

DEPARTMENT OF CITY CLERK

CITY HALL

AUGUST 30, 1990

The Committee on Finance meets this day in Committee Room "A", City Clerk's Department, City Hall, following the sale of Notes at 12:00 o'clock P.M.

PRESENT: Chairman Dillon, Councilman Rollins and Councilman Farmer.

ABSENT: Councilwoman Fagnoli and Councilman Glavin.

Also present are Steven Woerner, City Internal Auditor, Steven Napolitano, City Treasurer, Edward Clifton, City Solicitor, Timothy Duffy, Mayor's Aid, Jim Jackson of Fleet National Bank and Maureen Massiwer, (Jean Angelone and Claire Brooke-Stewart, Assistant Clerks).

RELATING TO \$46,850,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES

City Treasurer Napolitano reads the following proposals received:

Roosevelt & Cross, Inc.
1914 Fleet National Bank Building
Providence, RI 02903

| <u>Principal Amount</u> | <u>Interest Rate</u> | <u>Premium</u> |
|-------------------------|----------------------|----------------|
| \$ 2,100,000.00 | 6.19% | \$38.00 |
| \$ 1,000,000.00 | 6.60% | \$38.00 |

AWARDS

| <u>Amount</u> | <u>%</u> | <u>Premium</u> |
|------------------|----------|----------------|
| \$ 2,100, 000.00 | 6.19% | \$38.00 |

Citizens Trust Company
By: Cheryl McCarty as Agent, Fleet National Bank

| <u>Principal Amount</u> | <u>Interest Rate</u> | <u>Premium</u> |
|-------------------------|----------------------|----------------|
| \$ 500,000.00 | 6.47% | --- |
| \$ 500,000.00 | 6.52% | --- |
| \$ 500,000.00 | 6.57% | --- |

AUGUST 30, 1990

AWARDS

| <u>Amount</u> | <u>%</u> | <u>Premium</u> |
|---------------|----------|----------------|
| \$ 500,000.00 | 6.47% | 0 |

State Street Bank
By: Cheryl McCarty as Agent, Fleet National Bank

| <u>Principal Amount</u> | <u>Interest Rate</u> | <u>Premium</u> |
|-------------------------|----------------------|----------------|
| \$10,000,000.00 | 6.28% | --- |
| \$15,000,000.00 | 6.38% | --- |
| \$21,850,000.00 | 6.48% | --- |

AWARDS

| <u>Amount</u> | <u>%</u> | <u>Premium</u> |
|-----------------|----------|----------------|
| \$10,000,000.00 | 6.28% | 0 |
| \$15,000,000.00 | 6.38% | 0 |
| \$19,250,000.00 | 6.48% | 0 |

Adams McEntee, Fleet Norstar Securities, Inc.
By: Roger W. Peterson, Senior Vice President

| <u>Principal Amount</u> | <u>Interest Rate</u> | <u>Premium</u> |
|-------------------------|----------------------|----------------|
| \$ 2,000,000.00 | 6.59% | \$13.00 |
| \$ 2,000,000.00 | 6.74% | \$13.00 |
| \$42,850,000.00 | 6.97% | \$20.00 |

Bank of Boston & Associates
By: Joan F. Gleck

| <u>Principal Amount</u> | <u>Interest Rate</u> | <u>Premium</u> |
|-------------------------|----------------------|----------------|
| \$ 5,000,000.00 | 6.58% | -0- |
| \$ 5,000,000.00 | 6.68% | -0- |

BNE Capital Markets, Inc.
By: Thomas F. Brady, Vice President
BNE Old Colony, NA

| <u>Principal Amount</u> | <u>Interest Rate</u> | <u>Premium</u> |
|-------------------------|----------------------|----------------|
| \$ 1,000,000.00 | 6.75% | -0- |

Shawmut Bank
By: Cheryl McCarty as Agent, Fleet National Bank

| <u>Principal Amount</u> | <u>Interest Rate</u> | <u>Premium</u> |
|-------------------------|----------------------|----------------|
| \$ 5,000,000.00 | 6.76% | --- |

