

DEPARTMENT OF CITY CLERK

CITY HALL

MAY 15, 1980

The Committee on Finance meets this evening upon the rise of the City Council at 11:00 o'clock P.M.

PRESENT: Councilwoman Brassil and Councilmen Lynch, Farmer, Easton, Addison, Pennine and Dillon.

Also present is City Treasurer Napolitano. (Rose M. Mendonca, Clerk).

RELATIVE TO ISSUANCE OF CITY'S NOTES

City Treasurer Napolitano proceeds to submit a breakdown of information relative to the various notes.

He reads the following information to the Committee which was transmitted to Normand G. Benoit of Tillinghast, Collins & Graham by the City Controller's Office:

"With reference to the Sewage Treatment Plant Phase II, these monies are to be used solely for the purpose specified in the City Council Resolution namely:

- (a) Interest on borrowings
- (b) Architectural and Engineering Services
- (c) Construction costs
- (d) Equipment, etc.
- (e) To repay the General Fund for funds advanced for ongoing construction costs.

This money was used to pay costs incurred between November 1979 and May 7, 1980 as follows:

Arden Engineering (Improvements to Waste Water Treatment)	219,010.00
Castellucci & Galli (Architects)	110,262.55
Hart Engineering (Construction)	1,079,748.10
Chas. Krasnoff and Assoc. (Engineering)	276,999.51

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Fuel Oil	33,546.48
Interest on note renewals Feb. 29, 1980	<u>397,493.06</u> \$2,117,059.70

Mr. Napolitano further states that relative to the dredging, borrowing on short term, One Million, Fifty Thousand Dollars is needed almost immediately so that Foundedile will not back out of the contract for the dredging for wastewater term authorization on short term borrowing. 2.1 Million Dollars has already been spent; therefore; 2.8 Million Dollars is needed to reimburse the General Fund.

Councilman Easton states they were informed 1.2 Million Dollars was spent.

Mr. Napolitano states further that the other problem is bond counsel. He has been informed that the interest on note renewals as of February 29, 1980, in the sum of Three Hundred Ninety Seven Thousand, Four Hundred Ninety Three Dollars and Six Cents, (\$397,493.06) cannot be paid out of the proceeds of the new bond issue.

He further states that he has been assured by bond counsel, based upon the breakdown submitted to them, with the exception of the interest charged, all is in accordance with the statutory provisions relative to Bond indebtedness.

At this point, Councilman Easton proceeds to question City Treasurer Napolitano at length.

City Treasurer Napolitano states that if the City is not able to come up with this money on short term basis to reimburse the General Account, it is highly likely that the City will run out of funds to cover forthcoming paydays.

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The new bonding authority was based to replace the older bond authority in the amount of 8.5 Million Dollars.

Ensuing a considerable discussion, it is voted on motion of Councilman Easton, seconded by Councilman Pennine, that this meeting recess until Monday, May 19, 1980 at 3:00 o'clock P.M. and the City Treasurer is directed to invite a representative of Krasnoff & Associates, Tillinghast, Collins & Graham, City Solicitor Glantz and the Acting City Controller to attend the meeting, together with a breakdown of all bills and receipts.

The Committee recesses at 11:45 o'clock P.M.

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Compared MA

Rose M. Mendonca  
Clerk