

DEPARTMENT OF CITY CLERK

CITY HALL

MAY 29, 1986

The Committee on Finance meets this day in Committee Room "A" at 12:00 o'clock Noon, following the Bond Sale held in the City Council Chamber.

PRESENT: Chairwoman Brassil, Councilman Dillon, Councilwoman Fagnoli, and Councilman Farmer.

Subsequently, Councilman Dillon joins the Committee.

Also present are Finance Director Baron, City Treasurer Napolitano, Director of Administration Simmons, James Jackson of Hinckley, Allen, Tobin and Silverstein, and Maureen E. Massiwer and Frank Juchnik of Fleet National Bank. (Rose M. Mendonca, Clerk).

RELATIVE TO \$14,040,000 GENERAL OBLIGATION REFUNDING BONDS DATED 6/13/86.

Chairwoman Brassil reads the following proposals:

RI Hospital Trust National Bank		4.07% per annum
Gross interest	\$98,412.60	
Less Premium	-0-	
Interest Cost	98,412.60	
Percent Net Interest Cost	4.0700%	
	- - -	
Fleet National Bank		4.50% per annum
Gross Interest	\$108,810.00	
Less Premium	702.00	
Interest Cost	108,108.00	
Percent Net Interest Cost	4.4709%	
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Salomon Brothers, Inc. and Associates		4.70%
Percent Net Interest Cost	4.7000	
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Shearson Lehman Brothers		4.15%
Gross Interest	\$100,347.00	
Less Premium	-0-	
Interest Cost	100,347.00	
Percent Net Interest Cost	4.1500%	
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State Street Bank & Trust		4.55%
Gross Interest	\$110,019.00	
Less Premium	-0-	
Interest Cost	110,019.00	
Percent Net Interest Cost	4.5500%	
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Prudential-Bache/Advest		5.25%
Gross Interest	\$126,945.00	
Less Premium	2,000.00	
Interest Cost	124,945.00	
Percent Net Interest Cost	5.1672%	
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Councilman Dillon joins the Committee at this time.

The low bidder is Rhode Island Hospital Trust National Bank at 4.07% per annum.

Mr. Jackson explains the bids to the members.

Ensuing considerable discussion, on motion of Councilman Farmer, seconded by Councilwoman Fagnoli, it is

VOTED: to confirm the sale to Rhode Island Hospital Trust National Bank, at par, plus accrued interest of \$14,040,000 General Obligation Refunding Bonds dated June 13, 1986, payable August 1, 1986 and bearing interest at the rate of 4.07 per cent per annum and to waive any irregularity with respect to the proposal.

On motion of Councilman Dillon, seconded by Councilwoman Fagnoli, it is

FURTHER VOTED: to confirm the consent of the City dated May 29, 1986 to Fleet National Bank, the certifying bank, bidding for some or all of the Bonds.

RESOLUTION AUTHORIZING THE CITY TREASURER, WITH THE APPROVAL OF THE COMMITTEE ON FINANCE, TO ISSUE NOTES IN ANTICIPATION OF TAXES UNDER G. L. SEC. 45-12-4.

Mr. Jackson states the Resolution would authorize the borrowing in anticipation of receipts of the taxes. It is authorized by the General Laws of Rhode Island 70% of the uncollected taxes.

Chairwoman Brassil informs the members it would go out to bid and be submitted to the Finance Committee.

On motion of Councilwoman Fagnoli, seconded by Councilman Dillon, it is voted to approve the foregoing Resolution and transmit same to the City Council with recommendation of adoption.

AN ORDINANCE TO AUTHORIZE THE ISSUANCE OF \$14,040,000 REFUNDING BONDS.

Chairwoman Brassil states the rollover awarded was for a two month period. The Ordinance would authorize the issuance of the \$14,040,000.

Mr. Jackson states it is similar to the Ordinance passed last month. It authorizes the refunding of the \$14,040,000 bonds approved today while they are refunding bonds. They are in the nature of two-month notes. They plan to refund them on a long-term basis.

On motion of Councilman Dillon, seconded by Councilwoman Fagnoli, it is voted to transmit the foregoing Ordinance to the City Council with recommendation of Adoption.

AN ORDINANCE TO APPROPRIATE \$2,555,000 FOR THE REDEVELOPMENT PROJECT AND TO AUTHORIZE THE ISSUANCE OF NOT IN EXCESS OF \$2,550,000 SPECIAL OBLIGATION BONDS PURSUANT TO THE PROVISIONS OF CHAPTER 33.2 OF TITLE 45 OF THE GENERAL LAWS OF RHODE ISLAND, AS AMENDED.

Mr. Jackson states this Ordinance is done under enabling legislation, passed two years ago by the General Assembly.

One year ago the City Council passed an Ordinance modifying the East Side Redevelopment Plan, providing for certain improvements in the Corliss Park area and designating the area as a tax increment financing district.

The improvements that are to be made there are street lights, etc. in the amount of approximately \$2,000,000.

The Ordinance provides it will be financed under tax increment bonds.

They are revenue bonds of the City, not General Obligation Bonds. They are pledged to increased tax revenues resulting from increased tax valuation credit from the district.

Any increase in valuations in the area are calculated. The taxes that come in as a result of the increased tax valuations are pledged to the payment of interest and bonds. It goes into a special fund.

Mr. Jackson continues by stating the Ordinance was passed last June but requires a bond Ordinance to carry this out. The bond Ordinance will carry out the tax increment financing plan authorized by the City Council in June of 1985.

Chairwoman Brassil informs the members the Ordinance will be presented at the June 5th Council meeting. She felt that as Mr. Jackson was present this day, he could explain it to the members.

