

**CHAPTER 2022-4**

No. 134     **AN ORDINANCE IN AMENDMENT OF THE CODE OF ORDINANCES OF THE CITY OF PROVIDENCE, AMENDING CHAPTER 21, ENTITLED: "REVENUE AND FINANCE" TO ADD SECTION 21-23**

**Approved April 15, 2022**

*Be it ordained by the City of Providence:*

SECTION 1. That Chapter 21 ("Revenue"), Article I ("General") of the Code of Ordinances of the City of Providence is hereby amended to add Section 21-23 to establish and maintain the **"Providence Public School Department Capital Improvement Revolving Fund"** for the benefit and improvement of Providence Public Schools, as follows:

Sec 21-23. - Providence Public School Department Capital Improvement Revolving Fund.

(a)     Definitions

- (1)     "Capital Improvement Projects" means repairs or construction on a facility or facilities that enhance the facilities' condition, prolong its useful life, or adapt it to new uses. Capital Improvement Projects must be approved by the Rhode Island Department of Education, pursuant to R.I. Gen. Laws §16-7-36(2)
- (2)     "Housing Aid" payments shall mean those payment received through the Rhode Island Department of Education, which are customarily received annually on September 15 and March 15.
- (3)     The "Revolving Fund" shall mean the Providence Public School Department Capital Improvement Revolving Fund established by this Section.

- (b) Consistent with the needs identified in the 2017 Statewide Facility Assessment identifying over \$600 million in needed building infrastructure investment to address deficiencies in Providence public schools, the City of Providence seeks to further its support of safe and healthy schools by, among other things, establishing and maintaining a fund designated as a revolving fund to be known as the **"Providence Public School Department Capital Improvement Fund."** The purpose of the Revolving Fund shall be to pursue and provide funding for additional capital improvement projects in Providence Public Schools.

(c) Initial Funding.

- (1)     The City of Providence shall transfer a total initial investment of \$3,346,711.00 to the Providence Public School Department. The City of Providence's initial investment shall be obtained through the allocation of bond premiums for capital projects.

- (2) The Providence Public School Department shall designate and provide a total initial funding investment of \$5,000,000 from pandemic-related operational savings.
  - (3) For the Fiscal Year 2022, the initial investment of \$8,346,711.00 (the “Initial Invested Funds”) shall be managed by the Providence Public Schools Department.
- (d) Management of Revolving Fund.
- (1) Any unspent funds remaining from the Initial Fund investments at the end of Fiscal Year 2022 shall be transferred to the Revolving Fund. Any reimbursement of funds via Housing Aid payments received through the Rhode Island Department of Education from the total collective Initial Fund investments, or any reimbursed funds, shall be reinvested in the Revolving Fund.
  - (2) Once established, the Revolving Fund shall be managed by the City of Providence Department of Public Property, in accordance with processes and procedures required by the City Controller and City Treasurer.
  - (3) Throughout the duration of the existence of the Revolving Fund, the City of Providence Department of Public Property shall furnish the City’s Finance Department, the City Treasurer and the Providence Public School Finance Department with a monthly report of all disbursements from the Revolving Fund.
- (g) All Initial Invested Funds, as described in subparagraph (c) above, and all any state Housing Aid provided as reimbursement for school capital improvement projects shall be utilized exclusively for capital improvements to be approved pursuant to R.I. Gen. Laws § 16-2-9.
- (f) In addition to the initial funding set forth in subparagraph (c), the Providence Public School Department and/or the City of Providence Finance Department, with approval of the Providence City Council may, in their discretion, contribute additional monies to the Revolving Fund.
- (g) Capital Improvement Projects
- (i) Capital Improvement Projects shall be selected on the basis of available funding and Providence Public School Department strategic priorities.
  - (ii) The Providence Public School Department shall provide the Department of Public Property with an initial list of projects by September 1 of each year.
  - (iii) The Department of Public Property shall be responsible for the submission of Housing Aid forms necessary for Revolving Fund reimbursement.
  - (iv) Subsequent to the initial investment and project selection, the City’s Department of Public Property shall be responsible for procurement, vendor selection, contract management, and payment for all design work and construction services.



