

July 1, 1947.

City Hall,

July 1, 1947.

The Committee on Finance meets this day at 12:00 o'clock Noon. Present: Messrs. Moakler, Lord and Laudati. Finance Director Reynolds, City Solicitor McCabe, City Controller Keegan, Deputy Budget Director Moran and City Treasurer Dunn are also present. (James J. Kelly, Assistant Clerk)

The Clerk informs the Committee that Chairman Mariani is detained at another meeting and he has directed that the Clerk proceed with the meeting. There being a quorum, the Clerk proceeds with the meeting.

RE ELECTION OF ACTING CHAIRMAN.

The Clerk declares nominations to be in order for the election of the Acting Chairman of this Committee. Mr. Moakler nominates Mr. Lord and this nomination is seconded by Mr. Laudati. The Clerk calls for further nominations and there being none, on motion of Mr. Moakler, seconded by Mr. Laudati, it is voted that nominations be closed. The Clerk is directed to cast one ballot for Mr. Lord. The Clerk casts one ballot as directed and declares Mr. G. Elmer Lord elected Acting Chairman of this Committee.

ACTING CHAIRMAN LORD IN THE CHAIR.

AN ORDINANCE PROVIDING FOR THE ISSUE OF BONDS FOR THE PURPOSE OF REFUNDING OBLIGATIONS MATURING DURING THE FIVE YEARS ENDING DECEMBER 31, 1950, IN A TOTAL SUM NOT EXCEEDING \$559,000. (In City Council June 5, 1947. Read and passed the first time.)

Solicitor McCabe states that this Ordinance provides for the issue of bonds for the purpose of refunding obligations maturing during the five years ending December 30, 1950 in the total sum not exceeding \$559,000.00, that authority for such action has been granted by the legislature and that the City Treasurer, with the advice and consent of this Committee, and subject to the approval of the Mayor, shall sell and dispose of such bonds at not less than par and accrued interest, if any.

On motion of Mr. Moakler, seconded by Mr. Laudati, it is voted to recommend this Ordinance to the City Council at its next meeting for recommendation of passage a second time.

AN ORDINANCE AMENDING THE APPROPRIATION ORDINANCE, CHAPTER 1513 OF 1946, BY ADDING THE SUM OF TWENTY THREE THOUSAND (\$23,000) DOLLARS TO THE APPROPRIATION FOR GENERAL PUBLIC ASSISTANCE-UNALLOCATED ITEM 1. (In City Council June 5, 1947. Read and passed the first time.)

July 1, 1947.

AN ORDINANCE AMENDING THE APPROPRIATION ORDINANCE, CHAPTER 1513 OF 1946, BY APPROPRIATING THE SUM OF TWENTY THREE THOUSAND (\$23,000) DOLLARS TO GENERAL PUBLIC ASSISTANCE - UNALLOCATED, ITEMS 1 AND 2. (In City Council June 5, 1947. Read and passed the first time.)

Finance Director Reynolds states these two Ordinances concern the general public assistance program in the Welfare Administration. The relief rolls are rising due to the great number of persons unemployed and the increased costs of materials such as food supplied to those receiving general public assistance. In the first Ordinance no additional appropriation is made as it involves a transfer of \$2,500.00 from Welfare Administration, Item 0, \$11,000.00 from General Public Assistance Unallocated, Item 0, and \$9,500.00 from General Public Assistance Administration, Item 0, which makes a total transfer of \$23,000.00 to General Public Assistance, Unallocated, Item 1. In the second Ordinance the estimated revenue from horse racing is increased by \$6,900.00 and the estimated revenue from Grants-In-Aid, State of Rhode Island, General Public Assistance is increased by \$16,100.00, which makes up the appropriation of \$23,000.00 to General Public Assistance, Unallocated, Items 1 and 2.

AN ORDINANCE AMENDING CHAPTER 1509, SECTIONS 4 AND 29-A OF THE ORDINANCES OF THE CITY OF PROVIDENCE AS APPROVED SEPTEMBER 6, 1946. (In City Council June 5, 1947. Read and passed the first time.)

Mr. Reynolds states that it is apparent to all that the Police Court has increased its business due to the strict enforcement of the traffic regulations and this ordinance allows the addition of one Clerk III to the Police Court.

Public Service Engineer's Department-Air Pollution Division is located in the Chad Brown Police Station and it is necessary that this division have a Clerk-Typist to take care of the necessary clerical work.