Messrs. Jackson, Napolitano, Juchnik and Ms. Massiwer are excused at this time.

AN ORDINANCE PROVIDING FOR THE ASSESSMENT AND COLLECTION OF 1986 TAXES IN A SUM NOT LESS THAN ONE HUNDRED TEN MILLION (\$110,000,000) DOLLARS AND NOT MORE THAN ONE HUNDRED TWELVE MILLION, FIVE HUNDRED THOUSAND (\$112,500,000) DOLLARS BEING BASED ON ONE HUNDRED (100%) PERCENT OF THE 1986-1987 FISCAL YEAR TAX COLLECTION.

AN ORDINANCE MAKING AN APPROPRIATION OF ONE HUNDRED EIGHTY-EIGHT MILLION, TWO HUNDRED NINE THOUSAND TWENTY-FOUR DOLLARS AND SEVENTY-TWO (\$188,209,024.72) CENTS, FOR THE FISCAL YEAR ENDING JUNE 30, 1987, AS AMENDED.

AN ORDINANCE ESTABLISHING THE CLASSES OF POSITIONS, THE MAXIMUM NUMBER OF EMPLOYEES AND THE NUMBER OF EMPLOYEES IN CERTAIN CLASSES IN THE CITY DEPARTMENTS AND REPEALING ORDINANCE CHAPTER 1985-85, APPROVED NOVEMBER 27, 1985, AS AMENDED.

AN ORDINANCE ESTABLISHING A COMPENSATION PLAN FOR THE CITY OF PROVIDENCE AND REPEALING CHAPTER 1985-86, APPROVED NOVEMBER 27, 1985, AS AMENDED.

Mark Dunjam and Alex Prignano of the Finance Department are present at this time.

Chairwoman Brassil states the only problem she is aware of is the School Department's Human Resource Specialists which were brought out at the Public Hearing.

Mr. Simmons states it is his understanding, after talking to the School Board, the persons are not doing the Human Resource Specialists' tasks. There was an attempt last year to lay them off. Under a technicality, it was brought to the Labor Board and found to be defective.

They are trying under another process. They have reviewed the process with labor attorneys.

According to Dr. Ricci and Mr. McWilliams, they have not been necessary for over a year.

It is Mr. Simmons' understanding there are other individuals within the administration that have assumed that role over the years, such as guidance counselors, principals, etc.

The Affirmative Action and E.E.O. people are being maintained by the school system.

Discussion ensues relative to there not being enough textbooks in certain schools.

Chairwoman Brassil states when the Committee meets on the School budget, she will invite Dr. Ricci, Mr. McWilliams, Dante Tita, the Business Manager, and Mr. Almagno to review the matters.

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At this time, Councilwoman Fagnoli requests the following Ordinance, pending before this Committee, be considered.

AN ORDINANCE AMENDING THE APPROPRIATION ORDINANCE CHAPTER 1985-69 APPROVED JUNE 25, 1985, BY TRANSFERRING THE SUM OF THREE THOUSAND DOLLARS (\$3,000.00) FROM CITY COUNCIL, ITEM 399, TO ITALIAN-AMERICAN WAR VETERANS CONVENTION (1-015-20-341).

Councilwoman Fagnoli explains the money is needed at this time for their celebration in our City with the 350th Anniversary. It is a one-time request.

On motion of Councilwoman Fagnoli, seconded by Councilman Dillon, it is voted to approve the foregoing Ordinance and transmit same to the City Council with recommendation of Adoption.

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The members continue to review the budget Ordinances.

Chairwoman Brassil states there has been a request to add two positions in the City Solicitor's Department for Assistant City Solicitors, full-time. Seventy thousand dollars would be transferred from debt service.

On motion of Councilman Farmer, seconded by Councilman Dillon, it is

VOTED: to amend the appropriation ordinance by transferring \$70,000 from Debt Service to the Law Department; to amend Section 3 of the Classification Ordinance by adding two full-time Assistant City Solicitors; and, to amend the Compensation Ordinance by adding two Assistant City Solicitors (full-time) at \$35,000 each.

Chairwoman Brassil reads a communication from the Department of Public Safety stating that during the budget hearings it was agreed upon that to provide parity (9% differential) within the Arson Squad the following positions would be paid:

Fire Prevention Captain (assigned to A.P.U.)	\$32,694.48 per year
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Firefighter Grade 1
(Assigned to A.P.U.)

\$27,212.64 per year

On motion of Councilman Dillon, seconded by Councilman Farmer, the foregoing amendments are made to the Classification and Compensation Ordinances.

The Finance Department has stated there is an error in Sec. 12 of the Classification Ordinance where it lists four (4) Clerk Typist II. It should read seven (7) Clerk Typist II.

On motion of Councilman Farmer, seconded by Councilwoman Fagnoli, it is voted to amend Sec. 12 of the Classification Ordinance in accordance with the above.

Mr. Simmons states no raises are reflected in the budget other than the percentage agreed upon under the Union Contract and grievances.

Discussion ensues relative to certain pay raises and it is voted, on motion of Councilman Glavin, seconded by Councilman Dillon, to amend the Compensation Ordinance by changing the grade of Secretary to Administrative Assistant of the City Council from 10 to 15.

On motion of Councilman Farmer, seconded by Councilman Dillon and Councilwoman Fagnoli, it is voted to approve the four Ordinances, three as amended, and transmit same to the City Council with recommendation of Adoption.

ADJOURNMENT: On motion of Councilman Farmer, seconded by Councilwoman Fagnoli, the Committee adjourns at 1:30 o'clock P.M.

Rose M. Mendonca

CLERK

Copied *Asq*

Compared *Jlm*