

RESOLUTION 6358

SPECIAL COMMISSION TO STUDY CITY'S BOND FINANCE PROGRAM

WHEREAS, The City's capital budget depends critically on the availability and use of bond financing; and

WHEREAS, The City's financing cost is a significant expense, which is affected by the City's credit rating; and

WHEREAS, The City's credit rating, among other factors, is affected by the total amount of bonded debt outstanding at any given point in time; and

WHEREAS, In addition to its authority to issue general obligation bonds, the City also has the authority to issue other types of bonds through the City's affiliated quasi-governmental agencies and authorities; and

WHEREAS, The City and its agencies, from time to time, propose new projects that would require the use of bonded debt; and

WHEREAS, Each individual decision regarding whether to approve borrowing depends upon a number of factors, including but not limited to (1) the financing cost, (2) the impact of the borrowing upon the City's credit rating, (3) the impact of the borrowing upon the City's ability to issue bonds for other projects, (4) the inventory of alternative uses of bond financing, (5) previous bond issues and (6) the anticipated future state of the City's financing costs, credit rating, borrowing needs and alternative uses, among other things; and

WHEREAS, In the past from time to time, the City and its authorities have made decisions to issue bonds and borrow money without taking full account of the interdependent factors and considerations just listed; and

WHEREAS, the City does not have, in a single place, a comprehensive inventory of current and previous bond issues, proposed future issues, and the interaction of bond issues with the City's overall credit rating.

NOW, THEREFORE, BE IT RESOLVED, That the City Council hereby establishes a Special Commission to Study the City's Bond Finance Program, including as part of its study the following elements:

- A description of the City's outstanding bonds, including the purpose, amount, cost and term;
- A review and analysis of the City's bond financing costs, and the factors affecting those costs;

- A review and analysis of the City's bonding authority and debt capacity and a projection of future capacity;
- A review and analysis of all known proposals for additional bond financing, including (to the extent known) the cost of such proposals; and
- Comparisons of the City's bond financing program with peer communities, to the extent the Commission considers this informative.

BE IT FURTHER RESOLVED, That the following individuals shall be appointed to serve on the Commission in the following capacities:

- Councilman Samuel D. Zurier, Chair
- Councilman David Salvatore, Vice-Chair
- Councilwoman Jo-Ann Ryan
- Councilman Kevin Jackson
- Brett Smiley, Chief Operating Officer
- Alan Sepe, Director of Operations
- Robert Azar, Department of Planning and Development

BE IT FURTHER RESOLVED, That the Commission is hereby charged with the task of preparing a report with its findings and recommendations to submit to the City Council on or before September 6, 2015.

812. - Capital budget.

At the same time that the mayor submits the operating budget to the city council, the mayor based upon estimates and recommendations of the city plan commission as provided for in Article X, section 1013, shall prepare and submit to the city council a capital budget for the ensuing fiscal year and the next four (4) fiscal years thereafter. Said capital budget shall embody the mayor's estimates of cost and recommendations of means of financing each project contained with the capital improvement program, provided that no project shall be included in said budget which has not been favorably considered by the city council. In acting on the capital budget, the city council may accept, reject or modify the projects described therein or the proposed methods of financing the same.



CITY OF PROVIDENCE
Angel Taveras, Mayor

Capital Budget Plan

April 29, 2014

Honorable Members
Providence City Council
Providence City Hall
25 Dorrance Street
Providence, Rhode Island 02903

Dear Honorable Members:

Pursuant to Section 812 of the Providence Home Rule Charter of 1980, as amended and Public Law, Chapter 45-50, Sections 1 and 31 passed in 1987, I am this day submitting a proposed capital budget for FY2014 and projected capital budget for the next four fiscal years thereafter.

FY2014 Capital Budget:	\$100,000
Proposed FY2015 Capital Budget	\$100,000
Proposed FY2016 Capital Budget	\$100,000
Proposed FY2017 Capital Budget	\$100,000
Proposed FY2018 Capital Budget	\$100,000

Thank you for your attention to this matter.

Respectfully Submitted,

Lawrence J. Mancini
Acting Director of Administration
Finance Director

OFFICE OF THE MAYOR

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STUDY COMMISSION 000004

Bond Finance Program Study Commission

Proposed Meeting Topics

Meeting One

- A. Inventory of Current Bonds issued by all authorities
- B. Overview of issuing authorities
- C. Current capital budgeting practices

Meeting Two

- A. Credit Rating
- B. Bonding Capacity
- C. Finance Costs

Meetings Three and Four

Pending Needs and Projects

Schools
Roads
Buildings
Sidewalks
Master Lease
Projects

Meeting Five:

Review Draft Report

Meeting Six:

Approval Final Report