AUGUST 30, 1990

Prudential Bache
By: Cherly McCarty as Agent, Fleet
National Bank

| <u>Principal Amount</u> | <u>Interest Rate</u> | <u>Premium</u> |
|-----------------------------|--------------------------|----------------|
| \$10,000,000.00 | 6.78% | \$15.00 |
| \$10,000,000.00 | 6.88% | \$20.00 |
| \$10,000,000.00 | 6.98% | \$25.00 |

Lehman Brothers, Inc.
By: Thomas R. Beauchene, AVP
Fleet National Bank as Agent

| <u>Principal Amount</u> | <u>Interest Rate</u> | <u>Premium</u> |
|-----------------------------|--------------------------|----------------|
| \$20,000,000.00 | 6.69% | -0- |

CHAIRMAN DILLON: Are you, Mr. Napolitano in a position to explain where that 48 million is going at this point in time?

MR. NAPOLITANO: Not in detail, Mr. Chairman, however, I would refer you to our perspectives, it's basically the notes, they're outstanding and their combination to leave the school at an open space.

MR. JACKSON: I can give a little summary. There's 10 million dollars refund notes issued under the school renovations authority, that's the 25 million dollar authority, the original school renovation, that's 10 million of the 25 and it's to roll over \$12,850,000.00 of the school renovations under the 41 million dollar authority. 15 million is to refund the open space, that's all of the open space notes and those are refunded. 9 million represents new money under the 41 million dollar authorization for school renovation, so it's all refunding except for 9 million dollars which is new money for school renovation under the 41 million dollar authority so that you have now issued notes, well you issued bonds, 15 million out of the 25 million authority and you have issued 10 million in notes out of the 25 million authority and with this 9 million new money, you will have issued \$21,850,000.00 out of the 41 million and you've issued all of the open space, 15 million dollars in notes being refunded.

AUGUST 30, 1990

CHAIRMAN DILLON: Both the Parks Department and the School Department provided us with details of the expenditures and I want to make sure that they're part of the record and the members can have a copy. Does the Administration have a game plan as to when we'll pursue permanent bonds on these?

MR. DUFFY: I really don't know.

MS. MASSIWER: It's expected that the city's audit will be available, the 1990 audit, in December which we could see, it will be ready. In December or January we will do a bondage for at least part of this. The school portions, as soon as the projects are accepted you're eligible for state aid when the bonds are sold, I can't tell you exactly how much school notes will be bonded but it will be bonded at that time.

CHAIRMAN DILLON: So they're going to give us some money back?

MS. MASSIWER: That comes in a year later as revenue, that just enhances your state aid, every time you sell a bond issue you're eligible just like operations, whatever you expend you get some back, it's a reimbursement formula.

CHAIRMAN DILLON: What do we do put it in then, into the operative budget of the school?

MS. MASSIWER: It goes to our debt service, so when you start paying the bonds back -----.

MR. JACKSON: Over a 20 year period.

MS. MASSIWER: We would project at least 25 million of the 46 will be bonded in December or January.

The following vote is authorized, on motion of Councilman Farmer, seconded by Councilman Rollins:

VOTED: That the sale and issuance of \$46,850,000 Bond Anticipation Notes of the City dated September 12, 1990, and payable January 31, 1991 to the following purchaser(s) at par and accrued interest, plus the premium, if any, indicated below, and bearing interest at the following respective rate(s), are hereby authorized, approved and confirmed:

AUGUST 30, 1990

| <u>Amount</u> | <u>Interest Rate Per Annum</u> | <u>Premium</u> | <u>Purchaser</u> |
|---------------|------------------------------------|----------------|-------------------------------|
| \$ 2,100,000 | 6.19% | 38 | Roosevelt & C Incorporated |
| \$ 500,000 | 6.47% | - | Citizens Trus Company |
| \$10,000,000 | 6.28% | - | State Street |
| \$15,000,000 | 6.38% | - | State Street |
| \$19,250,000 | 6.48% | - | State Street |

FURTHER VOTED: To confirm the consent of the City, dated August 30, 1990 to Fleet National Bank and/or Adams McEntee, Fleet Norstar Securities, Inc., bidding for some or all of the Notes.

