

IN THE MATTER OF THE RECEIVERSHIP OF
CENTRAL FALLS, RHODE ISLAND

SUPPLEMENTAL REPORT OF THE STATE RECEIVER

MARK A. PFEIFFER

Associate Justice of the Rhode Island Superior Court, Ret.

TO

THE HONORABLE LINCOLN D. CHAFEE

Governor of the State of Rhode Island

and

ROSEMARY BOOTH GALLOGLY

Director of Revenue, State of Rhode Island

February 10, 2011

Dear Governor Chafee and Director Gallogly:

On December 14, 2010, I issued my Report as the State Receiver in the Matter of the Receivership of Central Falls, Rhode Island ("Report"), in which I analyzed the fiscal problems of Central Falls ("City"), identified a plan for stabilizing the City's finances through FY 2011, discussed the structural fiscal problems that exist for the City beyond the current fiscal year, and outlined a variety of reform measures for consideration to restore the City to long term fiscal health. As noted in my transmittal letter accompanying the Report to then Governor Donald L. Carcieri and Director Gallogly, I discussed the urgency of State intervention if the City is to avoid fiscal collapse in its immediate future. That call for action remains of the highest priority.

This report ("Supplemental Report") is designed to advise you regarding significant matters that have transpired in the few weeks that have elapsed since the publication of the Report through February 10, 2011, the day on which I will conclude my service as State Receiver. I would particularly call to your attention my letter dated February 8, 2010 to Director Gallogly (attached to this Supplemental Report) which identifies immediate action that must be taken by you and the General Assembly as it relates to the necessity of a state appropriation in the current session of the General Assembly to eliminate the City's FY 2010 deficit and to avoid a fiscal calamity during the course of FY 2012.

This Supplemental Report, along with the original Report, will hopefully be useful to the newly-appointed State Receiver who will begin his term on February 11, 2011. I would like to thank each of you for the opportunity to have served as Receiver and can assure that I will do my utmost to make this a seamless transition.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Mark A. Pfeiffer', with a long, sweeping horizontal line extending to the right.

Mark A. Pfeiffer
State Receiver for the City of Central Falls
Associate Justice of the Superior Court, Ret

ADMINISTRATIVE / MANAGEMENT MATTERS

○ Briefing of State Leaders

On December 14, 2010 the State Receiver and the Director of Revenue briefed Governor Donald L. Carcieri and senior staff regarding the Report. On December 15, 2010 the State Receiver and the Director of Revenue briefed Speaker of the House Gordon D. Fox and senior staff, Senate President Theresa Paiva-Weed and senior staff, and senior staff of the General Treasurer's office. On December 16, 2010 the State Receiver briefed the members of the Central Falls' legislative delegation and members of the State Receiver's Council regarding the Report. On the same day copies of the Report were delivered to City elected officials. Prior to the Report's issuance and subsequent to the November 2nd general election, members of Governor-Elect Chafee's transition team were fully briefed on the State Receivership. Governor-Elect Chafee's office was provided with a copy of the Report and apprised of the findings and recommendations contained therein.

○ Judicial Receiver's Request for Fees

On December 17, 2010 the Rhode Island Superior Court issued an Order approving the payment of fees and expenses to the Judicial Receiver, Jonathan Savage, Esq., for services rendered in connection with the receivership of the City prior to the appointment of the State Receiver. The Court approved a total of \$292,386.05. Payments were budgeted by the City in FY 2010 (\$200,000) and FY 2011 (\$50,000). After deduction of Judicial Receivership estate cash-on-hand, a distribution of approximately \$39,000 was required and made by the City to satisfy those fees and expenses.

- **Council 94 Contract Negotiations**

The current Collective Bargaining Agreement between the City and Council 94 expires on June 30, 2011. Negotiations will open in March 2011, and it is intended that any resulting agreement will be limited to a one-year term in light of the ongoing discussions regarding shared services with the City of Pawtucket and other reform measures as presented in the Report.

- **Human Resource Initiatives**

Human resource development initiatives also remain ongoing. An audit of medical benefit eligibility is in progress. Conversion of the City's manual payroll system to an automated computerized system is nearing completion, and it is anticipated that testing of that system will begin by April 2011. An employee handbook with standardized policies and procedures is in the process of being developed.

- **Receivership Insurance Coverage**

The Office of the State Receiver has submitted an application for excess errors & omissions insurance coverage. Historical information necessary to complete the application was difficult to obtain under the City's current circumstances. It is unknown at this time whether coverage will be provided retroactively to the inception of the receivership or will begin as of the date of the carrier's quote.

