

THE CITY OF PROVIDENCE
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

RESOLUTION OF THE CITY COUNCIL

No.

Approved

WHEREAS, on June 11, 2012, the 2012 Charter Review Commission submitted its report and recommended amendments to the Providence Home Rule Charter to the City Council; and

WHEREAS, the City Council accepted the 2012 Charter Review Commission Report on June 21, 2012, and referred it to the Committee on Ordinances for consideration;

WHEREAS, the City Council Committee on Ordinances conducted a public hearing on July 26, 2012; and

WHEREAS, the City Council Committee on Ordinances considered various aspects of the 2012 Charter Review Commission Report and the recommendations therein, as well as additional proposed Charter amendments, and adopted certain of the recommendations and proposed amendments on July 26, 2012; and

WHEREAS, the various proposed amendments to the Providence Home Rule Charter adopted by the City Council Committee on Ordinances must be transmitted to the Rhode Island Secretary of State no later than August 8, 2012 in order to appear on the ballot for the General Election to be held in November 2012;

NOW, THEREFORE, IT IS RESOLVED, DECREED AND ORDERED:

That the following ballot questions, as adopted on _____, 2012, be submitted to the Rhode Island Secretary of State to appear on the November 2012 ballot:

Shall the city establish a budget reserve fund for capital improvements no later than fiscal year 2017, such fund to comprise of a percentage of the estimated general revenues for each fiscal year? [Adds Section 802[B]]

Shall the mayor have authority, with the approval of a majority of the city council, to appropriate funds from the budget reserve account in the event of an emergency involving the health, safety or welfare of the city's residents, or in the event of an unanticipated deficit in any given fiscal year? [Adds Section 802(B)(1)]

Shall the mayor's proposed budget include a calculation of the budget reserve fund, and any proposed use of any excess funds in the budget reserve account? [Amends Section 803]

Shall the amount of money the mayor may transfer among agencies, offices and departments be increased from five thousand dollars (\$5,000.00) to twenty-five thousand dollars (\$25,000.00)? [Amends Section 810]

Shall there be a January 31 annual deadline for the finance director to provide to the mayor and submit to the city council the director's five-year financial plan? [Amends Section 813]

Shall the city establish a budget reserve fund for capital improvements no later than fiscal year 2017, such fund to comprise of a percentage of the estimated general revenues for each fiscal year? [Adds Section 802[B]]

Shall the mayor have authority, with the approval of a majority of the city council, to appropriate funds from the budget reserve account in the event of an emergency involving the health, safety or welfare of the city's residents, or in the event of an unanticipated deficit in any given fiscal year? [Adds Section 802(B)(1)]

These amendments would create a budget reserve fund to be used for capital improvements. The fund may be accessed by the mayor, with the approval of the majority of the council, in the event of an unforeseen deficit, or if necessary to protect the health, welfare and safety of the residents of Providence.

Shall the mayor's proposed budget include a calculation of the budget reserve fund, any proposed use of any excess funds in the budget reserve account? [Amends Section 803]

These amendments would require that the amount of the budget reserve fund appropriation, and the proposed uses of any such funds, be itemized in the annual operating budget the mayor presents to the council.

Shall the amount of money the mayor may transfer among agencies, offices and departments be increased from five thousand dollars (\$5,000.00) to twenty-five thousand dollars (\$25,000.00)? [Amends Section 810]

This amendment would raise from \$5,000 to \$25,000 the amount the mayor may authorize the finance director to transfer from one department, agency or office to another in any given year. Two-thirds of the city council must approve any proposed transfer of appropriations in excess of the \$25,000 ceiling.

Shall there be a January 31 annual deadline for the finance director to provide to the mayor and submit to the city council the director's five-year financial plan? [Amends Section 813]

The amendment requires the finance director to submit a five-year financial plan to the mayor and city council, no later than January 31st of each year.