- (h) Beginning in Fiscal Year 2023, either the City Finance Department or the Providence Public School Department may end its participation in the Revolving Fund. Upon such occurrence, the funds remaining in the Revolving Fund shall be distributed to the City Finance Department and the Providence Public School Department according to their percentage of contributions to the Initial Fund, plus any subsequent investments. Either the City Finance Department, with approval of the City Council, or the Providence Public School Department shall be permitted to establish a separate capital improvement revolving fund. Any subsequent reimbursement based on state Housing Aid will be provided to the entity (City of Providence or Providence School Department) obligating funds and performing public school capital improvement projects.

SECTION 2. This Ordinance shall take effect upon passage and shall remain in effect until the expiration of all funds identified in this ordinance (a \$0 fund balance).

IN CITY COUNCIL  
MAR 17 2022  
FIRST READING  
READ AND PASSED  
*John L. Mastrianni* CLERK  
ACTING

IN CITY COUNCIL  
APR 7 2022  
FINAL READING  
READ AND PASSED  
JOHN J. IGLIOZZI, PRESIDENT  
*John L. Mastrianni* CLERK  
ACTING

I HEREBY APPROVE.

*[Signature]*  
\_\_\_\_\_  
Mayor  
Date: *4/15/22*

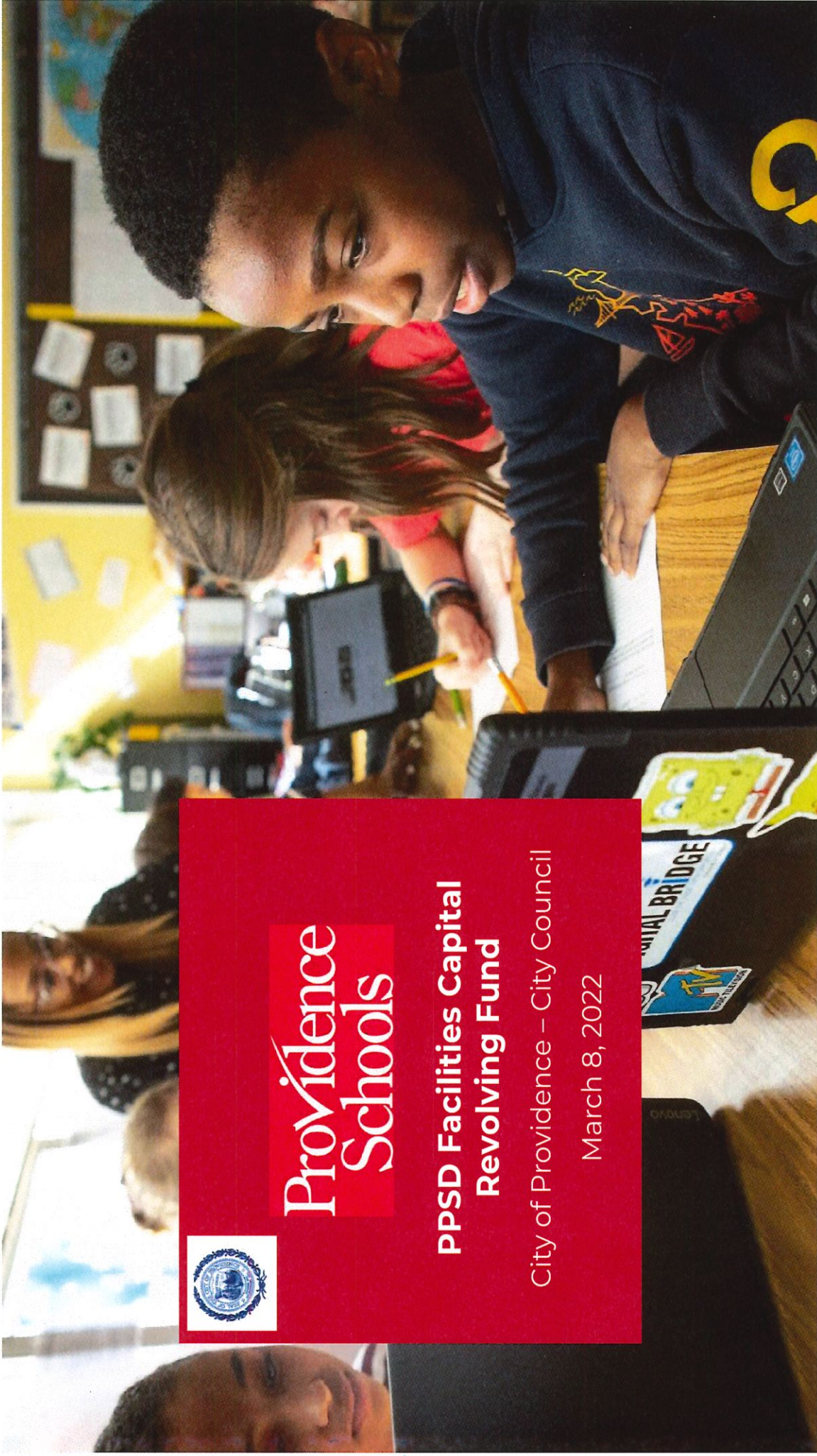


# Providence Schools

## PPSD Facilities Capital Revolving Fund

City of Providence – City Council

