

DEPARTMENT OF CITY CLERK

CITY HALL

JUNE 4, 1980

**CITY OF PROVIDENCE
RHODE ISLAND**

SEALED PROPOSALS

AUDITING OF FINANCIAL RECORDS

SEALED PROPOSALS will be received in the Department of City Clerk, City Hall, Providence, Rhode Island, for the Auditing of the Financial Records of the City for the fiscal year ending June 30, 1980.

Said Proposals will be received no later than FRIDAY, MAY 30, 1980 at 4:30 o'clock P.M. (E.D.T.)

PER ORDER OF THE COMMITTEE ON FINANCE
COUNCILWOMAN CAROLYN F. BRASSIL, Chairwoman
COUNCILMAN PHILIP F. ADDISON, JR., Vice-Chairman

COUNCILMEN:
ROBERT F. LYNCH
NICHOLAS W. EASTON
DAVID G. DILLON
JOSEPH H. PAOLINO, JR.
MALCOLM FARMER, II

ROSE M. MENDONCA
City Clerk

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

PRESENT: Vice-Chairman Addison and Councilmen Easton, Dillon and Paolino.

Also present are Finance Director Bernardo and City Treasurer Napolitano. (Rose M. Mendonca, Clerk.)

In the absence of Chairwoman Brassil, Vice-Chairman Addison takes the chair.

RELATIVE TO AUDIT PROPOSALS SUBMITTED IN ACCORDANCE WITH ABOVE AD.

Acting Chairman Addison requests the Clerk read the Proposals submitted.

State Bureau of Audits
289 Promenade Street
Providence, R.I. 02908

Proposal #1 - Audit of City's Records

This includes the audit of the General Fund, Capital Fund, Sinking Fund, Revolving Funds, and Trust and Special Funds - Not More Than.....\$39,000.00

Proposal #2 - Audit of School District

Includes Pupil Count, Form 31R Audit, Annual Audit as required by the Rhode Island Department of Education (under separate cover) - Not More Than....\$10,500.00

JUNE 4, 1980

Proposal #3 - Audit of Revenue Sharing Funds

Includes financial and compliance audit as required by the United States Office of Revenue Sharing. (under separate cover) - Not More Than\$2,000.00

Proposal #4 - Audit of Federal Funds

Our staff will be available after January 1981 to perform financial, and if required, compliance audits of the various federal funds remaining unaudited.

Our fee for this audit is contingent upon the number of funds, period to be audited, and condition of the records.

Peat, Marwick, Mitchell & Co.
Certified Public Accountants
40 Westminster Street
Providence, R.I. 02903

\$48,000.00

The proposed examination would be conducted in accordance with generally accepted auditing standards as promulgated by the American Institute of Certified Public Accountants, and would cover the following funds and groups of accounts:

General Fund
School Fund
Capitol Fund
Sinking Fund
Revolving Funds
Trust and Special Funds

Laventhol & Horwath
Certified Public Accountants
40 Westminster Street
Providence, R.I. 02903

\$32,350.00

Deloitte, Haskins & Sells
Certified Public Accountants
1501 Hospital Trust Tower
Providence, R.I. 02903

\$74,150.00

Arthur Young & Company
800 Industrial Bank Bldg.
Providence, R.I. 02903

No Bid

JUNE 4, 1980

Raymond F. Murphy & Company
Certified Public Accountants
111 Westminster Street
Providence, R.I. 02903

No Bid

On motion of Councilman Easton, seconded by Councilman Dillon, the Clerk is requested to have the proposals copied for each member of the Committee, the City Treasurer and Finance Director for their review.

REQUEST FOR LEAVE OF ABSENCE FOR DEBORAH COSTA,
EMPLOYEE OF THE CITY COLLECTOR'S OFFICE.

Acting Chairman Addison reads a communication from City Collector Tarro stating Deborah Costa requests a leave of absence from July 3, 1980 through April 1, 1981 due to pregnancy.

On motion of Councilman Easton, seconded by Councilman Dillon, the request of Deborah Costa for a Leave of Absence is Approved.

HIRING THE SUM OF ONE MILLION DOLLARS FOR THE CONSTRUCTION OF SEAWALL AND ADDITIONAL DOCKING FACILITIES.

