

CITY OF PROVIDENCE
RHODE ISLAND



CITY COUNCIL
JOURNAL OF PROCEEDINGS

No. 17 City Council Special Meeting, Meeting, Monday, July 31, 1995, 5:00 o'clock P.M. (E.D.T.)

PRESIDING

COUNCIL PRESIDENT PRO TEMPORE

EVELYN V. FARGNOLI

IN CITY COUNCIL
SEP 7 1995

APPROVED:

Michael R. Clement CLERK

ROLL CALL

Present: Council President Pro Tempore Fargnoli, Councilmen Allen, Clarkin, DeLuca, Councilwoman DiRuzzo, Councilmen Glavin, Igliozi, Jackson, Lombardi, Rollins, Councilwomen Williams and Young—12.

Absent: Council President Petrosinelli, Councilman Mancini and Councilwoman Nolan—3.

INVOCATION

The Invocation is given by COUNCILWOMAN RITA M. WILLIAMS.

PLEDGE OF ALLEGIANCE TO THE FLAG OF THE UNITED STATES OF AMERICA

COUNCILWOMAN JOSEPHINE DiRUZZO leads the members of the City Council and the Assemblage in the Pledge of Allegiance to the Flag of the United States of America.

CALL FOR SPECIAL MEETING COMMUNICATION FROM MEMBERS OF THE CITY COUNCIL

Honorable Michael R. Clement
City Clerk
City Hall
Providence, RI 02903

Dear Mr. Clement:

In accordance with the Provisions of Section 406 of the Providence Home Rule Charter of 1980, we are, this day, calling a Special Meeting of the

July 28, 1995 City Council to be held on Monday, the 31st day of July, 1995 at 5:00 o'clock P.M. in the City Council Chamber, City Hall for the purpose of acting upon the following:

An Ordinance providing for the assessment and collection of 1995 taxes, in a sum not less than One Hundred Sixty Two Million, One Hundred Fifty Nine Thousand, Two Hundred Forty Eight Dollars (\$162,159,248) and not more than One Hundred Seventy Nine Million, Two Hundred Twenty Eight Thousand, Six Hundred Forty

Three Dollars (\$179,228,643), being based on One Hundred Percent (100%) of the 1995-1996 fiscal year tax collection.

An Ordinance Amending certain Sections of the Code of Ordinances Article VI, entitled: "Retirement System", as Amended.

An Ordinance Providing for the Reorganization of the Providence Fire Department, as Amended.

An Ordinance Relating to the Providing of

Health Care Benefits to Active Employees and Retirees.

Respectfully,

COUNCILWOMAN EVELYN V. FARGNOLI
COUNCILMAN JOHN H. ROLLINS
COUNCILMAN DAVID V. IGLIOZZI
COUNCILWOMAN PATRICIA K. NOLAN
COUNCILMAN PETER S. MANCINI

Received.

FROM THE CITY CLERK

The City Clerk reads the following Warrant with the Police Department's Return endorsed thereon, certifying that he did notify the Members of the City Council of the Special Meeting to be held on Monday, July 31, 1995 at 5:00 o'clock P.M. (EDT) by personally delivering a copy of the Warrant on July 28, 1995.

July 28, 1995

TO THE PROVIDENCE POLICE
DEPARTMENT:

Whereas, Five (5) Members of the City Council, pursuant to Section 406 of the Providence Home Rule charter of 1980, have respectfully requested the City Clerk, in writing, to call a Special Meeting of the Providence City Council to be held on 31st day of July A.D., 1995 at 5:00 P.M. (E.D.T.) for the purpose of Enacting the following:

An Ordinance providing for the assessment and collection of 1995 taxes, in a sum not less than One Hundred Sixty Two Million, One Hundred Fifty Nine Thousand, Two Hundred Forty Eight Dollars (\$162,159,248) and not more than One

Hundred Seventy Nine Million, Two Hundred Twenty Eight Thousand, Six Hundred Forty Three Dollars (\$179,228,643), being based on One Hundred Percent (100%) of the 1995-1996 fiscal year tax collection.

An Ordinance Amending certain Sections of the Code of Ordinances Article VI, entitled: "Retirement System", as Amended.