802. Budget estimates and budget reserve fund.

(a) Budget estimates. Annually at such date as the mayor shall determine, the finance director shall, at the direction of the mayor, obtain from each head of a department, office or other agency of the city an itemized estimate of the anticipated revenue and of the proposed expenditures necessary to meet the needs of such department or agency. Each itemized estimate shall be detailed by the character and object of expenditure and shall be accompanied by an inventory of all equipment, materials and supplies on hand and a statement in writing of the work to be performed by means of such proposed expenditures. Estimates shall be in a form and with such explanation as the finance director may require. Itemized estimates of the financial needs of the city council shall be furnished by the city clerk and estimates of the amount of money required for interest and principal payments on the city debt, the amounts required for payment into the city sinking funds, the amount required for payments on all judgments standing against the city and all other anticipated expenditures not properly chargeable to any specific department, office, commission or other agency shall be furnished by the controller.

(b) Budget Reserve Fund. There shall be established a budget reserve fund within the general fund effective no later than FY 2017. The council shall, by ordinance, establish a minimum reserve amount based upon a percentage of estimated city general revenues as set by subsection (1).

(1) Revenues in this budget reserve account shall be used for capital improvements Page 3
except that such revenues may be appropriated by the mayor in the event of an emergency involving the health, safety or welfare of the residents of the City of Providence or in the event of an unanticipated deficit in any given fiscal year; such appropriations to be approved by a majority vote of the council.

803. Operating budget.

It shall be the duty of the mayor to frame and submit to the city council not later than sixty (60) days prior to the start of each fiscal year an operating budget for the ensuing fiscal year containing:

- (a) An estimate of the amount of any general fund surplus in the current fiscal year available for appropriation in the ensuing fiscal year;
- (b) An estimate of receipts for the ensuing fiscal year from taxes on real estate and tangible and intangible personal property;
- (c) An estimate of other receipts for the ensuing fiscal year itemized by sources;
- (d) A calculation of the budget reserve fund and proposed use of excess funds if any;
- ~~(d)~~ (e) Debt service requirements for the ensuing fiscal year;
- ~~(e)~~ (f) An estimate of any deficit from the operations of the current fiscal year and any other charge or obligation required by this Charter or by law to be paid in the ensuing fiscal year;
- ~~(f)~~ (g) An estimate of the expenditures recommended by the mayor as necessary or desirable for the purpose of carrying on the work of the several departments, offices and agencies of the city for the ensuing fiscal year itemized by activities and objects and related to the performance goals and objectives of each department, office and agency of the city under guidelines established by the finance director;
- ~~(g)~~ (h) An overall statement of the financial condition of the city at the end of the last completed fiscal year, the estimated financial condition at the end of the current fiscal year, and an estimate showing what the financial condition at the end of the ensuing fiscal year would be in the event that the financial proposals contained in the budget should be adopted.

The operating budget shall further be arranged to show in parallel columns comparative figures for receipts and expenditures as estimated for the current fiscal year and the ensuing two (2) fiscal years and actual receipts and expenditures for the preceding two (2) fiscal years. The total of estimated expenditures listed in the operating budget shall not exceed the total receipts estimated therein, taking into account any general fund surplus or deficit estimated to be carried over from the current fiscal year and the estimated receipts from proposed new revenue measures within the authority of the city council to enact.

808. Application of revenue.

Except for such revenue as may be by law, this Charter or trust devoted to specific purposes, all revenue of the city shall be paid into and credited to the general Fund; provided, however, that monies received by the city from the sale of capital assets shall be deposited in a special fund and used only for payment of the city debt or to finance capital expenditures authorized by the capital improvement budget, and provided further, that all revenue from the water supply system shall first be applied to the operation and maintenance of the system and for the payment of interest on the retirement of bonds of the system, any excess revenue thereafter, as determined by the water supply board, shall be paid into and credited to the general fund; and provided, further that all payments made by the state or federal governments to the City of Providence for the support of public schools, together with tuition fees earned by the school department and all miscellaneous receipts of the school department now available to it for

expenditure in accordance with the provisions of state law shall be paid over and credited to the school fund by the city treasurer. Any surplus resulting from excess revenue receipts over estimates and unencumbered balances of appropriations at the end of any fiscal year shall revert to the general fund current operating surplus account and shall be subject to such reservations or other disposition as the city council may direct except for the transfer to the budget reserve fund which shall remain in the fund until appropriated in accordance with section 802.