AN ORDINANCE AMENDING THE APPROPRIATION ORDINANCE CHAPTER 1513 OF 1946, BY ADDING THE SUM OF THIRTY-FIVE THOUSAND (\$35,000) DOLLARS TO THE APPROPRIATION CONTAINED THEREIN FOR CHAPIN HOSPITAL - ITEMS 1 AND 2. (In City Council June 5, 1947. Read and passed the first time.)

Deputy Budget Director Moran states that there is \$30,000.00 being transferred from Chapin Hospital, Item 0 to Chapin Hospital Items 1 and 2 and that the anticipated revenue from general departments, Chapin Hospital, is expected to be increased by \$5,000.00 and this is likewise applied to the Chapin Hospital, Items 1 and 2, and the appropriation of \$35,000.00 is necessary to meet the various expense items and increased costs at the hospital.

35

July 1, 1947.

AN ORDINANCE AMENDING THE APPROPRIATION ORDINANCE CHAPTER 1513 OF 1946, BY ADDING THE SUM OF TWENTY-FIVE THOUSAND (\$25,000) DOLLARS TO THE APPROPRIATION CONTAINED THEREIN FOR FIRE DEPARTMENT - ITEMS 0, 1 AND 2. (In City Council June 5, 1947. Read and passed the first time.)

Finance Director Reynolds states that the Fire Department is operating under a sixty-eight hour work week, that the money appropriated in the budget will not be sufficient to meet the payroll. Also in Items 1 and 2 of the Fire Department they will be short of funds necessary to meet operating expenses. The sum of \$25,000.00 is not a new appropriation but is a transfer from Fire Department Item 5 to Fire Department Items 0, 1 and 2.

AN ORDINANCE AMENDING THE APPROPRIATION ORDINANCE CHAPTER 1513 OF 1946, BY ADDING THE SUM OF FIVE HUNDRED AND FORTY (\$540.00) DOLLARS TO THE APPROPRIATION FOR POLICE COURT - ITEM 0. (In City Council June 5, 1947. Read and passed the first time.)

Mr. Reynolds states that this Ordinance provides payment of salary for the additional clerk in the Police Court and is obtained by expected increase from Police Court fines, forfeits and escheats.

AN ORDINANCE AMENDING THE APPROPRIATION ORDINANCE, CHAPTER 1513 OF 1946, BY ADDING THE SUM OF ONE THOUSAND (\$1,000) DOLLARS TO THE APPROPRIATION FOR DEXTER ASYLUM, ITEM 2. (In City Council June 5, 1947. Read and passed the first time.)

Mr. Reynolds states that here is another example of the increased cost of operating due to the rise in the price of food and that it is necessary that \$1,000.00 be appropriated for Dexter Asylum, Item 2.

AN ORDINANCE AMENDING THE APPROPRIATION ORDINANCE CHAPTER 1513 OF 1946, BY ADDING THE SUM OF FORTY-FIVE HUNDRED (\$4,500) DOLLARS TO THE APPROPRIATION CONTAINED THEREIN FOR FIRE DEPARTMENT, ITEM 1. (In City Council June 5, 1947. Read and passed the first time.)

Finance Director Reynolds states that this Ordinance provides for building the new sidewalks that are now being made around various Fire Stations throughout the city.

AN ORDINANCE AMENDING THE APPROPRIATION ORDINANCE CHAPTER 1513 OF 1946, BY ADDING THE SUM OF SIX THOUSAND (\$6,000) DOLLARS TO THE APPROPRIATION CONTAINED THEREIN FOR WATER FUND-TRANSMISSION AND DISTRIBUTION, ITEM 2. (In City Council June 5, 1947. Read and passed the first time.)

Deputy Budget Director Moran states that this Ordinance concerns the purchase of pipe by the Water Supply Board, but is not an additional appropriation, the same being a transfer of \$6,000.00 from Water Fund, Source of Supply, Item 1, to the appropriation for Water-Transmission and Distribution, Item 2.

July 1, 1947.

AN ORDINANCE AMENDING THE APPROPRIATION ORDINANCE CHAPTER 1513 OF 1946, BY ADDING THE SUM OF ELEVEN THOUSAND (\$11,000) DOLLARS TO THE APPROPRIATION CONTAINED THEREIN FOR POLICE DEPARTMENT - ITEMS 1 AND 2. (In City Council June 5, 1947. Read and passed the first time.)

Finance Director Reynolds states that \$11,000.00 is added to Police Department Items 1 and 2 covering the costs of the Police School and other general expenses. It is not new money but simply a transfer from Police Department, Item 0.