City Treasurer Napolitano states this request is for a drawdown of One Million Dollars (\$1,000,000.00) on the Bonding Authority passed in 1974 for 6.5 Million Dollars.

This amount is the balance for the construction of the Seawall and Additional Docking Facilities. It is to the Industrial National Bank at 9.25%.

On motion of Councilman Easton, seconded by Councilman Dillon, the request is approved for the following:

<u>AMOUNT</u>	<u>PURPOSE</u>	<u>INTEREST</u>	<u>DATE</u>	<u>DUE DATE</u>	<u>BANK</u>
\$1,000,000.00	Construction of Seawall & Additional Docking Facilities	9.25%	5/30/80	8/29/80	Industrial National Bank

JUNE 4, 1980

CORRECTION OF PREVIOUS NOTE

City Treasurer Napolitano states the Committee authorized the borrowing of 3.8 Million Dollars previously and was put down as Citizens Savings instead of Citizens Trust. He is merely requesting a correction.

On motion of Councilman Easton, seconded by Councilman Dillon, the correction is Approved.

RELATIVE TO HEARINGS ON THE PROPOSED BUDGET.

Discussion ensues as to the time convenient for the members to meet to hold budget hearings.

Councilman Paolino informs the members he has spoken to Chairwoman Brassil of the need to have someone assist the members in reviewing this budget and she agreed.

He extended the thought of approaching Universities within the area. He contacted Gary Sass, Director of the Rhode Island Expenditures Council.

Councilman Paolino is of the opinion they should have a full time person to be the Committee's Advisor. As there is no money, he spoke to Dean Richard Weeks of College Business Administration.

He expressed his willingness to meet with the Committee, at no cost to the City of Providence. He and other P.H.D.'s will review the budget and sit at Committee meetings and explore the avenues to be taken.

Dean Weeks contacted Dr. Geoffrey Bouth. He is Chairman of the Department of Finance and Insurance and Director of the Research Center in Business and Economics.

The only problem is, this is an election year, they are afraid of politics and want to be here on a non-partisan basis. If this Committee and the Administration

JUNE 4, 1980

invited them, they will work with the Committee.

Councilman Paolino further states the initial fee will be free. They will try to do it at no cost to the City but will know better after the first meeting.

Dean Weeks said if they get an invitation from the Committee and the Administration, they would send a few P.H.D.'s down to meet with the members.

Finance Director Bernardo states he cannot see this budget passed by June 30.

By the 23rd of June, some action should be taken by this Committee relative to the tax levy. Tax bills must go out by July 1st.

City Treasurer Napolitano being questioned by Councilman Easton, states once the taxes are levied it cannot be changed.

Considerable discussion ensues and City Solicitor Glantz joins the Committee at this time by request.

Councilman Paolino reviews what he has stated.

City Solicitor Glantz is of the opinion they can have anyone they like look at the budget and get advice from anyone. As far as setting up a non-partisan Committee, in his judgement, it will be related to the Mayor. There is an obligation of Executive Branch and Legislative Branch. They have a function.

He will sit with the Finance Committee or anyone else and listen to what they have to say, but as a matter of saying yes, he will adopt the recommendations, he is of the opinion it is an abrogation of responsibility. The

JUNE 4, 1980

people elected the City Council, not P.H.D.'s.

Councilman Easton states in essence, is City Solicitor Glantz saying that whatever the Committee does, he will agree with?

City Solicitor Glantz is further of the opinion that if there is a possibility where the Committee looks like they are abrogating their responsibility, they may end up with taxpayer's litigation saying they did not draft the budget.

He informs the members he will respond tomorrow after conferring with the Mayor as to his agreement.

2000-00

On motion of Councilman Easton, seconded by Councilman Paolino, the Clerk is directed following confirmation from the City Solicitor as to the Mayor's response, to transmit a communication to Dean Richard Weeks, College Business Administration inviting him, and/or designees to meet with the Committee on Finance.

ADJOURNMENT: On Motion of Councilman Easton, seconded by Councilman Paolino, the Committee adjourns at 4:30 o'clock P.M.

Copied

Compared

[Signature]
[Signature]

Rose M. Henderson
Clerk