RESOLUTION OF THE CITY COUNCIL AUTHORIZING A QUESTION TO BE SUBMITTED TO THE ELECTORS OF THE CITY OF PROVIDENCE AT THE GENERAL ELECTION SCHEDULED TO BE HELD ON TUESDAY, NOVEMBER 6, 1990; "SHALL SECTION 1210 OF THE HOME RULE CHARTER OF THE CITY OF PROVIDENCE BE AMENDED?" RELATIVE TO CERTIFIED TEACHERS WITHIN THE SCHOOL DEPARTMENT.

RESOLUTION OF THE CITY COUNCIL AUTHORIZING A QUESTION TO BE SUBMITTED TO THE ELECTORS OF THE CITY OF PROVIDENCE AT THE GENERAL ELECTION SCHEDULED TO BE HELD ON TUESDAY, NOVEMBER 6, 1990: "SHALL SECTION 1210 OF THE HOME RULE CHARTER OF THE CITY OF PROVIDENCE BE AMENDED?" RELATIVE TO FIREFIGHTERS AND SWORN POLICE OFFICERS IN THE DEPARTMENT OF PUBLIC SAFETY.

RESOLUTION OF THE CITY COUNCIL AUTHORIZING A QUESTION TO BE SUBMITTED TO THE ELECTORS OF THE CITY OF PROVIDENCE AT THE GENERAL ELECTION SCHEDULED TO BE HELD ON TUESDAY, NOVEMBER 6, 1990: "SHALL SECTION 1210 OF THE HOME RULE CHARTER OF THE CITY OF PROVIDENCE BE AMENDED?" RELATIVE TO ALL MUNICIPAL EMPLOYEES OTHER THAN CERTIFIED TEACHERS IN THE SCHOOL DEPARTMENT AND FIREFIGHTERS AND SWORN POLICE OFFICERS IN THE DEPARTMENT OF PUBLIC SAFETY.

CHAIRMAN DILLON: The question again is whether to put these on the ballot, there will be in 1993, they have to have another charter commission, I believe the charter requires that every 10 years it be looked at again. So the question becomes one of two things, shall this be put to the voters at this election? And number 2 is how shall it be put? Some have proposed that one item appear on the ballot and the people would vote one time, one lever for whether all city employees are exempt or no city employees are exempt, the alternative is to put three items on the ballot and the individual voter would vote three times to say teachers, police and fire, and regular city employees and the other thing is just not putting it on the ballot at all.

AUGUST 30, 1990

COUNCILMAN ROLLINS: The first thing is, knowing my area, they would like to have it on the ballot and they would like to get rid of it, secondly, we had a committee that was set-up by the Mayor to study this and have all kinds of hearings and everything and the vote was taken 8-1 to retain residency. You mean if we put this on the ballot, it's going to be like a waste of time, everyone had a chance to come before all the unions, any all the workers, come before the committee and state their objection or favor of and will all the testimony the committee still came up 8-1 to retain the residency. If we're going to do it in 1993 that's going to give us more time to institute certain things to try to enforce the residency ruling so that you can get some type of result.

COUNCILMAN FARMER: I have received calls particularly about teachers and I think there was a public hearing. I wasn't at it, but they expressed support of putting it on the ballot and dispute most of the union. I don't think that it ought to be combined because I think there are different levels of public interest in categories of employees, I think we've clearly had a relevant problem with the School Department, particularly in certain categories of teachers, I don't know that we've had similar level of problems in other city departments and my feeling is that we ought to put it on the ballot, let people vote on separate categories and what they will probably be doing is deciding, as far as the future charter. We've been through more than a year of controversy over the requirement and it seems to me that it is extensive and of public interest and I don't see any reason not to put it on the ballot and I think that if it goes into effect, it goes into effect in about two years but the issue has been controversial since the charter was adopted. At least in some parts of the city certainly it is by teachers and if people vote it down then they vote it down, then we don't have deep feelings about it but I think we're giving people a chance to express their opinion.

