a building, unless that building has absolutely no value, to build a garage because there is no profit in the garage.

Chairwoman Brassil questions as to whether or not there is a building going down near the Hospital Trust Towers.

Mr. Orenstein states in careful reading of the act, if someone were to tear down those buildings and build a 450,000 sq. ft. building there, you would be having instead of 100,000 sq. ft. of building, 375,000 sq. ft. of office space plus 40,000 sq. ft. of retail space, plus another 40,000 of garage space. The garage portion of that piece of land would be eligible under this act, so long as the amount of parking that is on that site now is double.

Councilman Farmer questions as to whether or not Mr. Orenstein could amend the act to state in the second line of legislation "In whole or in Part", which would give the Council the right to decide not only the period over which an exemption should be granted but it would be clear that they could give a 50% exemption, 10% exemption or whatever. He does not think they have this now.

Councilman Paolino states the only problem is once you have that "Up to twelve years exemption", everyone is going to be asking for twelve.

Chairwoman Brassil questions as to how much will it cost to build a parking garage?

Mr. Orenstein states he has spoken to the Planning Department, and understands the City has a procedure where a fiscal note is required to be attached to Ordinances. He will bring in, using the foundations of Weybosset garage proposal, as a case, and will prepare this note. They will take that garage to see what the impact will be.

Councilman Mansolillo states they are not violating anything by passing this, because they are not passing an exemption, they are

passing the authority to give an exemption.

Following further discussion, it is voted on motion of Councilman Mansolillo, seconded by Councilman Farmer, to approve the foregoing Resolution with recommendation to the full Council for approval together with the amendment "in whole or in part" on the second line of legislation, after the word "taxation."

Councilman Easton wishes to be recorded as voting "No" on the above motion.

He states the Traffic Engineer in the City of Providence has yet to complete any kind of study of what the needs of on-street parking are and how the on-street parking that they have can be managed and controlled. Second of all, there is a Downtown Providence Parking Authority or some such group that was created seven or eight years ago taking up about 10 pages in the City Charter which he thinks met once back in the 1970's but has not met in the 1980's or in recent years, which is supposed to be addressing the problem. It seems to him that in the interum that the only way that the problem has been addressed is by coming up with strategies whereby the taxpayers can subsidize parking for downtown. It seems to him that they would be able with some more time to draft a bill that would essentially allow the type of thing that is being suggested but would not hamstring the City in the way that this one seems to be. Not so much hamstring, but sent them hell-mell down the road to another tax exemption which he thinks tends to happen in this City because everybody gets excited about an idea, and everybody comes in and they swear up and down they can't do it and won't do it unless the taxpayers subsidize it and nobody looks at a way to make the matter be profit-making operation without the subsidy of the taxpayers.

It strikes him that as they go quickly down this road without any thought to how or what other alternatives are available to them. There has been no discussion on it and they have made rash promises that never again would this Council be responsible for any tax exemptions. They then turn around and take the first step toward the possibility of granting tax exemptions in order to alleviate a problem that they have had almost no discussion on. He doesn't necessarily oppose absolutely the idea of a tax exemption. If it is the only solution that will work then it is a good one but the

only way to find that out is to give serious thought to it.

Councilman Farmer states if you recognize legislation for what it is, he would believe that the Council could exercise its judgement under the flexibility the law gives us. If someone comes up with a better solution, then the Council does not have to go granting tax exemptions.

Councilman Flynn states as the Chairman of the Committee on Public Works, they have set up a tentative meeting with Mr. Tibaldi to go over all the streets in the downtown area to see if there is some solution to the parking problems, which everyone is aware of and which there has been a public hearing on, in his committee. They will look at all the maps of downtown Providence.

Following considerable discussion, Councilmen Flynn and Easton request to be recorded as voting "No."

Chairwoman Brassil states there has to be a meeting of this Committee on Friday for the Tax Anticipation Notes and discusses with the Members a time convenient for everyone.

She directs the Clerk to send out Committee Calls for Friday, February 26, 1982 at 10:30 o'clock A.M.

