

DEPARTMENT OF CITY CLERK

CITY HALL

DECEMBER 27, 1993

The Committee on Finance meets this day at 5:00 o'clock P.M., in Committee Room "A", City Clerk's Department, City Hall.

PRESENT: Chairman Dillon, Councilman Glavin, Councilman Igliazzi and Councilman Fenton.

ABSENT: Councilwoman Fargnoli.

Also present are Stephen Woerner, City Internal Auditor, Charles Mansolillo, City Solicitor, Boyce Spinelli, Finance Director, Alex Prignano, Deputy Finance Director, Judge William McGair, Senior Assistant City Solicitor, Councilwoman Nolan, Wendell Flanders, John Napolitano, Paul Adler, Licht & Semonoff, Michael R. Clement, City Clerk and Claire E. Brooke-Stewart, Assistant Clerk.

**COMMUNICATION DATED DECEMBER 2, 1993, INFORMING THE HONORABLE CITY COUNCIL THAT PURSUANT TO SECTIONS 302 (B) AND 1010 OF THE PROVIDENCE HOME RULE CHARTER OF 1980, HE IS THIS DAY REAPPOINTING DR. LOUIS C. BRUNO OF 741 SMITH STREET, PROVIDENCE, RHODE ISLAND, AS A MEMBER OF THE HOUSING BOARD OF REVIEW FOR A TERM TO EXPIRE IN JANUARY, 1999 AND RESPECTFULLY SUBMITS THE SAME FOR APPROVAL.**

CHAIRMAN DILLON: We have Dr. Louis C. Bruno who has been appointed to the Housing Board of Review for a term to expire on January, 1999. We generally invite the appointees in so that they meet the members of the City Council. The Housing Board of Review is not a board, I don't think, that many of the members of the City Council get all that directly involved with as compared to probably the Zoning Board or the Licensing Bureau or the School Board maybe, but we do like to have them all come in so that they meet the members of the Finance Committee, at least and hopefully, all the other members are invited if they would like to come. Do you want to just tell us quickly a brief biographical sketch. I don't have a resume here which we usually have but if you want to just quickly.

DR. BRUNO: I was born January 22, 1921 in Providence and I went to Marieville Grammar School in North Providence and then I went to Classical High School and from there went to Providence College, graduated there December, 1942 and then I went to the Long Island College of Medicine in Brooklyn, graduated in March of 1946 and I interned at University College right there rotating after that shift and then I

December 27, 1993

went to the Navy for 2 years, after that I had a residency of 4 years in Obstetrics and Gynecology and then I took a year of Pathology at the Rhode Island Hospital and then I went to private practice, practice on Smith Street, 741 Smith Street, Providence for over 30 years and I retired 9 years ago.

COUNCILMAN IGLIOZZI: I am just interested, are you sitting in this position because you are retired? I am just interested in why a man with your background is interested in the Housing Board of Review.

DR. BRUNO: Mayor Walter H. Reynolds first appointed me and I have been on that board for years.

COUNCILMAN IGLIOZZI: Something you enjoy doing. It's just there are other areas of city government we could use him.

MR. MANSOLILLO: There has to be a doctor on that board though, doesn't there?

COUNCILMAN FENTON: Yes, there does.

CHAIRMAN DILLON: You probably are the longest serving.

MR. MANSOLILLO: Mr. Iannotta is gone, I guess.

CHAIRMAN DILLON: How long have you been serving on the board?

DR. BRUNO: Mayor Reynolds first appointed me and I have been on that board close to 30 years now.

CHAIRMAN DILLON: You probably are then.

MR. MANSOLILLO: Mr. Iannotta, who died last year, he was on the Building Board of Review, he was 91 when he past away or something, still very active. Merlin ---- as an engineer out of Brown University. He was terrific. Other than him, you must be the longest serving member of any board in the city.

CHAIRMAN DILLON: Congratulations.

On motion of Councilman Fenton, seconded by Councilman Igliazzi, it is voted to approve the foregoing appointment of Dr. Louis C. Bruno as a member of the Housing Board of Review.

CHAIRMAN DILLON: Good luck.

DR. BRUNO: Thank you.

