

DEPARTMENT OF CITY CLERK

CITY HALL

DECEMBER 28, 1990

The Retirement Board of the Employees' Retirement System meets this day at 9:30 o'clock A.M. (EST) in the Chamber of the City Council, City Hall to conduct a Special Meeting.

Present: Vice-Chairman Bissonnette, Class "B" Representatives Patterson and Day, Class "A" Representatives Jackson and D'Amico, Commissioner Quattrocchi, Class "B" Representative Retired McDonald - 7.

Absent: Mayor Paolino, Councilman Dillon, Mr. Mendillo and Miss Lincourt - 4.

Also present is Legal Counsel Skolnik, Rosemarie Davis of the Controller's Office and Pension Administrator Lynch.

Dr. Guy Geffroy is not present this day.

(Helen Gibbons-Vieluf, Assistant Clerk and Michael R. Clement, First Deputy City Clerk).

MINUTES OF INVESTMENT SUB-COMMITTEE MEETING - DECEMBER 26, 1990.

The Minutes of the Investment Sub-Committee of the Retirement Board are presented as follows, submitted by Legal Counsel Skolnik:

RETIREMENT BOARD OF THE
EMPLOYEES' RETIREMENT SYSTEM

MINUTES OF THE MEETING
OF THE INVESTMENT SUB-COMMITTEE

December 26, 1990

The Investment Sub-Committee met on December 26, 1990 at 9:00 a.m. In attendance were Committee members Bissonnette, Day, D'Amico and Quattrocchi. Also, in attendance were Board Member Councilman Dillon and a representative from the City Controller's Office, Pension Administrator, Edward Lynch and Legal Counsel, Richard A. Skolnik.

Discussed and reviewed were the City Controller's letter dated December 18, 1990 and Mr. McKinney's proposal pursuant thereto, both of which are attached hereto.

There was further reference to the fact that One Federal Asset Management Corporation, Phoenix Investment Management Company and The Providence Group Investment Advisory Company agreed to accept an annual fee in the sum of \$31,800.00 each. Old Stone Trust Company previously submitted a proposal setting forth an annual fee in the sum of \$21,950.00. The services to be rendered by each of the above will be as set forth in their respective proposals. Legal Counsel recommended that the above be memorialized by appropriate writing with each of the newly appointed Money Managers. The members of the Board in attendance at this Sub-Committee meeting concluded that it was appropriate

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to submit the above to the full Board for its consideration and anticipated approval.

In this regard a meeting of the Board was arranged for December 28, 1990 at 9:30 a.m.

Respectfully submitted,

By: _____
RICHARD A. SKOLNIK,
Secretary pro tem

Accordingly, on motion of Mr. McDonald, seconded by Mrs. Jackson, it is voted to approve the Minutes of the meeting of the Investment Sub-Committee held December 26, 1990 /and to accept the reccmmendations outlined therein.

All members are in favor.

Also presented and accepted this day is cmmunication from City Controller Lincourt to Investment Agent Mackinney and his response:

December 18, 1990

Mr. Harold McKinney
Senior Vice President
Fleet National Bank
100 Westminster Street
Providence, RI 02903

Dear Harold:

At the request of the Investment Sub Committee of the City of Providence Employees' Retirement System, I am writing to ask you to furnish a proposal that would accomplish the following:

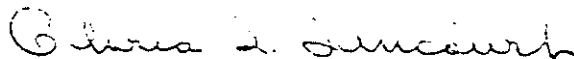
1. Transfer cash and/or liquidate holdings of your choice in an amount totalling \$17,500,000.00;
2. Transfer 70,000 shares of Fleet stock in equal portions to the newly appointed Money Managers.

These funds are to be distributed to the following:

Old Stone Trust Company
One Federal Asset Management Corporation
Phoenix Investment Management Company
The Providence Group Investment Advisory Company

We request that you furnish this proposal to Maurice Bissonnette, via fax, by Friday, December 21, 1990. Mr. Bissonnette's fax number is 421-6139.