AUGUST 30, 1990

COUNCILMAN ROLLINS: The other thing I have to say too, the teachers, in performance of getting rid of it, they say it's giving them a hard time but I think one of the main things that is giving the teachers a hard time is the long term substitutes and I mentioned that the other night, that's what's causing them problems as far as teachers because if someone's out of school and comes here and wants to teach, they have to get in line of the long term subs, not counting residency, they get all the benefits, do not have to live in the city and they get preference over, say your child or my child that just got out of school and goes to school to be a teacher but they can't get in, they have to serve as a sub, and certainly as a sub they only get like \$50.00 a day which means no more benefits, because substitutes have to have transportation to get from school to school. How can they afford to pay their student loan notes and pay a car note and just living expenses on \$55.00 a day, and that's why we lose a lot because now they go and work at the telephone company or IBM or someplace. My feeling is, even though teachers are using this residency as their problem, I don't think it really is. I think the main thing is the long term sub agreement they have in their union contract.

CHAIRMAN DILLON: My conversations with the other members, do you have a problem with putting it on the ballot?

COUNCILMAN ROLLINS: I have a problem putting it on the ballot separately, just for the teachers or just for the firemen or just for the policemen.

COUNCILMAN FARMER: Why?

COUNCILMAN ROLLINS: Because to me it's fairness, you put it on for all of them or for none of them.

COUNCILMAN FARMER: Isn't there a difference though, it's clearly been a problem in documenting in getting teachers, especially in various categories, in fact the next thing we're going to do is waive the requirement for a bunch of special ed

AUGUST 30, 1990

teachers and there's been no evidence whatsoever other than a very small number of mayoral appointees.

COUNCILMAN ROLLINS: One of the problems we've had is the hearings, many times have been held on nights when the school committee meets, just like the other night and no school committee members were there. From my understanding, the majority, the vast majority of the school committee members are for residency.

COUNCILMAN FARMER: It's the teachers that are being effected.

COUNCILMAN ROLLINS: Okay, but the school committee knows all the intricacies of the hiring of teachers and their problems.

COUNCILMAN FARMER: I think you have to decide where are we when we consider this.

CHAIRMAN DILLON: In terms of the timing it has to be passed by the City Council by September 17th to appear on the ballot.

COUNCILMAN FARMER: What does the rest of the committee think about it?

CHAIRMAN DILLON: Basically I got the impression from both of them that they didn't have a problem with putting it on the ballot. I think you're going to find most council people saying that they personally support residency, that they don't have a problem putting it on the ballot. In other words, if it's going to be on the ballot when they go into the booth to vote, they're probably going to vote against allowing these changes but they don't have a problem putting it on the ballot.

COUNCILMAN FARMER: Are you going to have another meeting of the committee or continue it? I'll move approval of the three.

CHAIRMAN DILLON: Well I don't have a second so I'm stuck.

AUGUST 30, 1990

MR. DUFFY: I understand you're own comments, John, and I appreciate that. One of the problems that the city is facing, the School Department is facing is the Commissioner of Education did believe that residency is ----- of the City of Providence and what he is looking to do is possibly withholding state aid to the city. We took the action before the committee ---- in terms of resolving the teacher shortage question, in one of the conditions, urged the school committee to put before the City Council the question of residency as a charter amendment, they refused to do so. We elected as the Administration to offer it to the council because our concern was he may take a disciplinary action against the city and penalize us in terms of financial aid. That is one of the questions that is promptly disowned, looking at this morning's newspaper, the commissioner affirmed the firing of younger teachers by the city based on the residency question but also ----- . I really think that the Commissioner of Education, whoever it may be, would be in a much more difficult position afterwards a city wide referendum said had affirmed one way or the other. The city by referendum said no, we like the residency requirement, it stays. He would be in a very difficult position to penalize the city financially because the Home Rule Charter and the State Constitution allows that, the question is before the council, out of concern that the Department of Education may seek financial aid and penalize us, don't put the question before the voters, it's not saying that the voters can penalize the city if the voters elected to withhold the residency requirements and that's what our concern is.

COUNCILMAN ROLLINS: But they are exactly against it ----- .

