

DEPARTMENT OF CITY CLERK

CITY HALL

SEPTEMBER 21, 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 Igliazzi and Councilman Fenton.

ABSENT: Councilman Glavin and Councilwoman Fargnoli.

(Subsequently Councilman Glavin joins the Committee).

Also present are Stephen Woerner, City Internal Auditor, Charles Mansolillo, City Solicitor, Boyce Spinelli, Finance Director, Richard Rafanovic, Chief Engineer - Water Supply Board, Jean Brasil-Bondarevskis, Water Supply Board, Michael R. Clement, City Clerk and Claire E. Brooke-Stewart, Assistant Clerk.

WATER SUPPLY BOARD BUDGET

AN ORDINANCE MAKING AN APPROPRIATION OF SEVENTEEN MILLION TWO HUNDRED SEVENTY THREE THOUSAND FOUR HUNDRED SEVENTY TWO DOLLARS (\$17,273,472.00) FOR THE SUPPORT OF THE PROVIDENCE WATER SUPPLY BOARD FOR THE FISCAL YEAR ENDING JUNE 30, 1994.

AN ORDINANCE MAKING AN APPROPRIATION OF TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000) FOR THE WATER SUPPLY BOARD CONSERVATION FUND FOR THE FISCAL YEAR ENDING JUNE 30, 1994.

AN ORDINANCE MAKING AN APPROPRIATION OF SIXTEEN MILLION TWO HUNDRED THIRTY EIGHT THOUSAND DOLLARS (\$16,238,000.00) FOR THE WATER SUPPLY BOARD CAPITAL FUND FOR THE FISCAL YEAR ENDING JUNE 30, 1994.

AN ORDINANCE MAKING AN APPROPRIATION OF ONE MILLION ONE HUNDRED FIFTY TWO THOUSAND EIGHT HUNDRED DOLLARS (\$1,152,800) FOR THE WATER SUPPLY BOARD INSURANCE FUND FOR THE FISCAL YEAR ENDING JUNE 30, 1994.

AN ORDINANCE MAKING AN APPROPRIATION OF TWO MILLION FIVE HUNDRED NINETY THREE THOUSAND DOLLARS (\$2,593,000.00) FOR THE WATER SUPPLY BOARD WATER QUALITY PROTECTION FUND FOR THE FISCAL YEAR ENDING JUNE 30, 1994.

AN ORDINANCE ESTABLISHING THE CLASSES OF POSITIONS, THE MAXIMUM NUMBER OF EMPLOYEES AND THE NUMBER OF EMPLOYEES IN CERTAIN CLASSES IN THE WATER SUPPLY BOARD AND REPEALING ORDINANCE CHAPTER 1992-37, APPROVED OCTOBER 20, 1992.

AN ORDINANCE ESTABLISHING A COMPENSATION PLAN FOR THE WATER SUPPLY BOARD AND REPEALING CHAPTER 1992-36, APPROVED OCTOBER 20, 1992 AS AMENDED.

CHAIRMAN DILLON: Do you have a new Ordinance for us?

MR. RAFANOVIC: Yes, Chairman Dillon, first let me say, one of the questions was, what was the net change in payroll and we have provided this sheet here and let me point out that our payroll total, payroll and fringes increased by 1.15 million dollars over 92/93 which is about 12%, of that, 728 is fringes

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which is 7.65% and the remaining 4.49% is bargaining unit negotiated and transfer to personnel so we are well within what I would call the parameters.

CHAIRMAN DILLON: If you just compared salaries to salaries, it would be 0 then, is basically what you are telling me.

MR. RAFANOVIC: No.

CHAIRMAN DILLON: It would be a 4.5% increase.

MR. RAFANOVIC: Yes, that is correct. There have been some internal minor changes but that is what it boils down to. Salaries to salaries about 4.5, 4.49.

MR. WOERNER: This was as of May or March.

MR. RAFANOVIC: At the last meeting, the idea was floated that I provide you with a list and that the Water Supply Board be engaged in specific changes. I also created an Ordinance that has been submitted to the City Clerk's Office and I believe it is ready for distribution for you which has specific numbers assigned to them. You asked that I assign this specific number of positions.

CHAIRMAN DILLON: How does this compare with last years Classification Ordinance?

MR. RAFANOVIC: It is about the same. It is the same number as in last years Classification Ordinance.

MR. WOERNER: What I am looking at Chief, is Collection Officer, Water Supply Board. I don't think there was an amendment in the Compensation Ordinance for that Job.

MR. RAFANOVIC: No there was not and that is an internal change but it doesn't change the number and that would be a position that we are asking, we had before a position that was called Collections and Billing Officer and we need to split that into two functions. One is a Collection Officer and one is a Billing Officer because you shouldn't really have the fox guard the chicken house and it is not a good idea so we need to segregate those two positions.

CHAIRMAN DILLON: Do you have a schedule of the ads in jobs from last year to this?

MR. RAFANOVIC: I don't have anything that I can provide you but there is no net change. I have some understanding here of

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what my changes are but I don't have anything I can give you.

COUNCILMEN FENTON: Did you go through it?

MR. WOERNER: No, I just got this now. I went through quickly. I think there is one less Meter Reader, for instance and a couple of more Water Shed.

COUNCILMAN GLAVIN: Difference of what, 27 positions? There is an addition of 27 positions.

MR. WOERNER: You mean from last years.....

COUNCILMAN GLAVIN: The first Ordinance that was given to us to the second.

MR. RAFANOVIC: Yes, right. It is a count of 264 which is the same classification total as was in last years. There are some minor internal changes we may have added an Account Collector, we may have subtracted a Draftsman, we may have added another position and subtracted an Engineering Clerk, you know, things of that nature.

CHAIRMAN DILLON: The Claims Assistant is new, right?