AN ORDINANCE AMENDING THE APPROPRIATION ORDINANCE CHAPTER 1513 OF 1946, BY ADDING THE SUM OF THIRTY-SIX THOUSAND (\$36,000) DOLLARS TO PUBLIC WORKS DEPARTMENT-SEWER MAINTENANCE DIVISION - ITEMS 0, 1 AND 2. (In City Council June 5, 1947. Read and passed the first time.)

Finance Director Reynolds states that various divisions of the Public Works Department have a surplus amounting to \$36,000.00 which is being transferred to Sewer Maintenance Division, Items 0, 1 and 2.

AN ORDINANCE AMENDING THE APPROPRIATION ORDINANCE, CHAPTER 1513 OF 1946, BY ADDING THE SUM OF FIVE HUNDRED FIFTY (\$550) DOLLARS TO THE APPROPRIATION FOR PUBLIC CELEBRATIONS - FOURTH OF JULY. (In City Council June 5, 1947. Read and passed the first time.)

Finance Director Reynolds states that the City Council Committee on Fourth of July Celebration will display fireworks at Roger Williams Park and this additional appropriation of \$550.00 is to cover the cost of this display.

AN ORDINANCE IN AMENDMENT OF CHAPTER 1525 OF THE ORDINANCES OF THE CITY OF PROVIDENCE, APPROVED SEPTEMBER 6, 1946, ENTITLED "AN ORDINANCE IMPOSING AN ANNUAL SEWER RENTAL OR CHARGE; FIXING THE RATES, AND PROVIDING FOR THE COLLECTION AND ADMINISTRATION THEREOF, AND PROVIDING PENALTIES." (In City Council June 5, 1947. Read and passed the first time.)

Solicitor McCabe states that this Ordinance amends the Sewer Rental Ordinance Chapter 1525, approved September 6, 1946. Two manufacturing concerns in the city objected and protested against paying sewer rental tax, claiming the tax to be unfair and discriminating. This Ordinance meets the objection of these two firms and reduces the rate from 2.6¢ per hundred cubic feet of water to 2¢ per hundred cubic feet of water.

On motion of Mr. Moakler, seconded by Mr. Laudati, it is voted to return the thirteen foregoing ordinances to the City Council at its next meeting with recommendation of passage a second time.

37.

July 1, 1947.

COMMUNICATION FROM HIS HONOR THE MAYOR AND THE ACCOMPANYING  
"REPORT ON SPECIAL INVESTIGATION OF ACCOUNTS, CITY TREASURER'S  
OFFICE, PART TWO, GEORGE B. CLEGG, ACCOUNTANT AND AUDITOR."

The Clerk reads the following communication from His Honor the  
Mayor:

June 5, 1947.

To the Honorable City Council  
of the City of Providence.

Gentlemen:

In accordance with directions contained in a resolution of  
the City Council adopted by your honorable body February 7, 1947,  
I transmit herewith "Report on Special Investigation of Accounts,  
City Treasurer's Office, Part Two, George B. Clegg, Accountant  
and Auditor," which bears the date May 26, 1947.

For your information, it may be helpful to review briefly  
the developments which have preceded the submission of this report.  
After assuming office in January, 1941, and acting in accordance  
with the provisions of the new city charter, the City Council on  
April 19, 1941, authorized and directed the Board of Contract and  
Supply "to provide by contract for a financial audit of City  
departments covering the two years and three months period begin-  
ning October 1, 1938, and ending December 31, 1940..." This was  
the first complete audit of the City's finances in the history  
of the City. Subsequently in March, 1943, a second audit covering  
the period December 31, 1940, to September 30, 1942, was authorized  
and undertaken by the same firm of accountants, Ernst and Ernst.

These reports disclosed certain unexplained differences between  
the city auditor's accounts and the city treasurer's accounts totaling  
some \$24,598 and "due to the very unsatisfactory condition of the  
tax assessment books in the city treasurer's office and also the  
fact that several sheets were missing" it appeared to be impossible  
to reconcile or resolve these discrepancies.

Accordingly in October, 1943, the City Council authorized by  
resolution that the services of an auditor or accountant be engaged  
"to make a complete and thorough study of accounts and methods in  
the office of the city treasurer and to furnish a report on the  
basis of such study embodying recommendations for such appropriate  
measures as will eliminate the cause of any possible recurring errors  
or discrepancies." Contract was entered into December 23, 1943,  
with George B. Clegg (deceased) and a report was submitted April  
23, 1945, which reviewed the results of an audit made of all  
transactions during the city's fiscal years ended September 30,  
1939, as well as of all transactions entering into the collection  
of tax assessments of June 15, 1938, and June 15, 1939. The report  
herewith carries the audit through September 30, 1942.