An Ordinance Providing for the Reorganization of the Providence Fire Department, as Amended.

An Ordinance Relating to the Providing of Health Care Benefits to Active Employees and Retirees.

You are accordingly commanded and required to summon each Member of the City Council to that Special Meeting, as Called.

HEREOF, Fail Not, and make a true return of this Warrant, with your doings thereon.

Given under my Hand and Official Seal of the City of Providence, State of Rhode Island, and

Providence Plantations this 28th Day of July,
A.D., 1995.

MICHAEL R. CLEMENT
City Clerk

Received.

STATE OF RHODE ISLAND AND
PROVIDENCE PLANTATIONS

THE CITY OF PROVIDENCE, Sc.

July 28, 1995

I, Michael R. Clement, hereby certify that I have notified each Member of the City Council of the Special Meeting scheduled to be held on Monday, July 31, 1995 at 5:00 o'clock P.M. (E.D.T.) in the Chamber of the City Council, City Hall, Providence, in accordance with the subject warrant by delivering to each member, a copy thereof.

MICHAEL R. CLEMENT
City Clerk

Received.

ORDINANCES SECOND READING

The following Ordinances were in City Council July 28, 1995, Read and Passed the First Time, as Amended, and are Returned for Passage the Second Time, as Amended:

An Ordinance providing for the assessment and collection of 1995 taxes, in a sum not less than One Hundred Sixty Two Million, One Hundred Fifty Nine Thousand, Two Hundred Forty Eight Dollars (\$162,159,248) and not more than One Hundred Seventy Nine Million, Two Hundred Twenty Eight Thousand, Six Hundred Forty Three Dollars (\$179,228,643), being based on One Hundred Percent (100%) of the 1995-1996 fiscal year tax collection.

Be it ordained by the City of Providence:

Section 1. The City Council of the City of Providence hereby orders the assessment and collection of a tax on the ratable real estate and tangible personal property as well as orders the assessment and collection of an excise tax on all

registered motor vehicles, in a sum not less than One Hundred Sixty Two Million, One Hundred Fifty Nine Thousand, Two Hundred Forty Eight Dollars (\$162,159,248) and not more than One Hundred Seventy Nine Million, Two Hundred Twenty Eight Thousand, Six Hundred Forty Three Dollars (\$179,228,643) being based on One Hundred Percent (100%) of the 1995-1996 Fiscal Year tax collection, as amended; said tax is for ordinary expense charges for the payment of interest and indebtedness in whole or in part of said City and for other purposes authorized by law.

Section 2. The City Assessor shall assess and apportion said tax on inhabitants and ratable real estate and tangible personal property of said City as of the 31st day of December, A.D. 1994 at

midnight, Eastern Standard Time, as well as assess and apportion said excise tax on owners of registered motor vehicles in the City of Providence during calendar year 1994, according to law, and shall on completion of said assessment, date and sign the same, and shall make out and certify to the City Collector of the City of Providence on or before the 15th day of June, A.D. 1995, a complete listing containing (1) the names of persons taxed and the total value of all the real estate taxed to each person; (2) the amount of personal estate except manufacturers' machinery and equipment assessed against each person; and (3) the amount of said motor vehicle excise assessment against each person on said real estate, personal estate and motor vehicle opposite the name of the person or persons assessed.

The assessment of real estate, personal estate and motor vehicles shall appear on separate lists.

Said taxes shall be due and payable on the thirty-first day of July, A.D. 1995, and all taxes remaining unpaid on said last named day shall carry until collected, a penalty at the rate of twelve (12%) percentum per annum upon such unpaid real estate, personal estate and excise taxes.

Said taxes may be paid in four installments, the first installment of twenty-five per centum (25%) on or before the thirty-first day of August, A.D. 1995, next and the remaining installments as follows:

Twenty-five per centum (25%) on the twenty-fourth day of October, A.D. 1995.

Twenty-five per centum (25%) on the twenty-fourth day of January, A.D. 1996.

Twenty-five per centum (25%) on the twenty-fourth day of April, A.D. 1996.