- **Shared Services with Pawtucket**

The Office of the State Receiver has commenced discussions with the City of Pawtucket in an effort to identify potential opportunities to maximize efficiencies. The Office of the Receiver has met with City of Pawtucket officials on several occasions to discuss modeling and to begin the necessary financial analysis. Legal counsel will be consulted in the coming weeks to assess associated legal issues. The initial discussions have

centered upon code enforcement, vehicle maintenance, and fire services. Discussion will commence in the next few weeks regarding police services, the library, the community center, recreational services, and public works.

- **Economic Development**

The economic development initiatives noted in the Report remain in progress. The Office of the Receiver continues to provide assistance where needed. As noted in the Report, however, the City's approach to these initiatives remains reactive. The designation of a City economic development officer should be made by the end of the calendar year, possibly upon the hiring of a Planning Director in FY 2012. As part of Governor Chafee's economic development initiative for distressed communities, a walking tour of Central Falls, with Governor Chafee participating, will be scheduled within the next few weeks to review economic development opportunities for the City.

FINANCIAL MATTERS

- **John Hancock Pension Plans**

Following a request in January 2011 from John Hancock to transfer funds from one pension plan account to another at John Hancock, the Office of the Receiver became aware of different populations of retirees and prospective retirees as it relates to the City's police and fire pension plans. As a result of contract changes over the years within the City, there is a pool of "guaranteed" vs. "limited-guaranteed" participants in the plans. Although the plans' valuation information as prepared by the City's actuary presented on page 48 of the Report is accurate, the depletion of assets of the plans will not be exhausted by June, 2013 as forecasted by the actuary. Instead, plan assets allocated for the "guaranteed" population will remain intact until the benefits are paid out over the remaining life of the participants. However, for the "limited-guaranteed" population, plan assets held by John Hancock will be exhausted by approximately October 1, 2011.

The City's actuary was apparently unaware of this distinction given the fact that he had previously forecasted an asset exhaustion date without any allocation between different classes of prospective/existing retirees. The distinction between classes of participants will not have any effect on the deficits forecasted in the Report or the request for appropriation from the General Assembly to remediate the FY 2010 deficit and the FY 2012 forecasted deficit. See "Deficit Reduction Plan" infra.

- **Deficit Reduction Plan**

The City's deficit for FY 2010 is \$2.4 million. Although the FY 2011 adopted budget was balanced, it is likely that some deficit will exist on June 30, 2011 due to overtime expenses associated with snow removal and other operations arising from the unusually harsh winter and other unforeseen adjustments to revenue and expenses. I have asked the City's Finance Director to prepare an analysis of this trend and to recommend remedial measures designed to mitigate a fiscal year end deficit. A \$4.8 million deficit is forecasted for FY 2012. I have prepared a deficit reduction plan set forth in a letter to the Director of Revenue dated February 8, 2011. That plan will require an appropriation by the General Assembly for the City in the amount of \$6.7 million in this session of the General Assembly to address both the FY 2010 deficit and the forecasted deficit for FY 2012. A copy of that letter is attached as Attachment # 1. If the deficit reduction proposal is endorsed by the Department of Revenue and the Governor's office, a plan should then be submitted to the Auditor General as required by statute.

- **City's Bond Rating**

On December 20, 2010 a teleconference took place with Moody's to discuss the City's bond rating. Prior to the teleconference, the City's General Obligation Bond rating was B3 with a "negative outlook." Although the City was at risk for further downgrading, the rating was reaffirmed at B3 with a "negative outlook." A further downgrading was most likely avoided due to the efforts to date to stabilize the City through the State Receivership.

- **Development of FY 2012 Budget**

Preparation of the FY 2012 budget is in progress. Completion is expected by April 2011 for first review by the Receiver's Council at its April 18th meeting and for anticipated adoption at its May 16th meeting.

- **Consolidation of Cash Accounts**

The City has several cash accounts spread throughout various financial institutions, some of which have associated fees and charges which could be avoided. The Finance Department is in the process of consolidating these accounts to avoid these excessive costs and to simplify the accounting for the City.

LEGAL MATTERS

- **Supreme Court Review of the Receivership Statute**

As previously discussed in the Report, the Superior Court issued decisions in Mark A. Pfeiffer v. Charles D. Moreau, et. al., consolidated with Charles D. Moreau, et al. v. Justice Mark A. Pfeiffer, et. al., and in Central Falls Housing Authority, et. al. v. Mark A. Pfeiffer, upholding the constitutionality of the receivership statute and the Receiver's authority to act thereunder. Mayor Moreau and four members of the City Council then appealed the decisions to the Rhode Island Supreme Court. The Supreme Court granted a request for accelerated review and thereafter oral arguments were heard by the Court on February 1st. A decision is anticipated within the next few weeks.