MR. RAFANOVIC: Yes, Claims Assistant we had to put that on because the fellow was on long term injury and we were successful to bring him back, you know, we had deleted the position for two or three years, we have to bring him back.

CHAIRMAN DILLON: It is not a new person? The person was on the payroll before?

MR. RAFANOVIC: The person was on the payroll way back and he was out for about three or four years.

CHAIRMAN DILLON: In that position?

MR. RAFANOVIC: Yes and he came back.

MR. WOERNER: As of July 31st, they had 236 of which I believe 9 were temps. and 9 were other, which means usually workers' comp. or on leave of absence.

CHAIRMAN DILLON: So there is 27 vacant positions.

MR. WOERNER: Yes, 227 were actually physically on the payroll, I believe.

CHAIRMAN DILLON: We went through this last year, too. Last year, I think you were kind of in the same situation. You were planning to go to the PUC and you were going to hold these positions vacant until you got approved.

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MR. RAFANOVIC: This year, we have approval for the funded position that we have but we have a half a years approval and we need to get another half a years money and we are processing that. It doesn't mean that I will hold vacant the position because I need the staffing. I need those people.

CHAIRMAN DILLON: You are going to have to phase it in though, right? What happens if they don't approve.

MR. RAFANOVIC: If they don't approve I will have several choices. I don't pay something to the city or I delay taxes or I delay something like that. We are talking about maybe \$120,000.00 or \$130,000.00 for a half year for the amount of personnel, direct labor cost. But they will approve that because this is what is called known and measurable increases. Those are increases that deal exclusively of the second half of the contractual obligation with the second half of the fringe benefits, with the second half of taxes which we now have specific tax bills from the agencies that deal with these kind of things and that is a provision within the PUC's procedures for a short filing that we are not going for an entire change in cost just for five items.

CHAIRMAN DILLON: And you are just going to have to phase it in and work with it.

MR. RAFANOVIC: Right.

CHAIRMAN DILLON: The billing issue with Narragansett Bay, does that have an impact?

MR. RAFANOVIC: Not on us. They have, as I may have mentioned at the last meeting, they have some different revenue experiences. We went through a fairly thorough analysis. I really don't want to talk on their behalf but I think that the biggest impact is from customers outside of the service that we serve. In a service area that we serve, it is very comparable and our response to their report and to the request from Chairman Malachowski was received by the Public Utilities Commission. They felt it was very professionally prepared. They were satisfied with our response and I think we got a good article in the paper too, in the newspaper.

CHAIRMAN DILLON: Can you just take like two minutes. If someone has a drink of water today, I know it is all over the

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place now but if someone goes and gets a drink out of the bubbler, when is it going to be billed and when is it going to be paid, forgetting that we are in City Hall? If I go home and get a drink, when am I going to be billed for it and when is the meter going to be read and when am I going to pay for it?

MR. RAFANOVIC: You will be billed within 3 months. If you have taken your drink on July 1st, by September you will get billed for that drink.

CHAIRMAN DILLON: I am going to get billed because somebody read the meter between then?

MR. RAFANOVIC: That is our normal billing cycle. Right now we read the meter twice a year on alternate quarters and we estimate on the other quarters. That is what we are doing this year and that is what we did last year. So in any given year, we read one quarter, then we estimate a quarter, then we read a quarter, then we estimate a quarter and then we read a quarter.

COUNCILMEN FENTON: On a quarterly basis.

MR. RAFANOVIC: But we bill on a quarterly basis. We bill on a quarter, we read semi-annually, you could say right now.

COUNCILMEN FENTON: Two are estimates, two are read.

MR. RAFANOVIC: Right.

CHAIRMAN DILLON: So I am going to pay in 30 days from September 30th.

MR. RAFANOVIC: Yes, basically the bill is due upon receipt and it says so on the bill but within 20 days, if you don't pay interest charges will be levied on it. We are now perfecting the system that if you have not paid within 20 days, let's say within another two weeks, you will get a reminder notice that tells you you need to pay. If you don't pay then within about 5 or 6 days, and I am talking practical because of weekends and I am talking calendar days, you will get a notice on your door and within 48 hours of that notice, if you don't pay, you will be shut off.

CHAIRMAN DILLON: So let's say I take my drink now and you are actually going to do the reading in the second quarter, then what will you do, just the year to date bill at that point?

MR. RAFANOVIC: Yes, every time we read, we adjust. Every time we take an actual reading we adjust, that is correct.

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COUNCILMEN FENTON: How many surcharges are in effect right now?

MR. RAFANOVIC: Technically three. Two of them are combined in one line item and they are labeled as state water charge of which 1.33 cents of 100 gallons is just transferred to the state. 1.2 and some loose change is kept by us for water shed and water quality protection and the third surcharge is the surcharge that everybody is paying for us to repay the city that the city advanced us.

COUNCILMEN FENTON: And what is that? How much is that?

MR. RAFANOVIC: That is 8 cents for 100 cubic feet.

COUNCILMEN FENTON: What is that per 100 gallons?

MR. RAFANOVIC: It is probably 1 cent per 100 gallon or less, I am estimating right now.

COUNCILMEN FENTON: And this budget, if it were adopted, would it result in another surcharge?

MR. RAFANOVIC: No.

COUNCILMEN FENTON: What is the status of the requested rate?

MR. RAFANOVIC: We had a meeting with the Public Utilities Commission, with the Division Staff, with the Attorney Generals Office and with some staff of the Commission, three or four days ago, actually last week. We have discussed a short filing. The short filing is the short filing that will provide us the necessary revenue that I had discussed last time in here. There is a graph that will explain that. Because the PUC grants rates on an annual basis, they grant us a rate for a calendar year. We need the second half of the fiscal year. That will be filed in the second half of October with the intent of Commission decisions by December or early January.

COUNCILMEN FENTON: Is this the same rate increase that we talked about during consideration of your budget last year?

MR. RAFANOVIC: No. During the consideration of our budget last year, that rate increase, we received.