Each installment period successively and in order, shall be free from any charges for interest. Provided, however, the option to pay taxes in quarterly installments shall not apply to any tax levied in an amount not in excess of \$50.00. If

the first installment, or any succeeding installment of taxes, is not paid by the last day of the respective installment period or periods as they occur, then the whole tax or remaining unpaid balance of the tax, as the case may be, shall immediately become due and payable and shall carry, until collected, a penalty at the rate of twelve (12%) percentum per annum on said real estate, personal estate, and excise taxes.

The City Collector, shall by advertisement in a public newspaper of the City, notify all persons assessed to pay their respective taxes at his/her office; said Collector shall attend daily, Saturdays, Sundays, and Holidays excepted, at his/her office from Eight-Thirty o'clock A.M. to Four o'clock P.M. to receive taxes.

Section 3. This Ordinance is enacted pursuant to Rhode Island General Laws 44-5-2(c).

Section 4. This Ordinance shall take effect upon its passage.

An Ordinance Amending certain Sections of the Code of Ordinances Article VI, entitled: "Retirement System", as Amended.

Be it Ordained by the City of Providence:

Section 1. FINDINGS AND DECLARATIONS.

A. Findings

The City Council finds the following:

1. There has been little or no growth in the property tax base in the City in the last several years.

2. There remain no significant parcels of real estate to be developed to expand the property tax base.

3. The property tax base is being eroded by

real estate acquisitions by non-profit hospitals and institutions of higher learning which are tax exempt by virtue of state law.

4. The current property tax base is insufficient to support the essential governmental functions, particularly public schools and public safety, without a significant tax increase.

5. Said tax increase will be burdensome and oppressive on the residents and taxpayers of the city and will further erode the economic viability of the city.

6. Personnel costs for city employees and retirees are the most significant costs in the city budget.

7. The personnel costs for present employees and retirees cannot be maintained without a significant tax increase.

8. Therefore, it is necessary to promote measures and impose solutions that will result in a significant reduction in personnel costs by modifying retirement benefits.

9. The present amount of the cost-of-living adjustment (COLA) benefits for Class B employees is five (5%) per cent compounded.

10. A five (5%) per cent COLA does not conform to the true purpose, intent and meaning of a "cost-of-living adjustment" wherein the consumer price index shows costs rising by approximately three (3%) per cent a year over the long run.

11. Neither the State of Rhode Island nor any other local government in the State offer a five (5%) per cent COLA. A five (5%) COLA is also rare in the private employment sector.

12. In the ensuing fiscal year the City's pension contribution will be twelve million (\$12,000,000) higher than it was in 1990. In the period between 1984 and 1990, the value of the pension fund was growing by an average 15.6% per year reflecting spectacular investment returns

whereas the rate of growth since 1990 has only been on the average of 9.6%.

13. The decline in growth in the pension fund value since 1990 has been largely due to the institution of the 5% COLA.

14. It is true that the contribution rate of Class B employees rose from 8% to 9.5% of their salary; however, the City's contribution rose from 24% in 1989 to a projected 46% in the coming year placing the burden for the difference almost entirely on the taxpayer. The City's contribution is the greater by a ratio of 5 to 1.

15. The provision of a 5% COLA as a supplemental benefit can no longer be afforded or justified. The present fiscal condition of the City impels the return to a 3% simple interest COLA.

B. Declaration of Policy

1. The City Council hereby declares that the public safety, health and welfare of the residents of Providence would be adversely affected by a tax increase due to the present economic conditions in the City and in the State of Rhode Island.

2. The City Council further declares that it is necessary to protect the fiscal integrity of the City and that it is a valid public purpose for the City of Providence to take appropriate action to avoid a tax increase.

3. The City Council declares that it is necessary to immediately take all steps necessary to reduce personnel costs for its employees and retirees in order to reduce expenses and thus prevent a significant tax increase.

4. The City Council declares that the passage of this Ordinance which shall reduce personnel costs by modifying retirement benefits is a valid public purpose.

Section 2. The definition of "final compensation" in Section 17-181 of Article VI entitled

"Definitions" is hereby amended to read as follows:

"Final Compensation" shall mean the average of the highest three (3) years of compensation within the total service when the average compensation was the highest, excluding longevity payments and payments made for overtime or payments made for temporary or extra duties beyond the normal or regular work day.

