

DEPARTMENT OF CITY CLERK

CITY HALL

JANUARY 14, 1980

The Committee on Finance meets this day at 3:00 o'clock P.M. (E.S.T.) in Committee Room "A", City Hall.

Present: Chairwoman Brassil and Councilmen Lynch, Easton, Paolino and Dillon. Also present are City Solicitor Glantz, Finance Director Bernardo and City Treasurer Napolitano. (Rose M. Mendonca, Clerk).

RELATIVE TO RESOLUTION DIRECTING THE CITY SOLICITOR TO APPLY TO THE GENERAL ASSEMBLY AT ITS 1980 SESSION TO URGE PASSAGE OF "AN ACT AUTHORIZING THE CITY OF PROVIDENCE TO ISSUE BONDS IN AN AMOUNT NOT EXCEEDING FIVE MILLION, FIVE HUNDRED THOUSAND DOLLARS (\$5,500,000.00) FOR ADDITIONAL CONSTRUCTION AND OPERATION MAINTENANCE COSTS TO THE SEWER TREATMENT PLANT OF THE CITY OF PROVIDENCE".

Discussion ensues relative to the interim agreement with Charles J, Krasnoff & Associates, Inc. Councilman Easton being of the opinion the contract is not legal and an investigation should be pursued relative to the Krasnoff agreement.

Councilman Lynch questions as to whether any money has been paid to Krasnoff relative to the Sewage Treatment Plant.

Mr. Bernardo states he has been paid money, but nothing has been paid on the interim agreement.

City Solicitor Glantz reviews again the interim program and the legislature relative to the above. He submits a copy of the Act as prepared by Bond Counsel which he will submit with the Resolution to the legislature upon its approval by the City Council.

City Solicitor Glantz further states that he has informed the members at the previous meeting the approximate amount of money, what would be spent on the tide gates to be Two Thousand Dollars (\$2,000.00); however, it has been determined it will cost approximately Three and One Half Million Dollars (\$3,500,000.00) and could go higher. For that reason, he does wish the legislature to act expeditiously.

Councilman Lynch questions as to whether the Federal Government could possibly mandate that the City of Providence separate storm and sewer lines.

City Solicitor Glantz informs the members that has been mandated.

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They are looking at a total price in Providence of One Billion Dollars. He states the City of Providence will ultimately have to be responsible for 10% by 1987 of its share of the loan of almost Ninety Million Dollars.

Questioned by Councilwoman Brassil as to the scope of that expenditure, City Solicitor Glantz states the City is responsible for a 10% share, assuming the State of Rhode Island comes up with a 15% share. If not, the City is responsible for 25%. Ninety Million Dollars of total combined sewer separation where every street in the City will have to be dug up and separate storm and sewer lines to be installed.

There are 1,147 cities involved in combined sewer problems. Providence is the second largest in New England. There are 69 places in Providence that pollute the water and the Sewer Treatment Plant is only one of them.

Councilman Easton suggests an amendment to the Resolution which will state "provided that funds can only be expended for operation expenses above and beyond the normal operation."

City Solicitor Glantz states that is illegal. When the Act passes the legislature and goes to referendum they pass dollars only.

Councilman Easton then suggests on Page 2, Line 8 of the Act presented, following the words "Maintenance and repair to the Sewer Treatment Plant" the following words be inserted "Not to include any regular operational functions".

City Solicitor Glantz states that cannot be done and informs Councilman Easton he can submit a Resolution to the City Council indicating the Board of Contract and Supply should do certain things or the Finance Director report on certain matters.

Ensuing a considerable discussion, it is voted on motion of Councilman Lynch, seconded by Councilman Paolino, to approve the foregoing Resolution and transmit same to the City Council with recommendation of adoption.

On motion of Councilman Lynch, seconded by Councilman Paolino, adjournment is taken at 4:25 o'clock P.M.

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Compared hgg

Rose M. Mendonca
CLERK