COUNCILMEN FENTON: A portion of it.

MR. RAFANOVIC: No we received all of it. Everything that the Water Supply Board needed for the operation of the Water Supply Board, we received. What we did not receive was profit for

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the city, property in lieu of taxes for the city, certain rental payments to the city. Those are the things we did not receive but everything the Water Supply Board needed we did receive.

COUNCILMEN FENTON: In 1990, how much did 100 gallons of water cost versus what it will cost at the end of this rate increase?

MR. RAFANOVIC: In 1990, I can't tell you, I don't remember the details, 54 cents or something but let me say, a typical customer in 1990 paid about, that consumes, let me use a larger amount, 150,000 gallons a year, only half our customers use that amount, the majority of our customers consume 75,000 a year so the 150,000 gallon customer a year would have paid \$100.00 a year for water in 1990. By July 1993, that went up to around \$130.00, and I am excluding surcharges.

COUNCILMEN FENTON: No, with surcharges.

MR. RAFANOVIC: Around \$150.00 with surcharges.

COUNCILMEN FENTON: How much at the end of this rate increase then?

MR. RAFANOVIC: At the end of this rate increase they will probably pay another \$8.00 or \$9.00.

COUNCILMEN FENTON: So maybe \$160.00?

MR. RAFANOVIC: Give or take, right.

COUNCILMEN FENTON: And when are you requesting for this to take effect?

MR. RAFANOVIC: January 1st.

MR. WOERNER: I just want to put on the record that the PUC Representatives to the sub-committee to the Council looked at the revenue numbers, they were happy with those so they were in compliance.

CHAIRMAN DILLON: Expenses?

MR. WOERNER: Well, theoretically, they don't have any say over expenses. Their only concern in talking with me privately was that the bond programs get funded and get moving.

MR. RAFANOVIC: It is moving. Let me just brief you. The Board of the Water Supply approved an amendment to our Capital Improvement Program, it doesn't change. It is the same dollar amount but because certain projects were done, we substituted

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other projects for the 12 million dollar bond issue. We will be before the City Council to approve the amended resolution that the Board has approved. You approved a Capital Improvement Program in 1991 for 12 million dollars. We are bringing back that Ordinance which will be for the same 12 million dollars. It will just be some different project mix because some of the projects already were completed and we need to add the others on. We are starting immediately the funding for the bond issue, is expected to be on hand end of December or early January at the latest. Construction is progressing. I have sent a letter to Chairman Malachowski and I think I have sent copies to at least President Petrosinelli and I don't know whether we sent a copy to each Council member or whether we asked the City Clerk to copy and distribute.

CHAIRMAN DILLON: And the PUC has been, as far as these 264 positions, they have already been through all of this right? They have approved the rate that includes?

MR. RAFANOVIC: They have approved the rate that includes funding for 237 positions.

CHAIRMAN DILLON: How are you going to get to 264 then?

MR. RAFANOVIC: As I told you, we don't hire 264. We don't intend to hire 264. We have 264 classifications. We have funded 237 positions.

CHAIRMAN DILLON: Did they say they gave us an authorized position listing?

MR. WOERNER: Yes, that was from me.

MR. RAFANOVIC: Last year we did not fund 264 positions.

CHAIRMAN DILLON: Do they have something similar to the personnel supplement?

MR. WOERNER: No.

MR. RAFANOVIC: Last year we did not fund 264 positions either.

MR. WOERNER: What they do have is on the computers. They have a break down of each person in each job.

CHAIRMAN DILLON: You are comfortable with this, and the funding ties into 237?

MR. WOERNER: Yes. I haven't gone through today's but in May we did it. The numbers have been stable for the whole year in



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terms of funding. The payroll numbers make sense. It is really just a salary and union raise.

CHAIRMAN DILLON: Then we have what they asked them.

COUNCILMEN FENTON: Are there any raises other than the union raises?

MR. RAFANOVIC: The Ordinance provides for step increases and those step increases are included and those are within that 4.49%.

COUNCILMEN FENTON: So no one is receiving more than a 4.5% wage increase?

MR. RAFANOVIC: There may be some people that may be receiving 6 or 7%, there may be 2 or 3 people that were out of rank before and they need to be put within the steps of the right class.

COUNCILMEN FENTON: Are they changing positions?

MR. RAFANOVIC: Several of them were, yes.

COUNCILMEN FENTON: Those people that are staying within their positions, are they staying within the frame work of a 4.5% wage increase.

MR. RAFANOVIC: Generally yes.

COUNCILMEN FENTON: Generally.

MR. RAFANOVIC: Yes.

COUNCILMEN FENTON: All of them.

MR. RAFANOVIC: If somebody is appointed to an acting position, you can call it a changed in position.

COUNCILMEN FENTON: No, except for that. Is anybody getting above 4.5% wage increase.

MR. RAFANOVIC: I am reasonably sure not in this fiscal year.

CHAIRMAN DILLON: The other thing I do want to clarify for the record, this "M" Classes, these ranges for non-union personnel. The intent here was that a person would move up one step at a time.

MR. RAFANOVIC: That is the intent.

CHAIRMAN DILLON: We are going to check this next year.

MR. RAFANOVIC: Let me make clear. The intent of it was that these steps only occur upon completion of service of the anniversary date and I would say satisfactory performance.

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CHAIRMAN DILLON: Okay. People are not going to go from step 1 to step 5?

MR. RAFANOVIC: Absolutely not.

CHAIRMAN DILLON: They are going to go from step 1 to step 2 or step 2 to step 3.

MR. RAFANOVIC: Right. Now, if an employee has not received any increase for, let's say a year. Let's talk theoretically. For example, somebody did not receive an increase in a particular year because the performance was unsatisfactory and their performance is exceptionally outstanding and it would be a criteria, then that person may catch up to where he would have been had his performance been satisfactory every step of the way. But on a general, on the whole, I do not anticipate double increases to occur. Certainly nobody will jump from 1 to 5 or 1 to 4 or something like that.