Section 3. Section 17-189(1)(c) of Article VI entitled "Service retirement" is hereby amended to read as follows:

(c) Any member may retire upon his written application to the retirement board setting forth at what time, not less than thirty (30) nor more than ninety (90) days subsequent to the execution and filing thereof, he desires to be retired provided that the said member at the time so specified for his retirement shall have attained the minimum requirement age for his class and notwithstanding that, during such period of notification, he may have separated from service. The minimum ages for service retirement for employees who became members on or before June 30, 1995 shall be as follows:

- Class A employees: Fifty-five (55) or the age at which twenty-five years of service is completed if prior thereto.

- Class B employees: Fifty-five (55) or at the age at which twenty (20) years of service is completed if prior thereto.

The minimum age for service retirement for employees who become members on or after July 1, 1995 shall be as follows:

- Class A employees: Fifty-five (55) or the age at which thirty (30) years of service is completed if prior thereto.

- Class B employees: Fifty-five (55) or at the age at which twenty (20) years of service is completed if prior thereto.

Section 4. Section 17-189(5) of Article VI entitled "Benefits Payable" is hereby amended to read as follows:

(5) Accidental disability retirement: Medical examination of a member for accidental disability and investigation of all statements and certifications by him or in his behalf in connection therewith shall be made upon the application of the head of the department in which said member is employed, or upon the application of the member, or of a person acting in his behalf, stating that such member is physically or mentally incapacitated for the performance of the duties the member was performing at the time of the accident, as a natural and proximate result of an accident while in the performance of duty, and certifying the definite time, place and conditions of such duty performed by said member resulting in such alleged disability and that such alleged disability is not the result of wilful negligence or misconduct on the part of said member and is not the result of age or length of service and that said member should, therefore, be retired. If a medical examination conducted by three (3) physicians engaged by the retirement board and such investigation as the retirement board may desire to make shall show that said member is physically or mentally incapacitated for the performance of service as a natural and proximate result of an accident, while in the performance of duty, and that such disability is not the result of wilful negligence or misconduct on the part of said member and is not the result of age or length of service, and that such member should be retired, and in the event a majority of the physicians who conducted the examination shall so certify to the retirement board stating the time, place and condition of such service performed by said member resulting in such disability, the retirement board shall retire the said member for accidental disability. The application to accomplish such retirement must be filed within eighteen (18) months of the date of the accident.

Section 5. Section 17-189(8) of Article VI entitled "Accidental death benefit" is hereby amended to read as follows:

(8) *Accidental death benefit.* Upon the accidental death of a member before retirement, provided that evidence shall be submitted to the retirement board providing that the death of such member was the natural and proximate result of an accident while in the performance of duty at some definite time and place and that such death was not the result of wilful negligence on his part, his accumulated contributions shall be paid to his estate, or to such person having an insurable interest in his life as he shall have nominated by written designation, duly executed and filed with the retirement board, and upon application by or on behalf of the dependents of such deceased member the retirement board shall grant a pension of one-half the final compensation of such member:

(a) To his widow, or to continue during her widowhood; or

(b) If there be no widow, or if the widow dies or remarries before any child of such deceased member shall have attained the age of nineteen (19) years, then to his child or children under said age, divided in such manner as the retirement board in its discretion shall determine, to continue as a joint and survivor pension of one-half of his final compensation until every such child dies or attains said age; or

(c) If there be no widow or child under the age of nineteen (19) years surviving such deceased member, then to his dependent father or mother, as the deceased member shall have nominated by written designation, duly acknowledged and filed with the retirement board; or if there be no such nomination, then to his dependent father or to his dependent mother, as the retirement board in its discretion shall direct, to continue for life.

Section 6. Section 17-189(16) of Article VI entitled "Reserved" is hereby amended to read as follows:

(16) *Accrual Provision.* In no event shall benefits payable under Section 17-189 of the Code of Ordinances be less than that which accrued

as of September 2, 1995 based upon the benefit provisions in effect at that time.

Section 7. Section 17-189(17)(a)(b) of Article VI entitled "Additional benefits effective as of July 1, 1989, police department" and Section 17-189(18)(a)(b) entitled "Additional benefits effective July 1, 1990, fire department" are hereby repealed.