December 27, 1993

**AN ORDINANCE ORDERING TERMINATION OF CERTAIN  
COST OF LIVING ADJUSTMENTS (COLA) AND OTHER  
BENEFITS FOR RETIREES.**

COUNCILMAN FENTON: Is the Mayor coming?

CHAIRMAN DILLON: No, the Mayor has indicated, thought, that he supports this Ordinance.

COUNCILMAN FENTON: By letter?

CHAIRMAN DILLON: No, he indicated it to myself and Councilman Glavin on more than one occasion that he supports this Ordinance. We have had some discussions about potentially doing something to mediate the impact that will have on the retirees, but we felt it was important to pass this.

COUNCILMAN GLAVIN: My concern I expressed to the Mayor today was, where do we go from here?

COUNCILMAN FENTON: Is it, in fact, in the firefighters' contract?

CHAIRMAN DILLON: But only to those people who are covered by that contract.

MR. WOERNER: If you retire after a certain date.

COUNCILMAN FENTON: Will it set up a multiple class of retirees?

MR. WOERNER: Yes, absolutely.

COUNCILMAN GLAVIN: It really is sort of a hodge podge which I don't think is necessarily in anyones best interest. That is as a result of certain collective bargaining that was taken place in the past few years and it really is sort of a difficult situation.

MR. WOERNER: With the aids of computers, it is not that difficult from an Administrative point of view.

COUNCILMAN FENTON: No, but just in an equity point.

COUNCILMAN GLAVIN: Right, from a parity point of view it is not.

CHAIRMAN DILLON: But even the consent decree, I mean, treats people differently. There are layers of employees.

COUNCILMAN FENTON: No, I know, but this is much more arbitrary. That was based on what they were receiving for benefits. This would just be, you happened to be in this period of time before the Administration changed it's mind on a consent decree and then decided to draft an Ordinance rather than working from periods of time to periods of time.

December 27, 1993

CHAIRMAN DILLON: I guess the simplest way to put this is that it undoes everything that was in the consent decree but not negotiated across the bargaining table in the union negotiations, is probably the best way to put this.

COUNCILWOMAN NOLAN: Question through the Chair. Are any of these retirees, have they been receiving any of the COLA's so far?

CHAIRMAN DILLON: We were kind of going through this today. Let's go through the person that retired in 1985 and they get \$1,000.00 a month, Boyce correct me if I am wrong. If they were 1033 employees, they would have gotten nothing in 85, 86, 87, 89 and then in 1992, I guess, they would have gotten \$1,000.00 times 1.03 and in 1993 they would have gotten \$1,030.00 times 1.03 and now this would mean that they get the same thing again. They get \$1,000.00, whatever that comes out to be, \$1,060.00, probably, something close to 65 probably, that is what they get, they continue to get that.

COUNCILMAN FENTON: But they wouldn't get a cost of living increase?

CHAIRMAN DILLON: They wouldn't get a cost of living increase this year.

COUNCILMAN FENTON: Or any futures?

CHAIRMAN DILLON: Or any futures.

COUNCILWOMAN NOLAN: But whatever they got last year, they will get? So in other words, if they are getting \$1,000.00 a month, we are not going to take back \$30.00 or \$40.00 a month, whatever it is, okay. I just wanted to go over that.

COUNCILMAN IGLIOZZI: I just want to go over a couple of facts that I have been made aware of from Boyce Spinelli and I just want to double check them, put them on the record and Boyce correct me. You and I spoke about this today with regard to exactly a different class as opposed to A and B and how they are affected as a result of our actions today.

MR. SPINELLI: Right.

COUNCILMAN IGLIOZZI: Let's just speak for policemen and firemen. You have given me the consultants report dated March 24, 1993 that indicates, policemen that were retired prior to January 1, 1989 were getting 3% cost of living increases, not compounded, is that right?

MR. SPINELLI: Right.

December 27, 1993

COUNCILMAN IGLIOZZI: And then after, from July 1, 1989 to June 30, 1990, they were getting 3 1/2% cost of living.

MR. SPINELLI: If they retired during that interval.