March 8, 2022





# Establishing the PPSD Capital Improvement Revolving Fund

The Capital Improvement Revolving Fund will transform \$8M in already dedicated local sources into **\$54M** in school capital projects over the next 10 years, without any additional Providence taxpayer dollars.



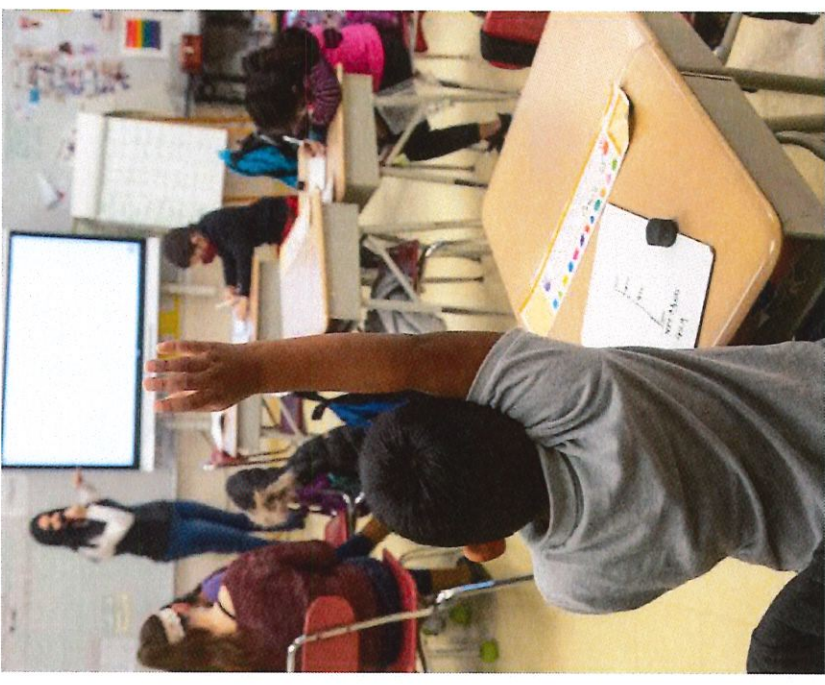
## Fund Impact

Identify how establishing the Capital Improvement Revolving fund will provide cost-effective, long-term benefits to Providence's students and taxpayers



## Ordinance Mechanics

The mechanics of how PPSD and the City of Providence will collaborate together to implement this fund, as outlined in the proposed ordinance



## Recap: The Current State of PPSD's Facilities

*Significant facilities needs in PPSD schools necessitates thinking differently about facilities*

- **PPSD has over \$700M in facilities needs**, due to significant deferred maintenance have left Providence's school buildings in poor condition
  - From a 2017 facility review: 27 out of PPSD's 38 school facilities were in either "poor" or worse condition
  - The Johns Hopkins review team noted how decaying facilities disrupted student learning and contributed to low morale for all – students, educators, and community members alike
- City bond provides opportunity for transformational improvements to schools, but **covers less than half (\$300M) of the full need**