MR. DUFFY: The question is was the state here --- there is literally millions of dollars of state aid and what they are essentially asking the city to do is to put the issue on and they may propose ---- putting the issues to the voters,

AUGUST 30, 1990

not saying that ---- have to ----- residency but they are saying that they feel that the issue has to be put forward. But by doing that a residency problem is one of the reasons ---- emergency certificates are issued so it's a question that they're saying put it before the voters, the voters are for residency rule maintaining the way it is there won't be a penalty ----- they excluded that in terms of financial aid to the city, ultimately the ----- the education has to come back out the tax payers pockets to make up for that loss.

CHAIRMAN DILLON: Can I ask one question there, what exactly is going to be put on the ballot? You're not going to ask the voters to say shall section 1210 of the Home Rule Charter of the City of Providence be amended? Is that supposed to be sufficient for a voter to understand what they are voting on?

MR. DUFFY: I believe the way the question is framed is they're asking the person on the residency what actually appears would be in reference to each of the three categories. We felt putting the categories in there would be voiding those other employees at least they won't have a grievance in terms of saying that we didn't provide them with the same opportunity. I believe that each question for all employees, I believe for each question it's a synopsis that would appear in the docket but it's the actual language.

CHAIRMAN DILLON: What does the average voter that walks in there, is he going to say yes or no, yes I want them to be able to live outside the city, no I don't want them to be able to live outside of the city, yes, I want them to live in the city, no I don't care if they live in the city or not, what's in that persons mind as they go to the polls, I think this is very important, it's a major issue for the future of the City and it should be made very clear to the voters.

MR. CLIFTON: It would be on the ballot, a ballot question, depending on what this committee votes. Let's assume that it votes separately, I think the question that

AUGUST 30, 1990

will be on the ballot is, shall the residency provisions of the Home Rule Charter section 1210, do you feel as it applies to certified school teachers, yes or no. Shall the provisions for section 1210 residency City of Providence be repealed as it applies to Public Safety, yes or no.

COUNCILMAN FARMER: That would be alright.

CHAIRMAN DILLON: We had a motion to approve the three of them but that does not have a second.

COUNCILMAN FARMER: You're going to have to have it continued and have another meeting. There are a lot of council members who would like to have an opportunity to vote on this, then I don't think it's fair to --- out of committee because we can't get a second here, so we are going to have another meeting or bring it in off the docket or refer it out so that we can vote on it without a recommendation, do you want to do that? If we have another meeting somebody is going to be opposed to say let's put it out on the council floor, let the council vote on it one way or another which is really all we're doing.

CHAIRMAN DILLON: Sorry to do this to you John, if there was a way around this we would have done it another way. We can meet again between now and then, we can have a special meeting if necessary, of the Committee or the Council.

A motion was made by Councilman Farmer to Pass the foregoing Resolutions but having no second that motion fails.

On motion of Councilman Farmer, seconded by Councilman Rollins, it is voted to continue the foregoing Resolution.

COUNCILMAN ROLLINS: I would like to have some input from a couple of the other members also.

RESOLUTION OF THE CITY COUNCIL EXEMPTING SPECIAL
EDUCATION TEACHERS FROM THE RESIDENCY REQUIREMENTS OF THE
PROVIDENCE HOME RULE CHARTER

CHAIRMAN DILLON: I spoke with Mr. Corkery yesterday and he said he has a list of a few special education teachers, I indicated that if he could get them here today we would act on them today but in discussions we felt that he could proceed

AUGUST 30, 1990

and that we could act on these in time for the next meeting.

MR. CLIFTON: The Resolution though, that's before the committee, was a blanket Resolution for all special ed teachers.

CHAIRMAN DILLON: Alright, then a motion will be in order on this particular Resolution. This is saying all special education teachers are exempt.

MR. DUFFY: Neal Corkery, as for the Commissioner Education has satisfied his concerns that he will act and the council will act upon individuals, that satisfied the commissioner.

On motion of Councilman Farmer, seconded by Councilman Rollins it is voted to continue indefinitely the foregoing Resolution.