- **Mayor Moreau's Suit for Indemnification**

On December 17, 2010 Mayor Charles Moreau filed a new Complaint for Indemnification in Superior Court, seeking reimbursement of attorney fees and costs incurred in connection with the receivership litigation. Mayor Moreau relies upon a City Ordinance, Article III, Section 30-61, which provides for indemnification of City officials acting within the scope of their official duties. The Superior Court currently retains jurisdiction over these issues, which remain pending in connection with the receivership litigation wherein they were initially asserted.

- **ACLU Litigation regarding Mayor Moreau's Denial of Ballot Access**

In January 2011 the Office of the Receiver resolved pending litigation entitled Hipolito Fontes v. The City of Central Falls, et. al. This case involved an election dispute whereby Mayor Moreau had attempted to deny the Plaintiff access to the ballot as a candidate. After prevailing in the United States District Court for the District of Rhode Island, and on remand by the United States Court of Appeals for the First Circuit, the Plaintiff requested payment by the City of fees and costs exceeding \$30,000. The matter was settled on the advice of legal counsel for \$22,000.

CENTRAL FALLS SCHOOL DISTRICT

In September 2009 the Board of Regents for Elementary and Secondary Education approved approximately \$20.5 million in repairs to school buildings in Central Falls. The City was authorized to issue bonds in the amount of \$5 million in 2009. The Central Falls School District is now requesting that the City issue bonds for the remaining \$15.5 million for necessary repairs to the Central Falls High School. RIDE has indicated that Central Falls will be eligible for 100% reimbursement. Legislation is in the process of being drafted and submitted to the Director of Revenue for review. It will then be

forwarded to the Central Falls legislative delegation for submission to the General Assembly.

THE WYATT DETENTION CENTER

In November 2010 the State Receiver appointed a Director to the Central Falls Detention Facility Corporation, which oversees the operations of the Wyatt Detention Center. One vacancy remains on the Board of Directors to be filled with a qualified candidate. In February 2011 the Office of the Receiver met with officials from the U.S. Marshal Service regarding the role of the City and the State Receiver in the operations of the Detention Center. It is recommended that discussions be conducted as soon as possible between the Office of Receiver, the U.S. Marshal Service, the Office of the Governor, the Department of Corrections and the Rhode Island State Police regarding the future of the facility.

STATE RECEIVERSHIP TRANSITION

The initial contract governing my term as State Receiver expired on January 11, 2011. The contract was extended through February 10, 2011 to allow time for the new State administration to evaluate the course of the receivership. On January 31, 2011 it was announced that Robert G. Flanders, Jr., Esq. would become the successor State Receiver effective February 11, 2011. To facilitate an orderly transfer of executive authority, I have prepared an outline of pending matters regarding the Receivership in the form of a memorandum to Director Gallogly and Receiver Designate Flanders dated February 6, 2011. A copy of the memorandum is attached to this Supplemental Report as Attachment # 2. This Supplemental Report, including the Budget Deficit Reduction Proposal, has been provided to him as well.

ATTACHMENT 1

STATE OF RHODE ISLAND
CITY OF CENTRAL FALLS

OFFICE OF THE RECEIVER

580 BROAD STREET
CENTRAL FALLS, RI 02863

OFFICE: (401) 727-7400
FAX: (401) 727-7422

February 8, 2011

Ms. Rosemary Booth Gallogly
Director of Revenue
One Capitol Hill
Providence, R.I. 02908

Dear Director Gallogly:

As you are aware, the City of Central Falls ("City") is in State Receivership pursuant to R.I. Gen. Laws § 45-9-1 et. seq. On July 16, 2010, you appointed me to serve as the State Receiver. On December 14, 2010, I issued my report to Governor Donald L. Carcieri and to you ("Report"), in which I reviewed the structural fiscal problems that exist in the City and analyzed the long term solutions available to address those problems. As part of the Report, I identified a projected deficit in excess of \$2 million for FY 2010. Braver P.C. has just completed its audit of the City and reports an actual deficit of \$2,377,596 for FY 2010. Although we will not receive the actual Audit Report for a few more days, we have been informed that it will include negative remarks regarding "going concern" status for the City, which underscores the necessity for the appropriation by the General Assembly herein requested and the adoption of reform measures as outlined in the Report.

According to the provisions of R.I. Gen. Laws § 45-12-22.3, the City is required to submit a plan to the Auditor General that will eliminate the FY 2010 deficit. Therefore, prior to submitting such a plan, I am writing to you to propose a course of action for resolving that deficit. Although the adopted budget for FY 2011 was balanced through a series of enhancements to revenue and non-recurring adjustments to expenditures, the City as noted in the Report is forecasting significant deficits for each of the five years beyond the current fiscal year. The cumulative deficit over this period of time may reach as much as \$26 million. Therefore, it is not practical for the City to consider the use of a deficit funding bond to address the FY 2010 deficit since it would be impossible to place with an investor due to the forecasted deficits. Rather, it is necessary for the City to identify other funding sources to eliminate that deficit.