COUNCILMAN IGLIOZZI: And that was compounded, and then if you retired from between the period of July 1, 1990 and June 30, 1991, you get 4% compounded and after June 30, 1991, you get 5% compounded and if we were to leave it as is, they would be getting 6% compounded, right?

MR. SPINELLI: Effective January 1, 1994, right.

COUNCILMAN IGLIOZZI: That is next week. And you indicated to me that the policeman who put in 20 years could, theoretically, more than double their pension as a result of that 6% compounded cost of living....

MR. SPINELLI: What I indicated in a hypothetical example, if you were to retire at 42 years old with 20 years of service, you get your pension and I don't have the table in front of me, but at 6% compounded and I think it takes like 13 years to double or something so you would have a person in their middle 50's with a pension that was double what it was when they retired.

COUNCILMAN FENTON: And their average age of death by the actuarial is like 73, 74 years old.

MR. SPINELLI: Right so to me, this is my opinion. That is not what a pension is intended to do from a financial standpoint.

COUNCILMAN IGLIOZZI: With regard to the firefighters, anyone who retired prior to May 15, 1990 gets 3% not compounded, right?

MR. SPINELLI: Right, whatever is on that sheet.

COUNCILMAN IGLIOZZI: Anyone between the periods of May 16, 1990 and June 30, 1991, would get 4% compounded and then anybody after June 30, 1991, would get 5% compounded.

MR. SPINELLI: Right.

COUNCILMAN IGLIOZZI: That is the area, the Class B employees, that would be affected. How they will be affected with our action is just by the fact that they wouldn't go to 6% not compounded, effective January 1, 1994.

MR. SPINELLI: Yes, the people that retired after June 30, 1991, they would be entitled to 5%.

December 27, 1993

COUNCILMAN IGLIOZZI: And are you aware that pursuant to the cost of living, US Department of Labor Standards, the cost of living for 1993 is only 2.78%.

MR. SPINELLI: I was aware of that.

COUNCILMAN IGLIOZZI: So less than 3% was the cost of living increase in 1993. With regard to the Class A, and that has always been my concern. I think it is the concern of a lot of the members on the Council. They would not be getting, as a result of our action, the 3% cost of living increase.

MR. SPINELLI: That is right.

COUNCILMAN IGLIOZZI: It would go back to 0 cost of living.

MR. SPINELLI: Right.

COUNCILMAN IGLIOZZI: But there are minimum pensions that we imposed that effect them, is that right?

MR. SPINELLI: Yes, minimum pensions.

COUNCILMAN IGLIOZZI: Will you explain, for the record, what the result of a minimum pension would do to the Class A, those who would be rolling back to nothing?

MR. SPINELLI: The minimum pensions, as I understand it, they were put in place where apparently before they were put in place you had people who had retired with long years of service barely getting anything for a pension and there was a minimum pension put in. I believe it was \$600.00 for Class, I don't have it in front of me.....

MR. WOERNER: It went up to \$600.00 last year.

MR. SPINELLI: Yes, they went up to \$600.00. It started off to be a \$500.00 minimum monthly benefit and I think that went up to \$600.00 but that is not being changed, that minimum monthly benefit.

COUNCILMAN IGLIOZZI: I understand that. The point I am making is prior to the consent decree, the minimum monthly benefit was \$500.00.

MR. MANSOLILLO: No.

COUNCILMAN IGLIOZZI: What was it?

MR. MANSOLILLO: \$260.00.

COUNCILMAN IGLIOZZI: Okay, as a result of the consent decree it went up to \$600.00?

MR. MANSOLILLO: \$500.00 and then \$600.00.

December 27, 1993

MR. SPINELLI: But it is predicated on 25 years of service. If you have less than that it is prorated.

COUNCILMAN IGLIOZZI: I understand that. If we were, theoretically, rolling back those employees, back to where they were before the consent decree, they would be down to \$260.00, is that right?

MR. SPINELLI: Right.

COUNCILMAN IGLIOZZI: And we are not doing that.

MR. SPINELLI: Right, you are not.

COUNCILMAN IGLIOZZI: Putting in an Ordinance on a parallel cost of this Ordinance that maintains their minimum payment of at least what they are getting now.