Section 8. Section 17-185(1) of Article VI entitled "Annuity savings fund" is hereby amended to read as follows:

(1) *Annuity savings fund.* The annuity savings fund shall be a fund in which shall be accumulated contributions from the compensation of members to provide for their annuities and their withdrawal allowances. Upon the basis of such tables as the retirement board shall adopt and regular interest, the actuary of the retirement system shall determine for each class A member of the proportion of the compensation which, when deducted from each payment of his prospective earnable annual compensation prior to his eligibility for service retirement and accumulated at regular interest until his attainment of the minimum age of service retirement for his group, shall be computed to provide at that time an annuity equal to the pension provided on account of his service as a member. Such proportion of compensation shall be computed to remain constant. In the event that the provisions of this article for the determination of the amount of the pension of a class A employee on account of his service as a member shall at any time, be amended, the retirement board shall adopt, as of the effective date of such amendment, rates of contribution for class A employees computed on the basis of such amendment and such contribution rates shall apply to all members who become class A employees after said effective date at the age attained upon entrance into such class. No increase in percentage contribution rates shall be required of members who are so classified on said effective date, but any such member may elect prior to said date to contribute at the rate as so amended applicable to his age attained on said

date and thereafter deductions shall be made from his compensation at such amended rate. The retirement board shall adopt as of April, 1951, for employees in class B a percentage contribution rate of five (5) percentum, and therefore deductions shall be made from the compensation of all members so classified at this rate. The retirement board shall adopt as of October 1, 1968, for employees in class B, a percentage contribution rate of eight (8) percentum, and thereafter deductions shall be made from the compensation of all members so classified at this rate. The retirement board shall adopt as of July 1, 1989, for employees in class B who are members of the Police Department and as of July 1, 1990, for employees in class B who are members of the Fire Department, a percentage contribution rate of nine and one-half (9½) percentum, and thereafter deductions shall be made from the compensation of all members so classified at this rate, anything to the contrary in this article notwithstanding. The proportion so computed for a member one (1) year younger than the minimum age for service retirement from his group shall be applied to any member who has attained a greater age before entrance into the retirement system. The retirement board shall adopt as of July 1, 1974, for employees in class A, a percentage contribution rate of eight (8) percentum, and thereafter deductions shall be made from the compensation of all members so classified at this rate, anything to the contrary in this article notwithstanding. The proportion so computed for a member one (1) year younger than the minimum retirement age for service retirement from his group shall be applied to any member who has attained a greater age before entrance into the retirement system.

Notwithstanding the provisions of the foregoing paragraph of this subsection (1) of this section, the contribution rates applicable on September 30, 1968, shall continue in force for all class A employees who were then members of the retirement system. They shall also apply to members enrolling on or after October 1, 1968, except that the retirement board may, from time to time, adopt for employees becoming members thereafter, new proportions of compensation to be determined as provided in the preceding paragraph.

The retirement board shall certify to the city controller the proportion of earnable compensation of each member so computed, and he shall deduct such proportion from the compensation of each member on each and every payroll of each department for each and every payroll period; but the city controller shall not make any deductions for annuity purposes from the annual compensation of a member who elects not to contribute if he has attained the minimum retirement age in the case of a class A employee or if he has completed twenty-five (25) years of creditable service in the case of a class B employee. In determining the amount earnable by a member in a payroll period, the retirement board may consider the rate of annual compensation payable to such member on the first day of the payroll period as continuing throughout such payroll period and it may omit deductions from compensation for any period less than a full payroll period if an employee was not a member on the first day of the payroll period; and to facilitate the making of deductions it may modify the deduction required by any member by such an amount as shall not exceed one-tenth of one percentum of the annual compensation upon the basis of which said deduction is to be made. The deductions provided for herein shall be made notwithstanding that the minimum compensation provided for by law for any member shall be reduced thereby. Every member shall be deemed to consent and agree to the deductions made and provided for herein and shall receipt for his full salary or compensation; and payment of salary or compensation less said deduction shall be a full and complete discharge and acquittance of all claims and demands whatsoever for the services rendered by such person during the period covered by such payment except as to the benefits provided under this article. Said amounts shall be deducted and when deducted shall be paid into said annuity savings fund, and shall be credited, together with regular interest, to an individual account of the member from whose compensation said deduction was made.