In 1945 the City sought and obtained legislation making possi-  
ble a reorganization of the City's financial offices and respon-  
sibilities. I desire to report to you that I have been advised  
by Mr. John Cashman, City Collector, that the methods and procedures  
now in use in handling payments of taxes and other monies due the  
City insure that all monies paid to the city collector's office are  
properly accounted for and that all checks deposited by tellers  
can be traced to the individual transaction or transactions for  
which they were rendered in payment. In addition sufficient internal  
controls have been set up to provide a daily cross-check with each  
teller's collections. The installation of these devices follows  
exactly the recommendations of George B. Clegg; and Mr. Elphege J.  
Goulet, Chief, Bureau of Audits, State of Rhode Island, Department  
of Finance, has informed us that he considers the present mechanical  
system entirely satisfactory.

July 1, 1947.

From an administrative point of view I am satisfied that the corrections so far inaugurated will prove effective and that further difficulties such as those which gave rise to this audit will be avoided. For your information also it may be pointed out that the accounts of the City for the period beginning October 1, 1942, and ending September 30, 1945, were examined and reported on by the State Bureau of Audits, which report has heretofore been published and is on file with the city clerk. An audit for the fiscal year ending September 30, 1946, is in progress and a report is anticipated in the near future.

Considerations which this audit concerns other than those dealing with administration fall more specifically within the purview of the City Council.

/s/ Dennis J. Roberts.

The Committee discusses the report and on motion of Mr. Moakler, seconded by Mr. Laudati, it is voted that the report be received by this Committee.

A discussion of the report is resumed and on motion of Mr. Moakler, seconded by Mr. Laudati, it is voted to refer to the City Solicitor for study "Report on Special Investigation of Accounts-City Treasurer's Office, Part II, George B. Clegg, Accountant and Auditor.

Chairman Mariani joins the Committee at this time and Acting Chairman Lord relinquishes the Chair to Mr. Mariani.

City Treasurer Dunn requests the authorization of this Committee to hire the sum of \$150,000.00 (Emergency Housing Loan Account).

On motion of Mr. Moakler, seconded by Mr. Laudati, the following Resolution is adopted:

Resolved that pursuant to the provisions of City Council Resolution No. 390 of 1947, the City Treasurer be and he is hereby authorized and directed to hire the sum of \$150,000 and to issue the City's Note therefor, and the discount of the note at the rate of 0.60% per annum at the Industrial Trust Company, Providence, Rhode Island, is hereby authorized and approved.

City Treasurer Dunn requests the authorization of this Committee to hire the sum of \$2,500.00 (Emergency Housing Loan Account).

On motion of Mr. Moakler, seconded by Mr. Laudati, the following Resolution is adopted:

Resolved that pursuant to the provisions of City Council Resolution No. 390 of 1947, the City Treasurer be and he is hereby authorized and directed to hire the sum of \$2,500.00 and to issue the City's Note therefor, and the discount of the note at the rate of 0.60% per annum at the Industrial Trust Company, Providence, Rhode Island is hereby authorized and approved.

July 1, 1947.

City Treasurer Dunn requests the authorization of this Committee to hire the sum of \$200,000.00 (School Houses and Lots Loan Account).

On motion of Mr. Moakler, seconded by Mr. Laudati, the following Resolution is adopted:

Resolved that pursuant to the provisions of City Council Resolution No. 311 of 1938, the City Treasurer be and he is hereby authorized and directed to hire the sum of \$200,000.00 and to issue the City's Note therefor in renewal of Note No. 7795 for the sum of \$200,000 maturing on September 18, 1947, and the discount of the Note at the rate of 0.60% per annum at the Industrial Trust Company, Providence, Rhode Island, is hereby authorized and approved.

City Treasurer Dunn requests the authorization of this Committee to hire the sum of \$100,000.00 (Point St. Viaduct).

On motion of Mr. Moakler, seconded by Mr. Laudati, the following Resolution is adopted:

Resolved that pursuant to the provisions of City Council Resolution No. 311 of 1938, the City Treasurer be and he is hereby authorized and directed to hire the sum of \$100,000 and to issue the City's Note therefor in renewal of Note No. 7796 for the sum of \$100,000 maturing on September 18, 1947, and the discount of the Note at the rate of 0.60% per annum at the Industrial Trust Company, Providence, Rhode Island, is hereby authorized and approved.

City Treasurer Dunn requests the authorization of this Committee to hire the sum of \$150,000.00 (Point St. Viaduct).