MR. SPINELLI: That is correct.

COUNCILMAN IGLIOZZI: So in effect, they are not going back to 0, they are going back to \$600.00 as opposed to \$260.00 so they are getting a benefit as a result of the action we take. Is that fair?

MR. SPINELLI: That is right. It is just that they won't get the COLA on top of that.

COUNCILMAN IGLIOZZI: I understand that. This year they won't get the COLA.

MR. SPINELLI: Right.

COUNCILMAN IGLIOZZI: That is not the only issue. The issue is that they are still not going back to \$260.00.

MR. SPINELLI: That is correct.

COUNCILMAN IGLIOZZI: There is still a distinction between \$260.00 and \$600.00. That is more than 50% so they are actually getting like a 51% increase from what they had before the consent decree.

MR. SPINELLI: It would be over 100% increase.

COUNCILWOMAN NOLAN: They are already getting that, aren't they?

CHAIRMAN DILLON: Yes.

COUNCILMAN IGLIOZZI: Pursuant to the consent decree. If we were theoretically rolling them back to where they were prior to the consent decree, they would get nothing. Without the Ordinance that we also passed, they would be back down to \$260.00 per month so we are not really pushing 1033 or Class A employees back to where they were prior to the consent decree. That is not what we are doing. The only issue is

December 27, 1993

whether they get the 3% over and above that which has always been a sticking point with a lot of members on the Council and I have always suggested that we should try to fashion some sort of remedy or some sort of compromise. It has never come to this point. I just went through that exercise, Mr. Chairman, just to put on the record so that the record is clear that the action the Council is taking clearly allows everyone to live within the national average cost of living which is only 2.78, certainly for police and fire and those who are retired getting more than 2.78, they are getting 5% and with regard to those Class A employees, who are saying that we are rolling them back to 0, that is not in fact true because we actually gave them more than 100% increase last year. Those are the important points to put on the record and that should be made clear because if they are not, then the issue gets distorted in the press and the facts aren't made clear. I thought it was important that regardless of what gets descended to the public, the record is clear and I personally don't see of any other alternative other than to support the two Ordinances on the parallel costs that certainly satisfies the cost of living and certainly provides minimum pensions and makes sure nobody, even in Class A, is walking away back at \$260.00 per month, which was only a year ago.

MR. MANSOLILLO: I would just like to say, in the current Ordinance that you passed in January of 1991, it appears in my reading of this that all Class B's, no matter who they are, receive a minimum of 3% non-compounded. Is that what you had?

COUNCILMAN IGLIOZZI: Right.

MR. MANSOLILLO: And then it goes up in progressions depending on when they retire. 3 1/2% and then 4 1/2% and finally to 5% compounded and that is in the Ordinance that you passed.

COUNCILMAN GLAVIN: Is that what it is, the Ordinance compounded?

MR. MANSOLILLO: Yes. It is 3% non-compounded for those prior to July 1, 1989, 3 1/2% compounded after July 1, 1989. 4 1/2% compounded after July 1, 1990 and then 5% compounded after June 30, 1991.

COUNCILMAN IGLIOZZI: That is what I have. That is not in the Ordinance. There is one other thing I wanted to add, with regard to the



December 27, 1993

Class A. The Class A get two other pensions. In addition to the city pension, which has now been raised to the minimum of \$260.00 to \$600.00.

MR. MANSOLILLO: \$618.00.

COUNCILMAN IGLIOZZI: \$618.00, they also get a social security pension which is tied directly to the cost of living increase of 2.78, so they will, in fact, get a 2.7 increase on that social security and in addition, 1033 pension, which is not tied to cost of living but we still pay into it. So those are the things that the Council should be aware of and I think that the public should be aware of. The bottom line is that the Class A employees are, in fact, coming away with more than they had, even last year. They are coming away with more. Certainly a 2.7 increase on their social security, which has got nothing to do with the city but it is in fact there and we are giving them more than 100% increase from \$260.00 to \$618.00.

COUNCILWOMAN NOLAN: We already gave it to them.