*Critical to identify other funding sources to expand capital improvement investments*





## Revolving Fund

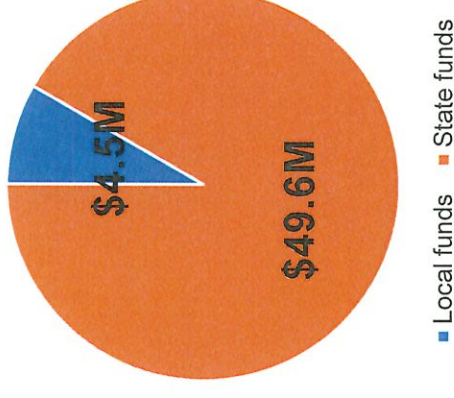
Proposing the establishment of a revolving fund, which uses an initial seed investment to leverage state reimbursement to do more than 10 times as much work

### How does a revolving fund work?

- City/school department perform capital improvement projects that are eligible for Housing Aid reimbursement
- After submission of Housing Aid, state reimburses projects at up to 91% with payments on September 15 and March 15
- Reimbursed funds are reinvested into additional projects, which results in further state reimbursement
- Similar funds exist in many other municipalities in Rhode Island

**Over 10 years, an initial investment of \$8M results in \$54M in completed projects and \$3.5M to be reinvested**

Revolving Fund Source of Funds



# Revolving Fund

*Proposing seeding the revolving fund with one-time savings from the School Department and bond premium required to be invested in school facilities*

- Initial investment in revolving fund based on:
  - \$5M from school department funds
  - \$3.3M from city bond premium, which is required to be invested in school facilities
- City or School Department can choose to invest additional funds in future years
- PPSD has already identified an Owner's Project Manager (OPM) – Jacobs Construction – for FY22 projects
- City Department of Public Properties will manage procurement in future years

Date	Revolving Fund Timeline
Fiscal Year 2022	
Feb. / Mar.	City/school department funds pooled for initial investment of \$8.3M in work
Feb – June	PPSD procures vendors to perform work
June	Work that is substantially completed submitted for Housing Aid reimbursement
Fiscal Year 2023 through Fiscal Year 2032	
July	Any unspent funds from initial investment transferred to revolving fund
Sept	PPSD provides initial list of proposed projects
Sept 15	First disbursement of Housing Aid reimbursement paid
Sept-June	City procures vendors/performs work
March	Second disbursement of Housing Aid reimbursement paid
June	Work that is substantially completed submitted for Housing Aid reimbursement



# Initial FY22 Revolving Fund Projects

<b><u>Health &amp; Safety – 5% Bonus (\$2.310M)</u></b>	
Water Bottle Fillers/Filtered Bubblers @ 23 schools	\$1,500,000
Fire Alarm/Sprinkler Systems Upgrades @ 14 schools	\$270,000
Ventilation Upgrades @ 12 schools	\$250,000
Lighting Upgrades @ 3 schools and Back-Up Generator – Pleasant View	\$340,000
<b><u>Educational Enhancements – 5% Bonus (\$0.795M)</u></b>	
Mt Pleasant Gyms Renovations	\$325,000
Gym Floor Refurbishing Districtwide	\$250,000
Classroom modifications for Additional Pre-K Classrooms @ 2 schools	\$330,000
<b><u>Building Upgrades (\$4.420M)</u></b>	
Restroom upgrades and classroom reno @ 1 School	\$100,000
Boiler Replacements @ 6 schools	\$3,875,000
Plumbing Upgrades @ 6 schools	\$125,000
West Social/Emotional Support Suite Design	\$30,000
Façade Restoration Design and Masonry & Roof Repairs @ 3 schools	\$255,000
HVAC and Chiller Replacement Design @ 3 schools	\$50,000
<b><u>Energy/Sustainability (\$0.475M)</u></b>	
Energy Incentive Projects - Steam traps, lighting, pumps	\$300,000
<b>TOTAL USES</b>	
	<b><u>\$8,000,000</u></b>