Cordially,



Gloria L. Lincourt
City Controller

GLL:as

cc: Maurice Bissonnette

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City of Providence Employees Retirement System
 Control: Account No. 8-4970
 Recommendations: Raise \$7,500,000 as directed by Investment Sub Committee

SELL: Amount	Description	Int. or Div'd	Maturity	Now Held	Price	Approximate Value	Income
2,000,000	Government Fund					2,000,000	
1,100,000	U.S. Treasury Bills		12/27/90	(1M)		1,000,000	
1,100,000	U.S. Treasury Bills		2/2/91	(1M)		988,000	
1,100,000	U.S. Treasury Bills		2/28/91	(1M)		986,000	
500,000	U.S. Treasury Bills		3/21/91	(500)		500,000	
1,000,000	U.S. Treasury Bills		1/24/91	(1.0M)		993,000	
1,500,000	Anticorp	8.25%	8/15/96	(1.5M)	84	1,260,000	
1,000,000	Kraft	8.50%	2/15/2012	(1M)	90	900,000	
1,100,000	Dayton Western	9 7/8%	6/1/2017	(1M)	98	980,000	9,207.00
1,480,000	American T. & T. Co.	4 3/4%	2/1/92	(1.4M)	71	1,274,000	
2,000,000	U.S. Treasury Bonds	8.50%	1/1/2022	(2M)	104	2,040,000	
						<u>\$12,921,000</u>	

Amount	Description	Int. or Div'd	(Cont) Maturity	Now Held	Price	Approximate Value	Income
33,000	Cell Division		(77,222)	(354)	55	2,497.00	
20,000	Spencer D		(52,252)	(20M)	50	1,000,000	
71,000	Martinez		(1,013,54)	(11M)	11	781,000	
15,000	Amico		(2,000,000)	(35M)	51	918,000	
						<u>\$4,729,000</u>	

Total \$17,710,000

Transfer 70,000 shares of Fleet National Financial Group
 to four new managers.

Discussion ensues on the money being split evenly to each of the new money managers which will receive 5 1/2 million dollars.

Mr. Quattrocchi questions the 9 million dollars which the City Controller pointed out same not maturing until January 9th, and states that it would be fair if that sum is pro-rated, getting the same amount at the same time.

Miss Davis informs that the total amount is 9.5 which would be 5 1/2 each.

Further discussion ensues and Mr. Quattrocchi suggests requesting Pension Administrator Lynch meet with Mr. Prignano of the Finance Department who handles the short term investments for the City, to see if early maturity may be obtained on the 9 million dollars without penalty.

Discussion further ensues on how the 17,710 is to be split

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and Mr. Quattrocchi states that it was his understanding that New England Trust Company was to get 5 million before the end of the year.

The members having questions as to how much money was designated originally, the minutes not being available, Mr. Quattrocchi requests a five minute recess.

The Meeting Reconvenes at this time and Vice-Chairman Bissonnette requests Mr. Skolnik present his formula.

Mr. Skolnik states: "...the \$17,710,000.00 which I added the \$9 million 500 thousand, a gross of \$27,210,000.00 from which I subtracted 5 million dollars on the assumption that it would be going to New England, leaving a balance of \$22,210,000.00 which I divided by 4, which according to my computations is \$5,552,500.00 and based upon the recommendation of the Investment Committee, the product divided by four is to be distributed equally to Old Stone Trust Company, One Federal Asset Management Corporation, Phoenix investment Group, and the Providence Group Investment Company, that's what we proposed. "

On motion of Mrs. Jackson, seconded by Mr. McDonald and Mr. Day, it is voted to approved the foregoing transfer of funds to the 4 Money Managers.

All members are in favor.

Mr. Skolnik at this time addresses the point of the fee schedules which will be paid and suggests to the Board that there be something in writing on each, memorializing same.

Vice-Chairman Bissonnette states: "At that last meeting I was instructed to contact each one of these managers and I did and I got their verbal approval and I instructed them to send us in writing, their approval. I put the datesetc. and did almost all of them on December 26th."

Mr. Quattrocchi: "On these new people, they are accepting a fixed prior fee as recorded in the sub-committee minutes, irrespective of the change in the evaluations as against the other.." "The other three people use a formula, that is why I asked."

Vice-Chairman Bissonnette: "That is not correct, Jim.