COUNCILMAN IGLIOZZI: I know that but a lot of discussion has been said on the record and in the paper that we are rolling it back to 0, or theoretically, back to \$260.00 and that is not what we are doing. We are leaving the minimum pension so that they are in fact secure and we are giving them more than 100% increase. We are just not giving them above and beyond that, another 3% because the city, at this particular point, cannot afford it and I think that the issue, with regard to the city finances are clear and rational is clear. You balance all the interest, you certainly cannot put the city and state for the, you have to preserve those retirees and I think we have done a good job of that and I just wanted to put those facts on the record. I noticed, the articles that I have read, they have never been put on the record and they have never been disseminated publicly and I think they should have been. I thank you for the time.

CHAIRMAN DILLON: Again, the compounded 5% for people who retired after certain dates, it was negotiated in the contracts and that is why it ended up in that Ordinance. When they had the consent decree, they figured, well since you guys are getting more than you negotiated, we need to get more than we negotiated and that is why it went from 5 to 6%. I don't know that there is anything else to be added at this juncture. I am sure we will be hearing more.

COUNCILMAN FENTON: Are you hear to speak for the Administration?

December 27, 1993

MR. MANSOLILLO: I would be happy to speak for him. I have been asked to propose this legislation to you. Between myself and Mr. Spinelli, I guess we can speak for the Administration.

COUNCILMAN FENTON: Is the Mayor in favor of this?

MR. MANSOLILLO: Yes.

COUNCILMAN FENTON: Is he in favor that the COLA's be based on what the actual cost of living be or is he only in favor of rolling it back to the numbers?

MR. MANSOLILLO: The position of the Mayor, regarding this Ordinance is that he recommends that it be approved. As it regards any future discussions, then that remains to be seen.

COUNCILMAN GLAVIN: A meeting was held today, David Dillon and myself met with the Mayor and the issue of what the cost of living adjustment should be was discussed and I think the basic point that we wanted to place on the record was that we feel there has got to be some wild reason for these COLA's because, clearly, the figures from the last 10 years show that the cost of living has not gone over 4.98% in an one year.

MR. WOERNER: It averaged 3.7.

COUNCILMAN GLAVIN: It averaged like 3 1/2, 3.7% a year so there has got to be some type of measurable objective number that can be tied in to cost of living adjustments in the future. That makes some sense from a tax payers point of view and yet still fair and reasonable for the retirees point of view. So the Mayor, I would have to say, was receptive to that and the question that I put to him directly was, if the Council chooses to adopt this Ordinance, you know, basically where do we go from here? I don't think this ends the matter. I think, really, it sort of begins the matter. I think discussions should take place immediately with the appropriate people to see what we can do and the city has to come up with a policy that we can maybe convince the various labor organizations that are long term, and again, you have to look, this is a long term business. It is sort of ironical that one of my constituents mentioned to me over the weekend, we are reducing the number of years people have to work for the city to retire when Lloyd Benson, the Secretary of the Treasury has asked the Social Security Administration to take a look at extending it, the years one has to work before they get Social Security benefits because people are living, not only longer, they are living much longer than they did 5 or 10 years ago

December 27, 1993

and the economics of the situation, I think, are going to have to be looked at so that was my concern, I think Councilman Dillon's concern and I think we represented as a concern of all the members of the City Council. We want to be fair to the retirees but there is a dollar value that has to be attached to it and certainly, 5% and 6% compounded, however it got be, when you look at what's happened in the last 10 years, the consumer price of things, it is just not in the ball park. It doesn't make sense and it is something the city, quite clearly, cannot afford. No city can afford it, never mind the City of Providence, no city can afford it. The State of Rhode Island, right now, is 3% compounded.

MR. MANSOLILLO: After 3 years of retirement.

COUNCILMAN GLAVIN: Right and you know, there is a specific policy that seems to make a little more sense and our suggestion to the Mayor was that people get together and sit down and really think out this problem with our actuarials and with our finance people and come up and present a policy to the various labor organizations that is fair and equitable but again, long term, has some rational basis behind it.

COUNCILWOMAN NOLAN: Does the Administration or does the Mayor have the will to negotiate, because obviously, he is going to have to go in and negotiate the contracts since all this is written in the contracts. That is the big question. If he doesn't have a will to do this.