810. Transfer of appropriations.

The mayor may authorize a transfer of a portion of any unencumbered item of appropriation as certified by the finance director to another item of appropriation either within a single department, office or agency of the city or between two (2) or more such departments, offices or agencies, except appropriations for payments to the sinking fund, city debt or retirement fund, provided that no transfer shall exceed twenty five thousand dollars (\$25,000.00) in the aggregate within one fiscal year, and provided further that the mayor shall notify the city council of the transfer. If the amount to be transferred exceed twenty five thousand dollars (\$25,000.00), it shall be the duty of the mayor to submit the proposal in writing to the city council for approval or rejection before such transfer is accomplished; provided, however, that the city council may alter the ceiling of twenty five thousand dollars (\$25,000.00) by a two-thirds vote of its entire membership following a public hearing. If the transfer is approved by resolution of the city council, the finance director shall cause the amounts of the appropriations affected to be transferred accordingly.

813. Finance department.

There shall be a finance department consisting of a finance director, city controller, budget officer, budget analyst, city collector and city assessor. The finance director shall be appointed by the mayor with approval of the city council and shall hold office at the pleasure of the mayor. The city controller, budget officer, budget analyst, city collector and city assessor shall be appointed by the finance director and shall serve at the pleasure of the finance director.

(a) Finance director. The finance director shall be a college graduate who shall have such training and experience in accounting, budgeting, and management, either in public or private business, and shall have knowledge of, and preferably experience in, government finance or equivalent training or experience as will qualify for the duties of this position. The finance director shall be the chief fiscal officer of the city and shall be responsible to the mayor for the sound and prudent financial direction of the city. The director shall supervise all functions of the department, and shall implement a performance budget system for the city. The powers and duties of the finance director shall include, without limitation, the following:

- (1) To prepare the operating budget annually under the direction of the mayor who shall submit the same to the city council as provided in section 803;
- (2) To develop a five-year financial plan for the city which shall be deposited by the mayor with the city clerk to be open for public inspection provided to the mayor and submitted to the council by January 31st. The plan shall include projections of anticipated revenues and general estimates of expenditures during the five (5) fiscal years next ensuing, with appropriate supporting information, arranged so as to identify the planning goals, planning objectives and anticipated programs of city government for the ensuing five (5) years;

IN CITY COUNCIL

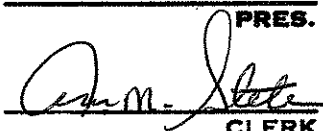
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PRES.


CLERK

OUTLINE OF COMMISSION'S RECOMMENDATIONS

The following is a summary outline of the amendments recommended by the Commission:

1. Adds a statement of intent of the city's government, including protecting the health, welfare, safety and financial well-being of the resident, and enables the elected officers to take such actions as they deem necessary for same. (Article I).
2. Allows the city to publicize electronically instead of in a newspaper, minimizing the expenditure of funds on costly publication. (Article I)
3. Recommends the inclusion of city councilors elected at-large and offers two options to accomplish this. (Article II).
4. Clarifies the procedures for acquisition and sale of city property, and enunciates the city's policy to promote minority and women's enterprise programs. (Article IV).
5. Codifies duties of the City Solicitor not currently provided for in the Charter, and permits the Solicitor to hire legal staff according to the needs of the Office. (Article VI).
6. Amends the budget and finance procedures to, among other things, establish a budget reserve fund and a method for financing that fund. Defines and qualifies the manner in which the funds may be used and must be reported. (Article VIII).
7. Renames the "Personnel Department" as the "Human Resources Department," amends some of the responsibilities of that office in accordance with current practice, and clarifies the procedure for suspending, disciplining, or discharging employees. (Article IX).
8. Adds the mayor and internal auditor as members of the Retirement Board. (Article IX).
9. Places the newly established Public Emergency Management Agency and Homeland Security Department ("PEMA") under the jurisdiction of the Commission of Public Safety. (Article X).
10. Changes the qualifications for the director of public property. (Article XI).
11. Establishes the Department of Arts, Culture and Tourism and Culture as a department defined by charter, while maintaining the same duties and responsibilities contained in its governing ordinance. (Article X).
12. Limits individuals from serving more than two consecutive terms as chair of a board, authority or commission, and prohibits the mayor, city council and department heads from influencing the hiring of a family member or business associate. (Article XII).
13. Affords future charter review commissions additional time to review and propose amendments to the charter. (Article XIII).