

DEPARTMENT OF CITY CLERK

CITY HALL

SEPTEMBER 11, 1975

The Committee on Finance meets this day in Committee Room "A", City Hall, at 3:00 o'clock P.M.

Present: Chairman Lynch and Councilmen Garan, Crowley, Councilwoman Brassil and Councilman Stravato.

Also present is Finance Director Izzo. (Rose M. Mendonca, Assistant Clerk)

RELATIVE TO TEMPORARY LOAN NOTES ISSUED IN ANTICIPATION OF BONDS.

Chairman Lynch reviews the above subject which was before the Committee at the last meeting.

Questioned by Councilman Garan, Mr. Izzo states he spoke to Bond Counsel on the matter and there is no problem. He said the litigation of W. T. Grant Company doesn't effect the validity of the bond. He states he has that clarification from bond counsel that there is no effect.

They are not in anticipation of taxes, they are backed by capital bonds, it has nothing to do with the budget. This interest is paid in advance. The city has fulfilled their obligation for the next six months, it is to be renewed in the next six months. They already have the money, the notes have already been signed.

Councilman Garan states he had asked Mr. Izzo to obtain a written opinion from Bond Counsel for the Committee's study.

Mr. Izzo states the Bond Counsel will not put anything in writing unless they have all the information necessary, such as what is pending against the City from W. T. Grant Company.

Chairman Lynch reads Section 8 of the certification under the heading "Signature and No-Litigation Certificate and Receipt":

"(8) that there has been no litigation affecting the validity of the notes or the power of the city to levy and collect taxes to pay them, that none is pending or threatened, and that neither the corporate existence nor boundaries of the city nor the title of any of us to our respective offices is being contested."

Ensuing a considerable discussion, it is voted on motion of Councilman Garan, seconded by Councilwoman Brassil, that the matter be referred to the Deputy City Solicitor, Stephen Napolitano, to obtain the necessary information from Thomas H. Belcher, Senior Vice President of the Industrial National Bank, and so notify Norman Cohen of Palmer & Dodge of the proceedings against the City of Providence from W. T. Grant Company, and any other suit pending against the City relative to taxes; to request comments of the Bond Counsel as to what

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the ramifications are concerning Section 8 of said Agreement as made between the City of Providence and the consortium of bank.

A prompt reply is further requested as speedily as possible and a copy of the correspondence from Mr. Napolitano to the Bound Counsel and the correspondence from Mr. Cohen is to be sent to all members of the Committee on Finance as soon as received.

ADJOURNMENT. On motion of Councilman Garan, seconded by Councilman Stravato, the Committee adjourns at 3:40 o'clock P.M.


Assistant Clerk