

June 4, 1951.

City Hall,

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The Finance Committee meets this day at 12:00 o'clock Noon.
Present: Chairman Mariani and Messrs. Moakler, Loughran and Lazarus. City Solicitor McCabe, Finance Director Cashman, City Treasurer Cardarelli, Budget Officer Moran, Assistant City Controller Hartigan, Chief Engineer Holton and Legal Advisor Walsh of the Water Supply Board, are also present. (James J. Kelly, Assistant Clerk)

RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A CONTRACT ON BEHALF OF THE CITY OF PROVIDENCE WITH THE KENT COUNTY WATER AUTHORITY RELATIVE TO THE SALE OF WATER TO SAID AUTHORITY. (In City Council May 17, 1951. Referred to Committee on Finance)

Mr. Holton states that the Water Supply Board urges adoption of this Resolution because this contract on behalf of the City of Providence with the Kent County Water Authority relative to the sale of water is good business. Terms of the agreement shall be for a period of twenty years at a rate of $7\frac{1}{2}$ ¢ per thousand gallons. The water is to be delivered at or near the Purification Plant and the Authority at its own expense, will install, maintain and keep in good repair and operating condition all necessary pumps, water treatment equipment and connections with the meter or meters which are also to be owned by the Authority. The Authority will not use the distribution system of Providence at all and there will be no cost whatsoever to the City of Providence for distribution. It is estimated that the Authority will use about 1,000,000 gallons a day which would net the City of Providence about \$28,000.00 for the first year of operation. Since this water would be surplus and discharged down the river, it can readily be seen that it would be very profitable to sell this water to the Authority.

Legal Advisor Walsh states that Mr. Moakler raised the question as to legal problems that may be involved in this contract.

The Public Laws of 1915, Chapter 1278, Section 18, provides that a water district as specified in the Act, has a right to take and receive water from the source of water supply from Providence, so it is plain that this Kent County Authority is in the area where they are entitled to receive water from our

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water supply and now we have an opportunity to sell this water and obtain a substantial revenue.

Replying to a question raised by Mr. Moakler, as to what protection the contract contains if there is an increase or decrease in the rates for water, Mr. Walsh states that he is willing to correct the paragraph on Page 5 by offering an amendment at the rate of $7\frac{1}{2}\%$ per thousand gallons to be increased or decreased whenever a general increase or decrease in charges for water supplied by Providence is made for the large consumers using over 400,000 cubic feet.

Mr. Moakler interjects that he believes there should be an exoneration clause in the contract to protect the City of Providence for a condition which takes place after the Authority receives the water. Mr. Holton states that they check samples quite frequently and have rigid laboratory controls and should not have any contamination in the water after it left the meter at the Purification Plant.

Mr. Walsh inquired of City Solicitor Murphy of Pawtucket as to whether Pawtucket has or had any suits for contamination by districts or towns supplied by the Pawtucket Water System and Mr. Murphy informed him there had been none. The water will be sold outside our Purification Plant and once it reaches the outside of the meter, it becomes the property of the Authority and he does not believe we should have any suits for contamination.

Messrs. Holton and Walsh are excused at this time.

Budget Officer Moran outlines the following Ordinances:

AN ORDINANCE AMENDING THE APPROPRIATION ORDINANCE, CHAPTER 422, BY ADDING THE SUM OF ONE THOUSAND (\$1,000) DOLLARS TO THE APPROPRIATION CONTAINED THEREIN FOR ROGER WILLIAMS PARK, ITEM 1. (In City Council May 17, 1951. Read and passed the first time)

\$1,000.00 is to provide for the band concerts in Roger Williams Park during July, August and September. Eight concerts are to be given and the City pays for four and the Musicians' Union pays for four and the money is obtained from the Reserve for Extraordinary Expenditures Account.

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AN ORDINANCE AMENDING THE APPROPRIATION ORDINANCE, CHAPTER 422, BY ADDING THE SUM OF ONE THOUSAND SEVENTY-FIVE (\$1,075) DOLLARS TO THE APPROPRIATION CONTAINED THEREIN FOR INTEREST ON FLOATING DEBT. (In City Council May 17, 1951. Read and passed the first time)

For interest on Floating Debt, we are appropriating the sum of \$1,075.00 for the balance of the fiscal year and this is obtained from the Reserve for Extraordinary Expenditures Account.

AN ORDINANCE AMENDING THE APPROPRIATION ORDINANCE, CHAPTER 422, BY ADDING THE SUM OF TWELVE HUNDRED (\$1200) DOLLARS TO THE APPROPRIATION CONTAINED THEREIN FOR CITY REGISTRAR, ITEM 1. (In City Council May 17, 1951. Read and passed the first time)

The sum of \$1200.00 is appropriated for City Registrar, Item 1, and is apportioned as follows:

\$480.00 to pay the rental for a verifying machine which is used in the Tabulating Department with I.B. M. Equipment, and \$720.00 is to pay for postage for the balance of the year due to a ruling by the Postal Department requiring all mail from this department to be sent First Class instead of Third Class. The money is obtained from Reserve for Extraordinary Expenditures.

AN ORDINANCE AMENDING THE APPROPRIATION ORDINANCE, CHAPTER 422, BY ADDING THE SUM OF TWELVE THOUSAND (\$12,000) DOLLARS TO THE APPROPRIATION CONTAINED THEREIN FOR BOARD OF CANVASSERS, ITEM 0. (In City Council May 17, 1951. Read and passed the first time)

\$12,000.00 is to cover the cost of the Special Elections and a possible Primary which may be held in the Fifth Ward and is obtained from Reserve for Extraordinary Expenditures.