# Providence Schools

## PPSD Facilities Capital Revolving Fund

Additional Project Info

March 8, 2022





# Initial FY22 Revolving Fund Projects

<b><u>Health &amp; Safety – 5% Bonus (\$2.310M)</u></b>	
Water Bottle Fillers/Filtered Bubblers @ 23 schools	\$1,500,000
Fire Alarm/Sprinkler Systems Upgrades @ 14 schools	\$270,000
Ventilation Upgrades @ 12 schools	\$250,000
Lighting Upgrades @ 3 schools and Back-Up Generator – Pleasant View	\$340,000
<b><u>Educational Enhancements – 5% Bonus (\$0.795M)</u></b>	
Mt Pleasant Gyms Renovations	\$325,000
Gym Floor Refurbishing Districtwide	\$250,000
Classroom modifications for Additional Pre-K Classrooms @ 2 schools	\$330,000
<b><u>Building Upgrades (\$4.420M)</u></b>	
Restroom upgrades and classroom reno @ 1 School	\$100,000
Boiler Replacements @ 6 schools	\$3,875,000
Plumbing Upgrades @ 6 schools	\$125,000
West Social/Emotional Support Suite Design	\$30,000
Façade Restoration Design and Masonry & Roof Repairs @ 3 schools	\$255,000
HVAC and Chiller Replacement Design @ 3 schools	\$50,000
<b><u>Energy/Sustainability (\$0.475M)</u></b>	
Energy Incentive Projects - Steam traps, lighting, pumps	\$300,000
<b>TOTAL USES</b>	
<b><u>\$8,000,000</u></b>	

Additional project detail

Bottle Filling stations	Fire Alarms/Sprinklers	Ventilation Upgrades	Lighting/Generator	Gym Floors
Alvarez	Leviton ES	Messer	PCTA	Gregorian ES
Bailey	Central HS	Mt Pleasant	DelSesto	Lima ES
Bishop	Webster ES	MLK	Pleasant View (Backup generator)	Greene MS (A/B gyms)
Broad (Feinstein)	Kizirian ES	Young Woods		Spaziano ES
Carnevale	Carnevale ES	Carnevale		Webster ES
Central	Alvarez HS	Additional schools TBD		Lauro ES
DelSesto	D'Abate ES			Delsesto MS
E-Cubed	West Broadway MS			West ES
Gregorian	Up to 6 additional schools			Mt. Pleasant (large/small gy
Hopkins				Hopkins (A/B gym)
JSEC/360				
Kennedy				
King				
Leviton				
Messer				
Mount Pleasant				
PCTA				
Reservoir				
Sackett (Feinstein)				
Webster				
West				
Williams				
Young/Woods				





Additional project detail

Pre-K-K Classrooms		Restroom Upgrades	Boiler (up to 6)	Plumbing upgrades	Façade/Masonry/Roof
King ES		Lima ES Staff RRs	Hopkins	Lima	Mt. Pleasant
Messer ES			Kizirian	Additional schools TBD	DelSesto
			Messer		Broad
			Carnevale		
			Delsesto		
			Veazie		
			Bailey		



Additional project detail

HVAC/Chiller	Energy Incentives	Windows/Doors	Gas Meter/Utility Line
Delsesto	<i>Insulation</i>	Mt Pleasant - Entry, Auditorium and Gyms	Vartan Gregorian Metel
Sanchez	Roger Williams	Vartan Gregorian - Gym/Café	Messer Service Line
Leviton	George West'		
	Alan Shawn Feinstein		
	Mary Fogarty		
	Gilbert Stuart		
	Nathaniel Greene		
	Robert Kennedy		
	Harry Kizarian		
	Mt. Pleasant		
	Carl Lauro		
	Reservoir Ave		
	<i>Steamtraps</i>		
	Roger Williams		
	George West'		
	Alan Shawn Feinstein		
	Mary Fogarty		
	Gilbert Stuart		
	Nathaniel Greene		
	Robert Kennedy		
	Harry Kizarian		
	Mt. Pleasant		
	Carl Lauro		
	Reservoir Ave		
	Hope		
	Spaziano		