CHAIRMAN DILLON: It would seem to me that, again, this Ordinance that is before us, does not anticipate rolling back anything that is in a contract at this point in time.

COUNCILWOMAN NOLAN: I am aware of that.

CHAIRMAN DILLON: Secondly, he has indicated, clearly to me, that he will sign this if it is what comes out and he is willing to talk about future things but he will sign if this is what exactly comes out of the Council, this is exactly what he will sign.

COUNCILWOMAN NOLAN: I don't think you understood me.

COUNCILMAN GLAVIN: I do, that point was raised.

COUNCILWOMAN NOLAN: You are saying that in your future discussions, he is willing to sit down and discuss but I am saying, does he have the will to change the contracts because that is what is going to be necessary?

December 27, 1993

COUNCILMAN GLAVIN: But only he can answer that. We can't answer that for him.

COUNCILWOMAN NOLAN: I would feel more comfortable, frankly, if he was standing with us on the day the Council meets, very visibly being there supporting this Ordinance and I will be very frank about that because I think he is telling you in private meetings that he is for it. He came out with a budget on the budget message that he is for it but when I sat in on that Finance hearing, the Mayor had no part of this. This was all the Council's doing. You weren't there, David, but I was there and frankly, I think the world needs to know that it is not only the Council but it is the Mayor who initiated this plan.

COUNCILMAN GLAVIN: I think it is also important and we mentioned this to the Mayor today, that specifically regarding, the Council did approve one contract with the firefighters' that contained a 5% increase. We have turned down two subsequent ones. The issue has become immeshed after a while. It becomes quite confusing to keep track of all the bits and pieces. A lot of pieces are hanging in the air. It is sort of unfortunate that when one law suit settles, is decided at a lower cost in one case and then very shortly after the Mayor entered into the consent decree, we had the Supreme Court come down with the Betz decision, which basically, for most people's thinking, undid what the lower court did. I am sure that Mayor Cianci, Mayor Paolino, Mayor Mansolillo, whoever the Mayor would be at the time, if they had not signed the consent decree --- decision would have been to appeal and a lot of the Council were somewhat critical at the time the consent decree was entered into but I think when you take an objective look at what was facing the city, at the time, based upon the lower courts ruling.

COUNCILMAN FENTON: I couldn't disagree more. The answer to that was to appeal and that is exactly what we are doing now back door a year and a half later which is file a suit after the year period when you can vacate the consent decree is over with, do an Ordinance, even though it is in some of the contracts. We are doing it anyway.

COUNCILMAN GLAVIN: I am not, again, pleased with the timing of it but what do you when our own attorney and that attorney came in and met with this Council, by the way, and told us that if we did appeal, of course this was after he had already signed the consent decree and I think

December 27, 1993

that was not a wise decision without consulting with more parties but he basically, it was his opinion, as our attorney, that it was a 50/50 gamble to appeal the situation and that is why he recommended the city sign a consent decree so it is an old adage that when your hind sight is always 20/20, right now it looks really good that we should have appealed it but at the time when the city was looking at a loss exposure of what, 30, 40 million dollars, potentially?

MR. SPINELLI: It was at least 20, 21.

COUNCILWOMAN NOLAN: 22 million.

COUNCILMAN GLAVIN: It was a lot of dollars. I don't think total blame could be dropped on the Administration. I do think it points out the need for better communication with the Council. We told that to the Mayor today. You know, we were never involved in that decision until after the decision was made. I think that was an incorrect choice on their part. They should have discussed this with us and whatever but you know, we are sort of left with lemons here and sort of placed in the position of having to make lemonade and I think Councilman Igliazzi correctly pointed out some of the very important facts that need to be considered. I don't know what else there is to say.

CHAIRMAN DILLON: Does somebody want to make a motion?

COUNCILMAN GLAVIN: There are some very technical minor changes I guess we would have to move it to be amended.

On motion of Councilman Glavin, seconded by Councilman Igliazzi, it is voted to amend the foregoing Ordinance as follows:

"to delete where it says "be it ordained by the City of Providence" amend Section 2 by deleting the words that are there and replacing them with "this Ordinance shall be effective upon passage."