AN ORDINANCE AMENDING THE APPROPRIATION ORDINANCE, CHAPTER 422, BY ADDING THE SUM OF SEVEN THOUSAND (\$7,000) DOLLARS TO THE APPROPRIATION CONTAINED THEREIN FOR GENERAL PUBLIC ASSISTANCE-ADMINISTRATION, ITEM 5. (In City Council May 17, 1951. Read and passed the first time)

\$7,000.00 is for General Public Assistance Administration, Item 5. The State Welfare Department has agreed to allow the City to replace old and obsolete office equipment in the various Welfare Offices, at an approximate cost of \$14,000.00.

There is \$7,000.00 now available in the General Public Assistance and the State will reimburse the City for 70% of the cost.

AN ORDINANCE AMENDING THE APPROPRIATION ORDINANCE, CHAPTER 422, BY ADDING THE SUM OF TEN THOUSAND (\$10,000) DOLLARS TO THE APPROPRIATION CONTAINED THEREIN FOR CONTINGENCIES. (In City Council May 17, 1951. Read and passed the first time)

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\$10,000.00 is appropriated to Contingencies to settle the claim of approximately \$37,000.00 of the M.A. Gammino Co. against the City for work at the Municipal Dock. The Committee on Claims and Pending Suits already authorized settlement of this claim for the sum of \$22,921.74. We have \$13,000.00 now in Contingencies which can be applied towards this settlement and the balance of \$10,000.00 is obtained from Reserve for Extraordinary Expenditures Account.

On motion of Mr. Loughran, seconded by Mr. Moakler, it is voted to recommend for passage a second time, the seven Ordinances enumerated above.

REQUEST OF THE CITY TREASURER TO HIRE THE SUM OF \$50,000.00 FOR MUNICIPAL WHARF, NOTE TO BE DATED JUNE 6, 1951 AND PAYABLE JULY 23, 1951.

<u>AMOUNT</u>	<u>PURPOSE</u>	<u>INTEREST</u>	<u>DATED</u>	<u>DUE DATE</u>	<u>BANK</u>
\$50,000.00	Municipal Wharf-Bldgs. and Improvements	.90%	6/6/51	7/23/51	Indus.Trust Co

REQUEST OF THE CITY TREASURER TO HIRE THE SUM OF \$25,000.00 FOR PROVIDENCE PUBLIC LIBRARY, NOTE TO BE DATED JUNE 6, 1951 AND PAYABLE JULY 23, 1951.

<u>AMOUNT</u>	<u>PURPOSE</u>	<u>INTEREST</u>	<u>DATED</u>	<u>DUE DATE</u>	<u>BANK</u>
\$25,000.00	Addition to the Central Library of the Providence Public Library	.90%	6/6/51	7/23/51	Providence Unio Nat'l. Bank & Trust Co.

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<u>AMOUNT</u>	<u>PURPOSE</u>	<u>INTEREST</u>	<u>DATED</u>	<u>DUE DATE</u>	<u>BANK</u>
\$50,000.00	Addition to the Central Library of the Providence Public Library	.90%	6/6/51	7/23/51	R.I.Hospital Nat'l. Bank.

On motion of Mr. Lazarus, seconded by Mr. Loughran, the City Treasurer is authorized to borrow the above specified amounts.

COMMUNICATION FROM THE PROVIDENCE DISTRICT NURSING ASSOCIATION.

On motion of Mr. Loughran, seconded by Mr. Moakler, the communication is received and placed on file.

UNPAID BILL OWED FOR SERVICES RENDERED PRIOR TO SEPTEMBER 30, 1950.

<u>DATE</u>	<u>VENDOR</u>	<u>AMOUNT</u>	<u>DEPARTMENT</u>
9/1/50	International Business Machines 590 Madison Avenue New York, N.Y.	\$8.06	Tabulating Division

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On motion of Mr. Lazarus, seconded by Mr. Loughran, it is voted to authorize the City Controller to pay a bove bill.

The Committee recesses at 1:20 o'clock P.M. and reconvenes at 2:00 o'clock P.M.

Considerable consideration is given to the Resolution authorizing the Mayor to execute a contract on behalf of the City of Providence with the Kent County Authority relative to the sale of water.

Subsequently, on motion of Mr. Loughran, seconded by Mr. Moakler, it is voted that the contract be amended by deleting the following paragraph on Page 5.

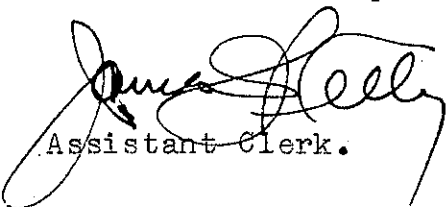
"It is mutually agreed that the a bove rate of seven and one-half ($\$.07\frac{1}{2}\text{¢}$) cents per thousand gallons may be increased or decreased whenever a general increase or decrease in charges for water is made for general consumers of water supplied by Providence. The increase or decrease percentagewise shall not be greater than one-fifth of the percentage increase or decrease applied to the general consumers of water supplied by Providence."

and substituting in lieu thereof,

"It is mutually agreed that the above rate of seven and one-half ($\$.07\frac{1}{2}\text{¢}$) cents per thousand gallons may be increased or decreased whenever a general increase or decrease in charges for water supplied by Providence is made for general consumers of water using over 400,000 cubic feet annually. The increase or decrease percentagewise shall not be greater than one-fifth of the percentage increase or decrease applied to such general consumers of water using over 400,000 cubic feet annually."

A motion of Mr. Loughran, seconded by Mr. Moakler, for amendment to the contract is unanimously adopted. On motion of Mr. Loughran, seconded by Mr. Moakler, it is voted to return the Resolution with attached contract as amended, to the City Council with recommendation of passage.

Adjournment is taken at 2:25 o'clock p.m.


Assistant Clerk.

Copied A.K.M.

Compared R.M.C.