In addition to the contribution deducted from compensation hereinbefore provided, any member

may redeposit in the annuity savings fund by a single payment or by an increased rate of contribution an amount equal to the total amount which he withdrew previously therefrom as provided by this article, or any member may deposit therein by a single payment or by an increased rate of contribution an amount to be used to provide an additional annuity. Such additional amounts so deposited shall become a part of his accumulated contributions except in the case of retirement, when they shall be treated as excess contributions returnable to the member in the same manner and from as his normal accumulated contributions. The accumulated contributions of a member, withdrawn by him or paid to his estate or to his designated beneficiary in the event of his death as provided in this article, shall be paid from the annuity savings fund. Upon retirement of a member, his accumulated contributions shall be transferred from the annuity savings fund to the annuity reserve fund. Subject to such rules and regulations as the retirement board may provide, any member who has at least three (3) years of total service may borrow from his account in the annuity savings fund for the following purposes:

- a. Medical expenses.
- b. Dental expenses.
- c. Hospital expenses.
- d. Funeral expenses.
- e. Down payment on the purchase of real estate to be used in whole or in part as the member's home.
- f. Such other purposes as the retirement board may approve. The aggregate amount of loans outstanding to any member shall never exceed the lesser of the following amounts:
 1. Fifty (50) percentum of the amount of the members accumulated contributions.
 2. An amount, together with interest thereon,

which can be repaid prior to the member's attainment of the age of seventy (70) years by additional deductions from his compensation.

The rate of interest payable on the unpaid balance of such loans shall be fixed at the date of commencement of the loan at the rate established for this purpose from time to time by the retirement board. The principle amount, together with interest thereon, shall be repaid to the retirement system in equal installments in such amounts as the board shall approve, and shall be deducted from the compensation of the member at the same time and in the same manner as the member's contributions to the retirement system are deducted. Such installments shall be at least equal to five (5) percentum of the member's compensation.

All payments of principal and regular interest made by a borrowing member shall be credited to his account in the annuity savings fund. The excess of the interest paid by him over the regular interest creditable to the account of the member shall be credited to the pension accumulation fund. The amount of any benefit which becomes payable under the provisions of this article shall be determined on the basis of the member's accumulated contributions less the outstanding balance of such loan, and the pension shall be determined as if such loan had not been made. Should a beneficiary be restored to active service, his annuity reserve shall be transferred from the accumulation fund to his credit in the annuity savings fund.

Section 9. Section 17-197 of Article VI entitled "Cost of living adjustment" is hereby amended to read as follows:

Any retired class B employee and any beneficiary of such employee who receives any service or any ordinary disability retirement allowance or any accidental disability retirement allowance pursuant to the provisions of this article shall, on the first day of January next following the third anniversary date of his/her retirement, receive a cost-of-living retirement adjustment, in

addition to the retirement allowance, in an amount equal to three (3) per cent of the retirement allowance, not compounded. In each succeeding year thereafter, on the first day of January, the original retirement allowance shall be increased by three (3) per cent, not compounded, to be continued during the lifetime of said retired employee or beneficiary. For the purpose of said computation, credit shall be given for a full calendar year, regardless of the effective date of such service retirement allowance. All cost-of-living retirement adjustments granted to retirees under this section shall be considered voluntary gratuities. The payment of such voluntary gratuities may be reduced or suspended by Ordinance at any time upon a finding by the City Council that due to the existence of a depressed economy affecting the fiscal condition of the City it becomes expedient to reduce expenses in order to avoid or minimize a tax increase.

Section 10. Severability. If any provision of this ordinance, or the application thereof, to any person or circumstances, is held unconstitutional or otherwise invalid, the remaining provisions of this ordinance and the application of such provisions to other persons or circumstances, other than those to which it is held invalid, shall not be affected thereby.

Section 11. This Act shall take effect on September 2, 1995.

An Ordinance Providing for the Reorganization of the Providence Fire Department, as Amended.

Be it Ordained by the City of Providence:

Section 1. FINDINGS.

The City Council finds the following:

1. Long-term trends dramatically show an increased need for rescue services and a diminished need for firefighting services.