On motion of Mr. Moakler, seconded by Mr. Laudati, the following Resolution is adopted:

Resolved that pursuant to the provisions of City Council Resolution No. 25 of 1938, the City Treasurer be and he is hereby authorized and directed to hire the sum of \$150,000 and to issue the City's Note therefor in renewal of Note No. 7797 for the sum of \$150,000 maturing on September 18, 1947, and the discount of the Note at the rate of 0.60% per annum at the Industrial Trust Company, Providence, Rhode Island, is hereby authorized and approved.

City Treasurer Dunn requests the authorization of this Committee to hire the sum of \$50,000.00 (School Houses and Lots Loan Account).

On motion of Mr. Moakler, seconded by Mr. Laudati, the following Resolution is adopted:

Resolved, that pursuant to the provisions of City Council Resolution No. 120 of 1940, the City Treasurer be and he is hereby authorized and directed to hire the sum of \$50,000 and to issue the City's Note therefor in renewal of Note No. 7798 for the sum of \$50,000 maturing on October 16, 1947, and the discount of the Note at the rate of 0.60% per annum at the Industrial Trust Company, Providence, Rhode Island, is hereby authorized and approved.

July 1, 1947.

City Treasurer Dunn requests the authorization of this Committee to hire the sum of \$250,000.00 (WPA Unemployment Relief Loan Account).

On motion of Mr. Moakler, seconded by Mr. Laudati, the following Resolution is adopted:

Resolved that pursuant to the provisions of City Council Resolution No. 68 of 1941, the City Treasurer be and he is hereby authorized and directed to hire the sum of \$250,000 and to issue the City's Note therefor in renewal of Note No. 7799 for the sum of \$250,000 maturing on October 16, 1947, and the discount of the Note at the rate of 0.60% per annum at the Industrial Trust Company, Providence, Rhode Island, is hereby authorized and approved.

City Treasurer Dunn requests the authorization of this Committee to hire the sum of \$100,000.00 (Point St. Viaduct).

On motion of Mr. Moakler, seconded by Mr. Laudati, the following Resolution is adopted:

Resolved that pursuant to the provisions of City Council Resolution No. 311 of 1938, the City Treasurer be and he is hereby authorized and directed to hire the sum of \$100,000 and to issue the City's Note therefor in renewal of Note No. 7800 for the sum of \$100,000 maturing on October 16, 1947 and the discount of the Note at the rate of 0.60% per annum at the Industrial Trust Company, Providence, Rhode Island, is hereby authorized and approved.

COMMUNICATION AND REPORT FROM THE PROVIDENCE DISTRICT NURSING ASSOCIATION.

On motion of Mr. Moakler, seconded by Mr. Laudati, it is voted that the communication and report be received and placed on file.

City Solicitor McCabe informs the Committee that in connection with the modernization of the Providence Fire Department and providing for the condemnation of land with respect to the improvement of the Fire Department, a Resolution should be presented to the City Council at its next meeting authorizing the City Treasurer, acting under the direction of the Committee on Finance, to borrow from time to time a sum not exceeding \$1,250,000.00.

On motion of Mr. Moakler, seconded by Mr. Laudati, it is voted that the City Solicitor's Office prepare a Resolution for this committee and that the committee present it with recommendation of passage to the City Council.

Solicitor McCabe states that also in connection with the building of new Fire Stations, the city intends to purchase from the Rhode Island Hospital Trust Company, Trustees u/w Joseph P. Cory, two lots as a site for a fire station, same being located

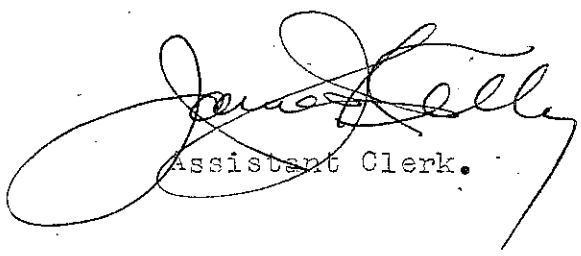


July 1, 1947.

at the southwesterly corner of Broad Street and Congress Avenue,  
and that an Ordinance should be prepared appropriating the sum of  
\$25,000.00 for the purchase of the two lots of land.

On motion of Mr. Moakler, seconded by Mr. Laudati, it is voted  
that the City Solicitor's Office prepare this Ordinance which  
has the approval of the Committee and that the same be recommended  
for passage the first time at the next meeting of the City Council.

Adjournment is taken at 1:45 o'clock p.m. to the call of the  
Chair.

  
Assistant Clerk.

Copied S. T. M.  
Compared J. H. L.