COUNCILMAN FENTON: Is the lateness of this passage going to effect the payment due January?

MR. MANSOLILLO: Since the payments are made at the end of the month for the period beginning the beginning of the month, I am confident that this will satisfy what we need to do because I anticipate that you will have a Special Council meeting and then one on the 6th, the first meeting of.....

COUNCILMAN FENTON: Couldn't you just have the two regular January meetings?

December 27, 1993

MR. MANSOLILLO: That would bring you to when, 6 and 20.

CHAIRMAN DILLON: When is your next court date?

MR. MANSOLILLO: The 18th.

CHAIRMAN DILLON: So you probably would want to have something before then.

MR. MANSOLILLO: Yes, it would be good to have.

COUNCILMAN GLAVIN: Once special and one regular. One done in 1993 and one done in 1994. Will the court use that as any differently?

MR. MANSOLILLO: I think you will have the Ordinance passed before that point in time. Certainly we had tried to schedule two meetings in 1993 but that is almost impossible.

COUNCILMAN GLAVIN: Is the Mayor prepared to call a special meeting of the Council?

MR. MANSOLILLO: He will call a special meeting, yes. He would want to do it at the convenience of your schedules because naturally, this is a holiday week so it would have to be Thursday at this point, right, either Thursday at 5:00. You have to decide that.

COUNCILMAN GLAVIN: I think that would probably have to be it.

CHAIRMAN DILLON: Okay so we took a motion and seconded it to amend it. Did we take the vote on the amendment? I don't think we did so all those in favor of the amendment?

COMMITTEE: Aye.

CHAIRMAN DILLON: Those opposed? Motion carries. Now, motion for passage as amended?

On motion of Councilman Igliazzi, seconded by Councilman Glavin, it is voted to approve the foregoing Ordinance, as Amended.

**CAPITAL CENTER PROJECT.  
CITY COUNCIL RESOLUTION IN CONNECTION WITH THE  
ISSUANCE OF \$1,600,000 CITY OF PROVIDENCE, RHODE  
ISLAND GENERAL OBLIGATION FEDERAL AND STATE  
SPECIAL REVENUE ANTICIPATION NOTES FOR THE FISCAL  
YEAR ENDING JUNE 30, 1994.**

CHAIRMAN DILLON: Since we have guests here, why don't we take the Capital Center Project. I know they love sitting through the city business. See the difficulties we have to go through here. A little background.

December 27, 1993

MR. ADLER: As you may or may not know, the financing that is before you is in connection with what is the Capital Center River Relocation Project, which is being done in conjunction with the State. The proposal for financing really entails going out to another issue to raise the money that will pay a portion of the city's shared expenses to be in current connection with the project. The financing right now is \$700,000.00 with another \$500,000.00 to be raised in July of 1994 for a total of about 1.2 million and the financing gives you the spectations or anticipation of federal monies could be received under ICTA during the next four or five calendar years. The first issue for \$700,000.00 will have a term of about 18 months and it is expected that the ICTA monies will be received during the term of the 18 months. The issue that will be going out in July of 1994 for \$500,000.00 will be for two years and will be an anticipation of revenues in 1995 to be received during the term that that note is outstanding. Both notes have been issued in anticipation of the federal monies under ICTA but under different years.

COUNCILMAN FENTON: What is the city's total obligation Mr. Adler?

MR. ADLER: Approximately 2.6 million.

COUNCILMAN FENTON: And where is the other 1.4 million come from?

MR. SPINELLI: Right now there is no provision for the additional, say 1.3. We would have to appropriate that. There is no provision for the additional 1.3.

COUNCILMAN FENTON: Are you going to need a game plan.

MR. SPINELLI: We would have to submit it in the budget.

COUNCILMAN FENTON: What year would you anticipate financing that 1.4 million dollars? Would it be the next fiscal years proposed budget?

MR. PRIGNANO: In a couple of years.

CHAIRMAN DILLON: You mean fiscal 95 and 96

MR. SPINELLI: Right.

CHAIRMAN DILLON: The numbers that I recall were, this was 1.6 and the remaining was 1.2. Did I miss this? Did I get a package?