COUNCILMEN FENTON: The only way someone will go more than one step in a fiscal year is if they were not given a raise the previous year?

CHAIRMAN DILLON: Or the full raise.

MR. RAFANOVIC: Off hand, I can't think of another situation but it would be totally dependent on performance and it would have to be an exceptionally outstanding performance if somebody would be recommended more than one step.

COUNCILMEN FENTON: Performance as an employee of the Water Supply Board?

MR. RAFANOVIC: That is correct. I think I have been successful in operating the business like operation for the last three years. I don't think I am going to change the process suddenly.

COUNCILMAN IGLIOZZI: Chief, whenever you make these changes in personnel, you are going to run that by the Water Supply Board so we can....

MR. RAFANOVIC: I certainly will.

COUNCILMAN IGLIOZZI: That is the only thing we wanted. He wanted the flexibility of the conditions and we wanted a check and balance. If there is no funding you can't do.

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

CHAIRMAN DILLON: May I just suggest that the process would go more quickly if it was just submitted....

COUNCILMEN FENTON: The rest of the city.

MR. RAFANOVIC: I appreciate this Committee's indulgence with us and our desire to run a business. May I request that you consider looking at our leases. We need your recommendation to the City Council to approve by Resolution our leases which were submitted with the budget way back. If you do not happen to have them we are requesting \$443,000.00 for lease purchase equipment. We are dealing with tractors, crew pick-up, personal related --- printers, plotters, cad station, welders, dump truck, backhoe, trailer for the backhoe, three ton roller and things of that nature. We need that in a lease purchase agreement so we can spread that cost over a five year period.

COUNCILMAN GLAVIN: --- the master lease, Mr. Chairman?

MR. RAFANOVIC: We always had a master lease arrangement.

CHAIRMAN DILLON: Paid out of their revenues.

COUNCILMAN IGLIOZZI: You said that has been handed out with this?

MR. RAFANOVIC: We had submitted it, I have my copy submitted April 14, 1993 and it says, Providence Water Supply Board at its meeting on April 7, 1993 approved a list of equipment purchase, please submit the agenda next City Council meeting. It has been submitted here for a long time. I have extra copies here.

COUNCILMAN IGLIOZZI: You are saying no action has been taken on this?

CHAIRMAN DILLON: We don't even have an Ordinance at this point in time.

MR. RAFANOVIC: It is not an Ordinance. It is a Resolution.

COUNCILMAN IGLIOZZI: This has to go to Finance and an Ordinance has to be prepared.

CHAIRMAN DILLON: The other Master Lease is an Ordinance.

COUNCILMAN IGLIOZZI: That is what we had last year, isn't it?

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MR. RAFANOVIC: We had lease authorizations from you before and we are asking for this packet, this time, so we can spread this \$443,000.00 over a five year period rather than having to pay it out.

COUNCILMAN IGLIOZZI: This isn't in a form that we can act on.

COUNCILMAN GLAVIN: Why don't we get it for the next Committee meeting, Mr. Chairman.

CHAIRMAN DILLON: Yes, why don't you go over it, justify it now, go down the list now and give us your comments.

MR. RAFANOVIC: Some equipment needs to be replaced because it is old, it is deteriorated, it is beyond repair. We need a tractor to replace the tractor bought in 1966, it is written down.

COUNCILMAN GLAVIN: It's all here, I don't think we have to go item by item. It is pretty self-explanatory here.

COUNCILMAN IGLIOZZI: Chief, have we resolved this controversy between your department, I just noticed paving on your list, and the Public Works Department?

MR. RAFANOVIC: No.

COUNCILMAN IGLIOZZI: There seems to be a big controversy on your department going in, digging a trench, repairing the road after they have just been repaved. Putting cold patch or a patch that doesn't rise to the level of the most modern technique of patch type that does the most efficient effective job.

MR. RAFANOVIC: Let me try to give you a little background and then see how much substance to the controversy there is. First I would like to say that in 1991, I addressed a letter to Mr. Suzman to inquire whether the city would be able and willing to do paving for us. I got a response, the answer was no. They neither have the equipment nor the manpower nor can they effectively do the work for a comparable price as we are getting from private sector. We are contracting with private sector contractors for paving annually. This time we are asking for a two year contract, we go out to bid through the Board of Contract and Supply. We, when we repair, do some work, we automatically compact the situation and we put temporary paving in. Once and if we have a contract on line, the contractor is supposed to follow

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up within 30 days. This is our current standard. Unfortunately, we have been tied up the better part of summer to get the contract signed so we are a little bit behind schedule on this thing. Last year, for all practical purposes, the delay in getting contracts signed went way into October and we had less than one month of good weather to do paving and a lot of patches did not get paved which were washed out during the inclement weather season.

COUNCILMAN IGLIOZZI: Last year was bad.

MR. RAFANOVIC: Yes, it was particularly bad and we infact, start the bidding process as early as February so that we have selected low bidders by June or July and then, of course, comes the completion of the contracts and the performance bonds and all that stuff and last year just took far too long, you know, that is all I am saying.

COUNCILMAN IGLIOZZI: Is there a quality control for your department to oversee the private contractor before they get paid?

MR. RAFANOVIC: Yes we do. We inspect all openings and not only for quality but also size because we turn in a size, we have a record of it, the contractor turns in an invoice by hole, by size. When the size is more than a certain percent we go and cross check back.

COUNCILMAN IGLIOZZI: Is there a procedure to determine whether the digging was so extensive that you had to actually repave the whole street or a good portion of it as opposed to just patching it?

MR. RAFANOVIC: We always patch the cracks. We do not patch the entire street, no we don't.

COUNCILMAN IGLIOZZI: Maybe like you said, because last year in particular...