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They are all using a formula, they reduced that to basis points on a 31,800... "

Discussion ensues and Mr. Quattrocchi questions what their fee would be in 1991 and Vice-Chairman Bissonnette states that it will be on a percentage basis just like all the other managers the amount being 5 million 7.

Mr. Quattrocchi disagrees and states that is not what is presented, what is presented is a flat dollar fee.

Mr. Skolnik states that if that is what is stated he withdraws same.

Mr. Quattrocchi requests a clarification from Legal Counsel Skolnik.

Mr. Skolnik states that whatever it is should be proposed in writing so that there will be no questions at a later date.

Vice-Chairman Bissonnette informs that they all agreed on 31,800 to manage 5 million 700 thousand and will be treated just like the other three managers.

Discussion ensues on amending same at this time.

Mr. Day states that it should be adjusted accordingly as it goes up.

Mr. Quattrocchi states that it would have to come back to the Board at the end of next year. He further states that he had suggested 1/2 of 1% because that would have clarified this whole thing and further explains same to the members, and further discussion ensues among the members.

Mr. Skolnik informs that he will review same with the amended version of 31,800.

Mr. Quattrocchi questions if the new money managers are to be handled in the same manner as previously done and wants to make sure that there is no written contracts and that they all serve at the pleasure of the Board.

All members agree.

Mr. Skolnik informs that he will present a detailed and specific fee schedule for each in writing.

At this time Mr. Day questions Mr. Skolnik if His Honor the Mayor has been deposed as previously voted and Mr. Skolnik

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states that he has not and there is no need for it.

He further mentions the cases of Maher, O'Neill, Scallon and Lovell where the matters have been resolved. He further states that he was assured that same were going to be processed as per the vote of the Board. He further informs that one of the delays was that individuals were asked to come in to sign paperwork and had not done so. That being the reason of not following up on the deposition.

Mr. Day questions others and Mr. Skolnik states that if there are others not part of an existing suit,.....has not been discussed.

Mr. Day questions the case of Willie Saddler and Mr. Skolnik informs the members of same.

Mr. Day requests a status report from Pension Administrator Lynch as to the cases of Saddler, Gumbley, Seddon and Boehm. He further states that if they are not being processed will take legal action.

Discussion ensues at this time relative to this Special Meeting and items on the Agenda to be discussed only.

Pension Administrator Lynch informs Mr. Day that to the best of his knowledge that the cases are all on hold, but will check on same.

Mr. Day requests that if they are on hold Mr. Skolnik's Office be notified and wants certain individuals deposed, whoever is holding it up.

Discussion among the members ensues.

E X E C U T I V E S E S S I O N
On motion of Mr. Quattrocchi, seconded by Mr. D'Amico.

it is voted to retire into Executive Session at 10:40 o'clock A.M. same being in accordance with the Confidentiality of Healthcare Information Act of Sec. 42-46 (a) (1) to consider items 2 a through e on this day's agenda.

R E C O N V E N T I O N

On motion of Mr. Day, seconded by Mr. D'Amico, it is voted to Reconvene in Public Session.

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Mr. Day moves that the following Requests for Accidental Disability Retirement be Granted - 2 a-initials GB, b - initials EC, c - initials AJL, and e - initials JW on this day's Agenda.

This motion is seconded by Mr. McDonald.

All members are in favor.

Mrs. Jackson moves that item 2d initials WS be tabled until the January Meeting of the Board due to one page missing in the doctor's report.

This motion is seconded by Mr. D'Amico and All members are in favor.

Mr. McDonald moves that the foregoing applications be effective 08:00 tomorrow morning - December 29, 1990.

This motion is seconded by Mr. D'Amico and All members are in favor.

At this time Mr. Skolnik informs the members of the Analysis of the Supreme Court case No. 89-274 Appeal, No. 89-341 M.P. JP vs the City of Providence and distributes copies of same for the members review.

Accordingly, On motion of Mr. D'Amico, seconded by Mrs. Jackson, it is voted to adjourn at 10:45 o'clock A.M. (EST).

Helen Gibson Kelly
ASSISTANT CLERK

Michael R. Clement
FIRST DEPUTY CITY CLERK