2. In 1994, there were approximately 24,000 rescue responses for medical emergencies and only 324 responses for structure fires.

3. The number of rescue responses since 1972 have more than doubled while the number of structure fires have declined by 80% during the same period.

4. In 1973, the national engineering firm of Gage-Babcock, a specialist in fire protection analysis, recommended that the number of fire companies be reduced by six and in 1987 reaffirmed its 1973 recommendations.

5. During the last two decades, the number of structure fires has declined steadily, while the number of fire companies has remained unchanged.

6. In 1987, Gage-Babcock noted that fire-protection standards required by the insurance industry have been liberalized due to the use of many innovative safeguards which have reduced the risk of fire injury and property damage and that fire-protection standards would be met if Providence had as few as ten engine and ladder companies.

7. The proposed reorganization of the Fire Department would add an additional rescue company while eliminating three firefighting companies, resulting in twenty firefighting companies and six rescue companies.

8. The proposed reorganization of the Fire Department would adequately protect the safety of fire-fighting and rescue personnel.

Section 2. DECLARATIONS.

The City Council hereby declares that the public safety, health and welfare of the residents of the City of Providence would not be adversely affected by a reorganization of the Fire Department which reduces the number of firefighting companies from 23 to 20 while adding an additional rescue company, and that said reorganization is a valid

public purpose in that it is necessary to protect the fiscal integrity of the City and to avoid a significant tax increase.

Section 3. The Fire Department shall consist of thirteen (13) engine companies, seven (7) ladder companies and six (6) rescue companies as set forth below:

<i>Engine Company</i>	<i>Station</i>	<i>Minimum Manning per shift (Number of Firefighters)</i>
1	LaSalle Square	4
2	Branch Avenue	4
3	LaSalle Square	4
4	Rochambeau	3
6	Hartford Avenue	3
8	Messer Street	4
9	Brook Street	3
10	Broad Street	4
11	Reservoir Avenue	3
12	Admiral Street	4
13	Allens Avenue	4
14	Atwells Avenue	4
15	Mt. Pleasant Avenue	3
TOTAL:		47

<i>Ladder Company</i>	<i>Station</i>	<i>Minimum Manning per shift (Number of Firefighters)</i>
1	LaSalle Square	4
2	Messer Street	4
3	Admiral Street	3
5	Broad Street	4
6	Atwells Avenue	4
7	Branch Avenue	3
8	Brook Street	3
TOTAL:		25

RESCUE COMPANIES

There shall be six (6) Rescue Companies with two (2) officers assigned per rescue company per shift. Rescue companies shall be stationed at fire stations at the discretion of the Chief of the Fire

Department with the approval of the Commissioner of Public Safety.

There shall also be three (3) Battalion Chiefs on duty during each shift. The minimum complement of firefighting and rescue personnel shall number 87 per shift as specifically provided hereinbefore.

Section 4. The Chief of the Fire Department, with the approval of the Commissioner of Public Safety, shall implement the provisions of Section 3 as soon as practicable and may re-number the engine, ladder and rescue companies and reassign their respective stations and the personnel assigned to each company as set forth in Section 3 which in his/her judgment are necessary to insure the highest quality of firefighting and rescue services for the City.

Section 5. The Commissioner of Public Safety shall report to the City Council on implementation of the provisions of this Ordinance by September 15, 1995.

Section 6. This Ordinance shall take effect upon its passage.

An Ordinance Relating to the Providing of Health Care Benefits to Active Employees and Retirees, as Amended.

Be it Ordained by the City of Providence:

Section 1. FINDINGS AND DECLARATIONS.

A. Findings.

1. The City's cost for providing pension and health care benefits to Class A and Class B retirees has grown from \$12.7 million in FY 1989 to a projected \$29.5 million in FY 1996.

2. The cost of health care benefits for retirees

has grown for two major reasons. First, the premium rate has increased by as much as 70% for employee groups since the late 1980's. Second, the number of City retirees eligible for health care benefits was significantly expanded in 1990 when coverage was extended to retiring teachers.

3. The City's cost for health care benefits for retirees, including teachers, has grown from \$600,000 in FY 1984 to \$2.5 million in FY 1990 to a projected \$7 million in FY 1996.