MR. RAFANOVIC: Last year was a bad year, right.

COUNCILMAN IGLIOZZI: If it wasn't for the CHIP Program where we had streets repaved in its entirety. My particular ward, we had a lot of problems with patches. I don't know about other Council people.

COUNCILMEN FENTON: Yes.

COUNCILMAN IGLIOZZI: The CHIP Program did a street and then in comes your department....

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COUNCILMEN FENTON: It was still hot.

MR. RAFANOVIC: But let's examine what the circumstances are. We have no control over an application for a new water service. We have to give that. We have no control over a break. We would certainly not go into a new street with a water service replacement program or a gate valve replacement program. We have and we are notifying, all Public Works agency, not only Providence but Cranston, Johnston, North Providence and the State of our service replacement and of our gate replacement program and asked them for cooperation and we ordinarily try to go ahead but these kinds of things we just have no way out. If, for example, Providence Gas comes through with a project and they tear out our services, we have to go and fix it, but we bill them.

COUNCILMAN IGLIOZZI: What kind of standards do you do? Are you aware of the standards of the DOT?

MR. RAFANOVIC: Yes.

COUNCILMAN IGLIOZZI: Do you keep copies of those, give them to your inspectors, that kind of things?

MR. RAFANOVIC: Yes we do.

COUNCILMAN IGLIOZZI: Are there a separate set of standards for the Department of Public Works or are they one and the same?

MR. RAFANOVIC: Public Works standards are slightly different than DOT. DOT has certain special requirements in certain streets that require special paving and we follow that and that gets fairly expensive but we are trying to comply where we can.

COUNCILMAN IGLIOZZI: Are those the standards your inspectors compare the private contractor with?

MR. RAFANOVIC: They have to follow the standard that is applicable to the street as is governed by whatever agency it is.

COUNCILMAN IGLIOZZI: What I am saying is, if I complain about a street and the way it was done, your inspectors could report back to me and say, we hired Joe Smith's Paving, he did it and I went out there with these standards from DOT and I compared it and they were fine.

MR. RAFANOVIC: I need you to understand that paving is like a cake, you know? The upper layer is the paving, the middle and the bottom part is ours so we are responsible for the compaction

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and we are responsible for the soil and it is important to segregate whose fault it is if something fails and we have both the experience and the knowledge and let's say where we go, you know, to argue these issues but I don't want a blanket state that every time there is a failure it is a paving contract.

COUNCILMAN IGLIOZZI: So you are saying that you have your own set of standards with regard to the.....

MR. RAFANOVIC: Absolutely. We need to compact to the equivalency of 95% compaction which is normally what is required by ---- agencies. What has not been practiced is that you take specific tests on individual failure but we take precautions to guarantee that the paving and the soil holds. We get caught in the rain and we have to re-do this.

COUNCILMAN GLAVIN: Does that apply for the sidewalk repairs as well? I have had a situation where your people went in and replaced, I guess, something in the sidewalks and what they did is they dug up the sidewalks and they just threw in temporary patch and I guess some contracts must be signed, it hasn't been done yet.

MR. RAFANOVIC: Let me say to you that the contract that we recommended the successful bidder in July is not signed yet.

COUNCILMAN GLAVIN: Does the Solicitor's Office have anything to do with that?

MR. RAFANOVIC: They are part of it. I can't say where the hold up is but it is not signed. I understand some contracts have been signed today. I have been told that a bunch of contracts were signed but I can't tell you whether that one was in the pack or not.

COUNCILMAN IGLIOZZI: These are all reviewed by the Water Supply Board?

MR. RAFANOVIC: They are reviewed by the Board of Contract and Supply.

COUNCILMAN IGLIOZZI: Who is going to put this in proper form, their department?

CHAIRMAN DILLON: Who is going to make this into a lease, an acceptable lease?

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COUNCILMAN GLAVIN: This is part of the budget, provided with the budget?

MR. RAFANOVIC: Yes, it is part of the budget and it is necessary.

CHAIRMAN DILLON: It has to be an Ordinance though.

COUNCILMAN IGLIOZZI: You have to put it in Ordinance form.

CHAIRMAN DILLON: For the record, I want to make sure we understand we are approving the motion that I took to approve this department's budget, it does include the Appropriation Ordinances for the various funds of the Water Supply Board as well as the Classification Ordinance and the Compensation Ordinance.

COUNCILMAN IGLIOZZI: But this isn't in it because it is not in the budget?

CHAIRMAN DILLON: That is not in it.

MS. BRASIL-BONDAREVSKIS: The last time it was done, we just received a Resolution of the City Council allowing us to make an amendment to the City's Master Lease schedule.

CHAIRMAN DILLON: It was a Resolution?

MS. BRASIL-BONDAREVSKIS: A Resolution of the City Council and then we forward that to Fleet to prepare the paperwork.

CHAIRMAN DILLON: Why don't we ask the Law Department.

MR. MANSOLILLO: You do the Master Lease by Resolution?

CHAIRMAN DILLON: We do our main one by Ordinance.

MR. MANSOLILLO: Then it has to be an Ordinance. You can't amend an Ordinance with a Resolution.

CHAIRMAN DILLON: Can you research that Charles?

MR. WOERNER: Finance does this. We will find out who does this.

MR. RAFANOVIC: Could I ask this Committee to consider approval of the content and instruct somebody to put it in proper form.

On motion of Councilman Glavin, seconded by Councilman Igliazzi, it is voted to approve the content of the Master Lease for the Water Supply Board and to instruct the City Solicitor to prepare it in it's proper form.

Councilman Fenton is recorded as not voting.



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COUNCILMEN FENTON: We are voting on something that is not before us?

COUNCILMAN GLAVIN: It is before us. It is right here. We agree on the content. All we want to do is put it in its proper form. I don't see any big deal in that. We are not disagreeing with the fact that they need these particular items. We agreeing, allowing them to go ahead with the lease. What we are saying is, what ever form it needs to be presented in, it should be done. We have done this on other agents. I see no big deal with that.