BILL FROM JOSEPH V. CAVANAGH, JR., OF BLISH AND CAVANAGH FOR PROFESSIONAL SERVICES RENDERED IN CONNECTION WITH THE RETIREMENT BOARD LITIGATION DURING THE MONTH OF JULY 1990 IN THE TOTAL AMOUNT OF \$1,035.52

CHAIRMAN DILLON: First bill is a letter dated August 30, 1990 and it's in the amount of \$1,035.52.

On motion of Councilman Farmer, seconded by Councilman Rollins to approve the foregoing bill.

CHAIRMAN DILLON: Now I have another letter dated August 10, 1990 which states:

Dear Mr. Simmons:

Enclosed is a bill for the month of March 1990 for February services of Blish and Cavanagh. On Thursday August 9, 1990 we received a check in the amount of \$645.00 for our April 1990 statement for March services. I bring this statement to your attention as I think it has been over looked by your Accounts Payable Department, if you could please look into this matter it would be greatly appreciated.

COUNCILMAN FARMER: Do we approve this again?

CHAIRMAN DILLON: This one's already passed.

MR. CLIFTON: It may just be a situation where they made just a partial payment, but I believe the Resolution of the Council was to pay the amount that was listed here.

AUGUST 30, 1990

MR. WOERNER: Have Ms. Lincourt look into it, see if it got lost.

MR. CLIFTON: The amount is certainly, again, reasonable for the services that he performed, I believe that's what my recommendation was before.

COUNCILMAN FARMER: Why did they do that, what's the problem? What do we do about it?

MR. CLIFTON: Let me make a suggestion that this committee recommend to the council operating an assumption that the full amount, let's assume that the committee recommended an improper amount, it would be to consider to pay the difference and in between now and then we can check into it. The Resolution was before the paid amount that is listed here then it's just an Administrative error, Thursday night, this matter can just be restricted from the docket.

COUNCILMAN FARMER: Why don't we direct the Director of Purchasing to pay the rest of the bill?

MR. CLIFTON: On the Journal of Proceedings of the Council of June 21, 1990 the City Council on page 25.20 approved the bill in the amount of \$645.00 to Blish and Cavanaugh.

COUNCILMAN FARMER: Why don't we approve that one.

MR. CLIFTON: Yes, This is for March, so total amount would be \$1,202.82 so you have two bills pressing.

On motion of Councilman Farmer seconded by Councilman Rollins it is voted to approve the bill.

COMMUNICATION FROM PAUL ST. GERMAIN, CHIEF LANDING OFFICER OF THE DEPARTMENT OF PLANNING AND DEVELOPMENT WITHDRAWING FROM ANY DUTIES AND RESPONSIBILITIES RELATING TO THE ELDERLY AND HANDICAPPED HOMEOWNERS PAINT PROGRAM IN CONFORMANCE WITH THE CONFLICT OF INTEREST PROVISION OF SECTION 570.611, AS HIS MOTHER WOULD LIKE TO APPLY FOR THE PAINT PROGRAM

On motion of Councilman Farmer, seconded by Councilman Rollins, it is voted to transmit the communication back to the City Council with recommendation the same be received.

RESOLUTION AUTHORIZING THE HIRING OF OUTSIDE LEGAL COUNSEL IN THE CASE OF HILLSIDE ASSOCIATES, L.P. VS. LOUIS R. STRAVATO.

AUGUST 30, 1990

On motion of Councilman Rollins, seconded by Councilman Farmer, it is voted to continue the foregoing Resolution.

REQUEST OF SARAH A. FAY, EMPLOYED IN THE PUBLIC PARKS ZOOLOGICAL DIVISION FOR A LEAVE OF ABSENCE FROM SEPTEMBER 24, 1990 TO SEPTEMBER 24, 1991 FOR MATERNITY LEAVE.

On motion of Councilman Farmer, seconded by Councilman Rollins it is voted to approve the foregoing leave of absence.

ADJOURNMENT: On motion of Councilman Farmer, seconded by Councilman Rollins, it is voted to adjourn at 12:50 o'clock P.M.

Jean M. Angione
Assistant Clerk

Clare & Bruce Stewart
Assistant Clerk

Copied *CBZ*.