4. Active City employees enjoy one of the highest levels of health care benefits of any municipal employees in Rhode Island.

5. Over the years, more and more riders have been added to the basic Blue Cross Classic Blue plan. Today, the cost for family coverage is up to \$5,500.

6. The cost of health care benefits is borne entirely by the taxpayers.

7. The cost of employee health care benefits has grown at a far higher rate than the cost of city government in general.

8. In the past 20 years, the cost of health care benefits has gone up 12 times, while the overall cost of government has only tripled.

9. Under the proposed changes, the City would still provide 100% of the cost of health care benefits. Health care coverage, however, would be shifted to another type of Blue Cross coverage known as Healthmate 2000 or its equivalent which is, on the average, about 15% less expensive than Blue Cross Classic Blue coverage.

B. Declaration of Policy.

1. The City Council hereby declares that the public safety, health and welfare of the residents of the City of Providence would be adversely affected if health care costs continue to increase at extraordinary amounts.

2. The City Council declares that it is necessary to immediately take all steps necessary to reduce personnel costs including health care benefits for its employees and retirees in order to reduce expenses and thus prevent a significant tax increase.

3. The City Council further declares that it is necessary to protect the fiscal integrity of the City and that it is a valid public purpose for the City to take appropriate steps to reduce the costs of City employee and retiree health care benefits.

Section 2. Section 17-85 of the Code of Ordinances entitled "Payment for cost of hospitalization, related benefits" is hereby repealed.

Section 3. Active employees shall be provided with an individual or family health care benefit, as applicable to each employee's marital or family status, equivalent to Blue Cross Healthmate 2000, so-called, or a health care benefit with essentially similar provisions; and in the event that an active employee shall select a health care benefit equivalent to Blue Cross Classic Blue, so-called, or a health care benefit with essentially similar provisions, he/she shall pay the City the additional cost for his/her election. In the alternative, an active employee, at his/her option, shall be provided with an individual or family membership, as applicable to each employee's marital or family status, in Harvard Community Health Plan or a health care benefit with essentially similar provisions.

Section 4. Class A and Class B employees as defined in Sec. 17-181 of the Code of Ordinances and teachers as defined in R.I. General Laws § 16-16-1 who retire from active service after September 2, 1995, and who are not eligible for Medicare, shall be provided with solely an individual health care benefit as is provided for active employees in Section 3 of this Ordinance.

Section 5. Class A and Class B employees as defined in Sec. 17-181 of the Code of Ordinances and teachers as defined in R.I. General Laws §

16-6-1 who retire from active service after September 2, 1995, and who, upon retirement or any time thereafter, become enrolled in Medicare, shall thereupon be provided with an individual Medicare health care benefit.

Section 6. This Ordinance shall take effect upon its passage.

Severally Read and Collectively Passed the Second Time, as Amended, on motion of COUNCILMAN IGLIOZZI, seconded by COUNCILMAN LOMBARDI, by the following Roll Call Vote:

Ayes: Council President Pro Tempore Fagnoli, Councilmen Allen, Clarkin, DeLuca, Councilwoman DiRuzzo, Councilmen Glavin, Igliazzi, Jackson, Lombardi, Rollins, Williams and Young—12.

Noes: None.

Absent: Council President Petrosinelli, Councilman Mancini and Councilwoman Nolan—3.

COUNCILWOMAN DiRUZZO desires to be Recorded as Voting "No" relative to:

"An Ordinance Amending certain Sections of the Code of Ordinances Article VI, entitled: "Retirement System", as Amended.

An Ordinance Providing for the Reorganization of the Providence Fire Department, as Amended.

An Ordinance Relating to the Providing of Health Care Benefits to Active Employees and Retirees, as Amended."

RECAPITULATION OF VOTE:

Ayes: 11

Noes: 1

Absent: 3

The motion for Passage the Second Time, as Amended, is thereupon Sustained.

ADJOURNMENT

There being no further business, on motion of COUNCILMAN IGLIOZZI, seconded by COUNCILMAN GLAVIN, it is Voted to adjourn at 5:30 o'clock P.M. (E.D.T.).

Michael R. Clement

City Clerk

July 31]

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