MR. RAFANOVIC: I just need some help to understand who prepares these in the right form.

MR. MANSOLILLO: First of all, where is the Finance Director?

MR. WOERNER: He was here.

MR. MANSOLILLO: Has he been advised regarding this?

MR. RAFANOVIC: The Board has approved and he is a member of the Board. He attended the Board meeting.

COUNCILMAN GLAVIN: Before the Contract and Supply?

MR. RAFANOVIC: No, Water Supply Board.

MR. MANSOLILLO: No, it hasn't been approved by the Board of Contract and Supply.

MR. RAFANOVIC: First it has to be approved in terms of the Providence Water Supply Board of which the Finance Director is a member.

MR. MANSOLILLO: I understand that. All I want to know from him, is he aware of this in terms of any amendment that may have to be made to the Master Lease and all that sort of thing. He was here a moment ago. I am sure he is around. I am sure at some point during the past, as I am not familiar with the on-going work of this Committee, the City Solicitor's Office made a ruling that this kind of approval is best done by Ordinance because it effects the spending of money. I don't believe that we should vary from that procedure at this point but I will tell you, without doing a lot of research it may not ever have to be done by Ordinance but you have adopted that practice and I see no reason why to change it.

CHAIRMAN DILLON: So is it improper to have a motion on the floor.

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MR. MANSOLILLO: No.

COUNCILMAN GLAVIN: Mr. Spinelli, a question from the floor.

MR. MANSOLILLO: The Ordinance on Master Lease would have to include these or is this a separate lease, what is the story with this?

MR. SPINELLI: The Ordinance that we do for the General Fund Master Lease, ordinarily does not include anything from the Water Supply Board. I, for example, I have the Ordinance with me tonight for the General Fund Master Lease.

MR. MANSOLILLO: Would it not make sense, it seems to me to have....

CHAIRMAN DILLON: Just amend that one?

MR. MANSOLILLO: No, I don't know if we should be amending the General Fund Master Lease. I think you should create a separate one.

COUNCILMAN GLAVIN: That's right.

MR. SPINELLI: Usually there is a separate one.

MR. MANSOLILLO: You are saying it has been done by Resolution.

MS. BRASIL-BONDAREVSKIS: We have only done one other Master Lease.

MR. MANSOLILLO: And it was done by Resolution.

MS. BRASIL-BONDAREVSKIS: It was done by Resolution.

MR. MANSOLILLO: It seems to me that the Council has been exercising their authority by virtue of an Ordinance in this kind of a matter. I see no reason why it cannot be done by Resolution but it is of the kind of import that the Council has decided should be done by Ordinance and therefore has the full force and effect of law.

CHAIRMAN DILLON: So is it improper to have Councilman Glavin's motion?

MR. MANSOLILLO: No, what he is telling me is to do an Ordinance. We will draft an Ordinance.

COUNCILMAN IGLIOZZI: The other half of the question is, Boyce, were you at the meeting of the Water Supply Board when they approved this?

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MR. SPINELLI: Yes, I remember specifically because I reviewed it. The Water Supply Board asked me to review the whole budget prior to the Water Supply Board voting on it and I remember specifically asking for some changes in the lease to take out some small things that didn't belong in there and then subsequently approved it at the Water Supply Board.

COUNCILMAN IGLIOZZI: And you supported this?

MR. SPINELLI: Yes. It was six months ago. I can't stand here and remember everything that was in it but I do remember that we voted on it.

MR. MANSOLILLO: Is there any reason why this should not be considered separately in an Ordinance that was separate given the fact that all the other Ordinance regarding the Water Supply Board are separate. Is there some procedural or economic reason why we amend the Master Lease to the General Fund or would it make any difference. I am talking the practical.

COUNCILMAN GLAVIN: For the benefit to the city?

MR. MANSOLILLO: Right, is there a benefit to the City. Do it separate or together.

COUNCILMAN IGLIOZZI: I would think it should have its own Master Lease as part and parcel of their budget.

COUNCILMAN GLAVIN: It is paid for out of the revenues derived from the sale of water.

MR. RAFANOVIC: There is no commingling of funds anyway.

COUNCILMAN GLAVIN: So my motion stands.

AN ORDINANCE ESTABLISHING THE CLASSES OF POSITIONS, THE MAXIMUM NUMBER OF EMPLOYEES AND THE NUMBER OF EMPLOYEES IN CERTAIN CLASSES IN THE WATER SUPPLY BOARD AND REPEALING ORDINANCE CHAPTER 1992-37, APPROVED OCTOBER 20, 1992.

AN ORDINANCE ESTABLISHING A COMPENSATION PLAN FOR THE WATER SUPPLY BOARD AND REPEALING CHAPTER 1992-36, APPROVED OCTOBER 20, 1992 AS AMENDED.

AN ORDINANCE MAKING AN APPROPRIATION OF SIXTEEN MILLION TWO HUNDRED THIRTY EIGHT THOUSAND DOLLARS (\$16,238,000.00) FOR THE WATER SUPPLY BOARD CAPITAL FUND FOR THE FISCAL YEAR ENDING JUNE 30, 1994.

On motion of Councilman Glavin, seconded by Councilman Fenton, it is voted that the foregoing Ordinances be Postponed Indefinitely.

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PURCHASE OF SERVICE

MR. MANSOLILLO: First of all, I just want to bring you up to date. Judge Needham's order on August 27th as follows, that the Court hereby issue a ---- directed to the defendants, that is you folks, requiring them to forth with process and consider the buy back for pension purposes pursuant to those stands and criteria in existence prior to August 27, 1993. That is an obvious reference to....

CHAIRMAN DILLON: The day of their order?

MR. MANSOLILLO: The order but before the Ordinance on the future buy backs would go into effect. At the time, the plaintiff --- said buy back listing of the City Council.