AN ORDINANCE AMENDING SECTIONS 58, 59, 60 AND 61 OF CHAPTER 1981-40, EFFECTIVE JULY 20, 1981, ENTITLED, "AN ORDINANCE ESTABLISHING THE CLASSES OF POSITIONS, THE MAXIMUM NUMBER OF EMPLOYEES IN CERTAIN CLASSES IN THE CITY DEPARTMENTS", RELATIVE TO WATER SUPPLY BOARD.

AN ORDINANCE AMENDING THE APPROPRIATION ORDINANCE, CHAPTER 1981-39, EFFECTIVE JULY 20, 1981, RELATIVE TO THE WATER DEPARTMENT.

AN ORDINANCE AMENDING CHAPTER 1981-41 EFFECTIVE JULY 20, 1981, ENTITLED, "AN ORDINANCE ESTABLISHING A COMPENSATION PLAN FOR THE CITY OF PROVIDENCE", RELATIVE TO WATER SUPPLY BOARD, AS AMENDED.

Chairwoman Brassil calls on Wiley Archer, Chief Engineer of the Water Supply Board, relative to raises in the Water Department. She states they had amended the Compensation Ordinance taking the Chairman down to \$125 per month and the Board Members to \$100 per month. She calls for discussion of the Ordinances.

Councilman Paolino questions as to who would be getting the raises.

Mr. Archer states it would be a total of seven people all

together who would receive the raises, and reads off the list of names and positions.

Councilman Flynn wishes to speak on the behalf of the position of bacteriologist in the Water Supply Board, He states the person in that position is the fourth person to fill that job in the past couple of years, due to the fact that the job does not pay anything. People get out of college and stay there for awhile, then they leave. There is no future in the job because it does not pay any money. Students getting out of school use it for on the job training. To keep someone on, the salaries need to be boosted.

Councilman Paolino states he would like to vote on the raises separately. He sees no problem with giving Wiley Archer his raise but has problems with the others. He states the union contract will be coming up; therefore, giving these people double raises, a raise in February and a raise in June.

Mr. Archer states this has been approved by the Committee once, was on the Council floor and has been returned back to Committee. The P.U.C. doesn't say these raises have to be implemented. What they say is that they reviewed them as part of the over all cost of doing business for the utility and did not find them to be out of line with what they felt was legitimate. They are operating under last year's adjustments under the salary lines and under this year's approvals under all the other lines.

Councilman Flynn explains that some of those positions were taken out of the collective bargaining agreement so as to protect the people and protect the water system. That was the concern of the Board Members, to protect the system in the event of a strike. The people were taken out of the collective bargaining unit so if there was a strike there would be people there to operate that plant in case of an emergency. The Water Supply Board supplies 62% of the water for the State of Rhode Island. They cannot have these type of individuals on strike. They were taken out of the collective bargaining unit and now their pays have to be adjusted.

Councilman Easton states only 11 people would be affected by raises as a result of this Ordinance.

Mr. Archer states 4 of the positions in the reorganization were approved by the Council in their 1981 budget continued for the 1982 budget. The other 11, seven of which are on an acting basis and getting

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paid on that basis, and four of which are not getting any change in compensation over what the previous Council vote was. There are other jobs based on the reorganization plan that are currently vacant, some of them are unfunded for this year, but for all practical purposes, won't be filled this year. They will come into the next fiscal year.

Following further discussion, it is voted on motion of Councilman Flynn, seconded by Councilman Dillon to approve the foregoing Ordinances, with the Compensation Ordinance being approved as amended and transmit same to the City Council with recommendation of Adoption.

RESOLUTIONS REPORTING RECEIPTS OF CERTAIN GIFTS OF MONIES BY THE BOARD OF PARK COMMISSIONERS FOR THE PRESERVATION AND CARE OF SPECIFIED BURIAL LOTS IN NORTH BURIAL GROUND.

On motion of Councilman Flynn, seconded by Councilman Dillon, it is voted to approved the foregoing Resolutions and transmit same to the City Council with recommendation of Adoption.

ADJOURNMENT: On motion of Councilman Flynn, seconded by Councilman Easton, it is voted to adjourn at 5:30 o'clock P.M.

Jeanne L. De Fusco
Assistant Clerk

Rose M. Mendenhall
Clerk

Copied *J.M.A.*
Compared *J.A.*