MR. ADLER: This is 1.3 million because that....

CHAIRMAN DILLON: Wasn't it 1.6 million?

December 27, 1993

MR. ADLER: Originally it was 1.6 million and the amount that is to be received under ICTA is now at 1.3 million.

MR. PRIGNANO: I think what has happened is the state officials, correct me if I am wrong, they received some federal money in and they had to take it and apply it to bills we owe. They made the payment on our behalf of the money as it was received so we are getting less money now and it is ICTA money but we have also reduced the amount of money we owe.

MR. WOERNER: Yes but on full, we are only supposed to send \$700,000.00, right? We owed \$700,000.00?

COUNCILMAN FENTON: When was the city's obligation to this made, 85?

CHAIRMAN DILLON: 85.

MR. ADLER: 85, 87. In 1988 there was clearly a modification..

MR. WOERNER: March of 85.

COUNCILMAN GLAVIN: So what do they need us to do Mr. Chairman?

COUNCILMAN FENTON: Not much, just obligate more money.

COUNCILMAN GLAVIN: Well, we submitted to this. It is not something that just popped up.

COUNCILMAN FENTON: I know.

COUNCILMAN GLAVIN: This is something that is pretty much doing what we thought it was going to do so what do we need to do?

CHAIRMAN DILLON: Approve this financing at this juncture. I mean, this particular ---- doesn't hurt us in anyway.

COUNCILMAN GLAVIN: What actually are you looking for?

CHAIRMAN DILLON: We are approving a Resolution. This has 1.6.

MR. ADLER: Up to 1.6 at the time submitted ---- \$700,000.00. In June of this year, we would like to come before you again for a \$500,000.00 issue.

CHAIRMAN DILLON: Why don't you take a look at this and make sure this is what you passed. I think we should at least get a copy of that.

COUNCILMAN GLAVIN: Signed by who?

CHAIRMAN DILLON: Who ever is going to sign on the note.

MR. ADLER: That is okay if you want me to change the numbers...

CHAIRMAN DILLON: If you think we should change it we will change it now.



December 27, 1993

COUNCILMAN FENTON: Why don't we change it to \$700,000.00.

MR. WOERNER: When are the financing costs coming on?

COUNCILWOMAN NOLAN: When are the financing costs coming on?

MR. PRIGNANO: --- out of proceeds.

COUNCILMAN FENTON: How much are those costs?

MR. PRIGNANO: ----.

COUNCILMAN FENTON: That still doesn't answer the question of the associated cost up to 1.2 million in obligations.

MR. PRIGNANO: Probably take the proceeds out of ----.

COUNCILMAN FENTON: So a 1.3 million, up to. So you don't have to come back in the summer time to do the same thing.

MR. ADLER: If that is okay with you, so up to 1.3 million.

CHAIRMAN DILLON: Someone make a motion to amend, this says, "borrow a sum not exceeding \$1,600,000.00", we are going to make it "1,300,000.00".

On motion of Councilman Fenton, seconded by Councilman Igliazzi, it is voted to amend the foregoing Resolution.

On motion of Councilman Glavin, seconded by Councilman Fenton, it is voted to Approve the foregoing Resolution, as Amended.

**AN ORDINANCE AMENDING CHAPTER 9 OF THE CODE OF ORDINANCES OF THE CITY OF PROVIDENCE ENTITLED "FIRE PREVENTION AND PROTECTION".**

CHAIRMAN DILLON: We have one more item.

MR. MANSOLILLO: This is the minimum cost for Lighthouse, right?

MR. WOERNER: Yes.

MR. MANSOLILLO: Miss McLaughlin is more on this stuff not me.

CHAIRMAN DILLON: You think we should hold off on this?

MR. MANSOLILLO: Yes.

On motion of Councilman Glavin, seconded by Councilman Igliazzi, it is voted to Continue the foregoing Ordinance.

ADJOURNMENT: On motion of Councilman Glavin, seconded by Councilman Igliazzi, it is voted to adjourn the meeting at 6:00 o'clock P.M.

*Carol Bruce Stewart*  
Assistant Clerk

*Michael L. Clement*  
Clerk