COUNCILMAN GLAVIN: Having regard to those people who are on file at that time.

MR. MANSOLILLO: That is correct. When it says, pursuant to standards and criteria in existence prior to August 27, 1993, well, there are and there aren't. I don't know what was being anticipated exactly by the Judge regarding this because I am sure Mr. Skolnik, who represents the prevailing party was posting, at least maybe in his own head, if not in the Judges head, these buy back rules that the Board had adopted, nevertheless, there is by Ordinance and by legislative action, you are granted that that is history, the 1923 act and amendments become history as of 1983 with the Home Rule Charter. We have that Ordinance 1991, February, which specifies ways of buying back. I have asked Stephen to get Lynch here but I guess he must have missed him.

MR. WOERNER: He had other commitments.

MR. MANSOLILLO: In any case, Stephen has been doing quite a bit of work on this and preparing it and believe it or not, and I think we kind of touched on this the last time we were here, even in the case of military buy backs, if you will, which have been part of the law and part of the Ordinance, it provides for things like, you must buy it within a year of discharge. That is the current Ordinance on the books. That was the law before this, however, as a matter of practice, they have been allowing it many years later so also, there is a provision for buying back time when you separated and came back to work and I can't think of the

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exact provision, David, but similar to what we have incorporated in our new enactment. You pay 8% plus the interest, whatever that may be. The interest was much less though, than your positing. So what seems to me to have to happen here, is that in a case by case basis, and I am going to suggest this be done by Ordinance because effectively you are going to be amending ---- Ordinance for person x can buy this, person y can buy this.

COUNCILMAN GLAVIN: You want to incorporate it in one Ordinance?

COUNCILMAN IGLIOZZI: Yes, otherwise you are going to be, those ones that you are going to approve.

COUNCILMAN GLAVIN: We have like 200 applications, though, right?

COUNCILMAN IGLIOZZI: I have been giving this a lot of thought and I heard about this ruling. I am very concerned with the fact that it seems to indicate that we must file rules and regulations applied by a body that is subordinate to us. I am very concerned about that.

MR. MANSOLILLO: That is what I am saying, David.

COUNCILMAN IGLIOZZI: My suggestion is this and it is just a suggestion. Should we not petition to the court for instruction and explain to the court that we have never adopted any rules or regulations or Ordinance until we spoke in 1993 and prior to 1993, the only rules that were on the books, the Ordinance, was the military time so I don't want to just apply that rule and slap the court in the face if the court is saying that we are supposed to file rules of the subordinate authority or if the court is saying, whatever rules or regulations or Ordinances that the Council adopted prior to 1993, if that is what he is saying then we just need to go back, look at the 1993 statute that says you can buy back military time.

COUNCILMAN GLAVIN: Isn't that what you were just saying, Charles?

COUNCILMAN IGLIOZZI: No.

MR. MANSOLILLO: What I am saying here is to forth with process and consider and the court went at great pains to say that the Council only had to consider. It was not ordering the Council

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to approve.

COUNCILMAN IGLIOZZI: The point is, Charlie, he is telling us to apply the old rules. My question is, what are the old rules that bind us. That is the question. The court is interpreting the old rules that bind us with Retirement rules, we all have a problem with that because we established a policy that we don't believe that those rules should be applied or appropriate. If the court is ordering us to do that, then I would want it clearer that the court is ordering us to do that but if the court is saying, ordering us to apply rules that we adopted prior to the 1993 Ordinance, then we can turn back to 1991 and look at the only Ordinance that we approved, at least if my recollection is correct and that says you can buy back military time.

COUNCILMAN GLAVIN: Everybody else would be ineligible.

COUNCILMAN IGLIOZZI: If we looked at it that way, we became more lenient in 1993 than we were in 1991.

CHAIRMAN DILLON: In a way, yes.

COUNCILMAN IGLIOZZI: In a way. I am very sensitive to court orders. I would like to make it clear but I am also very sensitive to this issue and I am very concerned about, I don't want to apply the rules that the Retirement Board has applied. That is why we adopted an Ordinance changing the rules. We didn't think that they were appropriate.

MR. MANSOLILLO: Not only that Councilman, what you are saying is, you are raising something that I thought about but I always believe that the Ordinances prevail.

COUNCILMAN IGLIOZZI: I don't want the court to think we are playing semantics with it.

MR. MANSOLILLO: You are saying, let it be laid on the table so the court fully understands there are Ordinances and there are rules for buy back that had been adopted by the Retirement Board, essentially x ultravirays but is the court countenancing those rules as binding the City Council.

COUNCILMAN IGLIOZZI: Otherwise we have to go through each one and consider those.

COUNCILMEN FENTON: I am in full agreement with David because otherwise, the rules that are pending upon us are military time

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and that is all because that is the only thing.....

MR. MANSOLILLO: It is not only military time, Councilman, it is military time applied for within a year of their discharged.

COUNCILMAN IGLIOZZI: We should do that now without filing a petition for instructions. The people who have applications accredited in that case can go to court and say, we are violating, we are in contempt of a court order not applying these other rules. I don't want to give them that argument. We are not trying to do that.

COUNCILMEN FENTON: No, the Judge needs to understand that there are two different planes that we operate on one be it an Ordinance, be it perfectly clear and to be perfectly clear and that the Retirement Board had a set of rules and regulations which are not binding on us and that it should not appear to him later on through a motion from the union.

MR. MANSOLILLO: From the dissatisfied party.

COUNCILMEN FENTON: Right. Some dissatisfied party, the unions, membership of the Retirement Board, that we are not complying with this order. We have said, post his decision, a set of standards.

COUNCILMAN IGLIOZZI: No, pre his decision.

COUNCILMEN FENTON: No, Council didn't adopt it.

COUNCILMAN IGLIOZZI: It says post 1993/1992.

COUNCILMEN FENTON: No, we just set these standards at the last Council meeting with second passage on the Ordinance.

MR. MANSOLILLO: That's true so they are not really set yet unless the Mayor has signed it.

CHAIRMAN DILLON: So what do we do from here?

MR. MANSOLILLO: I am in agreement with you after I hear what you are saying because, what are the standards and criteria in existence prior to August 27, 1993, especially since I say it is Ordinance. They may say, I don't even know what they are saying.

COUNCILMAN IGLIOZZI: They will argue it.

MR. MANSOLILLO: I assume they will argue.

COUNCILMAN IGLIOZZI: They will argue that it is the old rules that apply and they should all get grandfathered in.

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COUNCILMAN GLAVIN: I think clarification is definitely necessary.

MR. MANSOLILLO: I will work on that.

MR. WOERNER: I have 71 cases which 71 individuals, it is probably 100 cases, you know informally or not informally but it can be introduced into the Committee and given to the Council members to read at their leisure. At least then the Council will be....

MR. MANSOLILLO: Committing with some of the....

MR. WOERNER: And considering individual cases if that makes any bearing.

MR. MANSOLILLO: Keep in mind, I have maintained from a legal stand point that whatever the Council does, including any special cases, I am not trying to advise you to make special cases but my legal opinion is that the Council may by Ordinance deal with any of these issues as part of their Home Rule Charge and legislative responsibilities. In other words, even that last buy back, you know that buy back Ordinance futuristically, just as there may be an exception that comes from time to time, and you know, you can put in the law, never shall this be done.

COUNCILMEN FENTON: Can be amended.

MR. MANSOLILLO: Can be amended, is what I am trying to say so that a legislative body could decide, for instance, as the state legislative body does, and properly so based on the judgement of its members, for instance, someone may have 9 years and 9 months and dies on the job and you want to give their widow the opportunity to get their pension. You can vary that. You are the legislative body. I will do then as you request.

CHAIRMAN DILLON: Which is what?

COUNCILMAN IGLIOZZI: See what you are saying right there, we might be able to vary but with this pending court order, they can argue that when we vary we are in violation or in contempt of the order. I don't want to be....

MR. MANSOLILLO: We are looking for clarification as to what it means, the stands and criteria.

CHAIRMAN DILLON: I want to make sure we understand. What are you going to do next? What is going to happen?



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MR. MANSOLILLO: First I am going to have to contact Mr. Skolnik who is the attorney for the other people, you know, the plaintiffs in this matter, indicate that there is some concern now that the standards and criteria existence prior to this August 27, 1993 needs clarification because the current Ordinance which is reflected in its entirety regarding buy backs of the 1923 act as amended exists and is contra to rules and regulations that have been established by the Retirement Board for purchase of service.

COUNCILMAN GLAVIN: Do you have to go into all the detail with him?

MR. MANSOLILLO: No, I will tell him. Then get to the Judge. He may say, let's go back to the Judge and get it clarified.

COUNCILMAN IGLIOZZI: I would like to have you affirmatively file a motion...

MR. MANSOLILLO: I understand what I am going to do. But that is what I would do.

CHAIRMAN DILLON: The other issue again is, the whole issue of, if you gave it to Joe Blow, do you have to give it to Mary Smith. I just want to be comfortable.

MR. MANSOLILLO: You mean in history?

CHAIRMAN DILLON: Yes.

MR. MANSOLILLO: No.

COUNCILMAN IGLIOZZI: That is not true, David.

CHAIRMAN DILLON: Okay, that is what I am saying but that is a big issue. That is the issue that they are going to make.

MR. MANSOLILLO: Let me say this to you, that certain league of people are entitled to litigate anything that they feel as those they have been wronged by but it would be my advice to this body that they are not bound by past practice. Past practice may have been in complete error and they have been outside the confines of the law. We have a case right now, as you know Councilman, where there is a member of the police department, former active Class "B" member who is seeking what we call, the would have case, where they used to retire people when they would have had 20 years even though they vested 10 years before hand and had 10 years of vesting and that case is under current litigation because someone at the Retirement Board used to decide that that

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person would be entitled to or even clerically at one point, that was being done by the clerk there who was dismissed a while back but those kinds of cases don't bind the city indefinitely.

COUNCILMAN IGLIOZZI: The distinction is, somebody who actually retired or did some affirmative action based upon this in reliance on it, we couldn't go back and do that persons....

MR. MANSOLILLO: For a person that is retired, you are in a much more difficult situation.

COUNCILMAN IGLIOZZI: You can't do anything to that. People who have pending applications, I cannot believe the court ---- the court has indicated that we only have to consider their applications -- order us to approve them.

MR. MANSOLILLO: On two other points, if I may, I consulted with the Chairman, you all know about this, today, Frank Williams issued his report on the Burnam Woods investment, there will be a story in tomorrows paper.

COUNCILMAN GLAVIN: Burnam Woods?

MR. MANSOLILLO: That is the Walmart project and Mr. Williams would like to be able to meet with the City Council Committee on Finance at your earliest convenience so that he can make the report available to you. Without going into great detail, there is some significant recommendations he is making and some significant findings you will be aware of them, some of them, I hope, tomorrows paper. Also, maybe your next meeting David, I don't know what the Council's pleasure is but your next meeting if you want to get Williams in here and I will get in touch with him and get him in here.

CHAIRMAN DILLON: We will do it Monday.

MR. MANSOLILLO: Secondly, to bring you up to snuff on COLA, will be filed this week, so we will be starting our effort in that regard and you will all be given a copy of the complaint and appendices for your reading pleasure.

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ADJOURNMENT: On motion of Councilman Glavin, seconded by Councilman Fenton, it is voted to adjourn the meeting at 6:25 o'clock P.M.

*Michael R. Clement*  
CLERK

*Claire E. Brooke-Stewart*  
Assistant Clerk