The only asset the City has that can be used to reduce this deficit is \$623,000 in unexpended bond proceeds that will not be utilized for future projects. These proceeds arise from two bond issues: a 2007 General Obligation bond in the amount of \$8.7 million and a 2007 B RIHEBC bond in the amount of \$1.3 million. Bond counsel has advised the City that these proceeds may be used to make amortization payments due in the current fiscal year on other capital projects, thereby making available those budgeted monies to reduce the FY 2010 deficit. Accordingly, I propose that the City use the \$623,000 in that fashion to reduce the FY 2010 deficit amount to \$1.8 million (rounded from \$1,754,596).

The remaining deficit will have to be funded by appropriation of the General Assembly. No other potential source of funding exists. Although § 45-12-22.3 allows for the elimination of the deficit over a period of up to five years, amortization over that period as previously noted is not feasible. Any attempt to amortize that deficit beyond the present fiscal year would give rise to the same liquidity problems faced by the City in FY 2010 and FY 2011. The General Assembly's appropriation of \$1.8 million and disbursement to the City needs to be accomplished before the end of the current fiscal year. On November 3, 2010 the City borrowed \$1.5 million from Navigant Credit Union through a tax anticipation note to address the liquidity problems that existed at that time. The City is obligated to repay that tax note by June 30, 2011. The City will prioritize repayment of the note to the detriment of certain other City vendors and creditors whose payments will be held in "account payable" status until cash becomes available to the City in FY 2012. Therefore, appropriation by the General Assembly as requested herein is necessary if the City is to avoid the same liquidity problem that it faced in the last half of FY 2010.

The forecasted deficit for FY 2012 in the amount of \$4.9 million (rounded from \$4,888,090) must also be resolved in the current year if the City is to avoid a liquidity crisis in early FY 2012. The assumptions on which this deficit is calculated can be found on pages 27-28 of the Report and in the accompanying spreadsheet in Appendix 14 to the Report. These deficits must be addressed in the current session of the General Assembly since in July 2011, as the City embarks upon FY 2012, the Assembly will in all likelihood not be in session and will have already adopted a FY 2012 State budget. Without an appropriation in place as previously described, the City will suffer a severe cash shortfall. That crisis will be compounded by the fact that the City will no longer have access to tax anticipation borrowing due to its bleak five year financial forecast.

It should be noted that the City will only have at the outset of FY 2012 approximately \$500,000 in assets in the John Hancock pension plans not dedicated to guaranteed benefits under those plans. In the past the City has utilized such assets in lieu of making annual required contributions and has thereby exacerbated the City's unfunded pension liabilities. I had no alternative but to follow that practice in FY 2011 given that the fiscal year had already commenced when the receivership was constituted, a substantial deficit for the fiscal year was forecasted and accruing, and the General Assembly was not in session thereby precluding alternative funding options or deficit mitigation measures. It also would be possible in FY 2012 to reduce the contribution to the plans by approximately \$1 million if the City were to put the primary plan on a "pay-as-you-go" status, rather than funding an actuarially determined annual required contribution. The exact amount of reduction in contribution would require further

actuarial analysis. In any event, I cannot recommend that these past courses of action be followed in FY 2012. Such actions would do nothing to address the structural pension problems that exist in the City and would only perpetuate the irresponsible financial practices exercised by the City's elected officials in the past that have given rise to the City's present fiscal crisis.

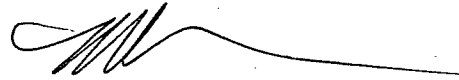
It should also be noted that no viable options exist to enhance revenues or to decrease expenditures in amounts that would substantially reduce the forecasted deficit. For instance, the elimination of discretionary services would only create a small reduction in the deficit. The closing of the library and the community center and the elimination of other recreational services would save approximately \$500,000 for FY 2012. The exact amount would have to be established through a financial analysis, which also would have to account for offsets against savings arising from unemployment claims following lay-offs and challenges that might be initiated by the affected collective bargaining unit. Notwithstanding the amount of savings to be realized, it should be noted that these services in the past have been deemed to be sufficiently important that funding has been preserved for them even during this period of fiscal distress and even in light of the significant property tax increases placed on the City's residents in the current fiscal year. Although the deficit forecasted for FY 2012 could also be addressed by raising property taxes, an increase of 40% over the property tax revenue in FY 2011 would be required to generate the necessary sums. This increase would follow a 20% increase in overall taxes levied during FY 2011 and would obviously have a devastating impact on the City's residents. Furthermore, assuming the General Assembly were to adopt many of the structural solutions outlined in the Report, those solutions would not likely provide immediate, significant financial benefit in the upcoming fiscal year. Thus, it is imperative that the legislature act regarding the requested appropriation to shore up the City's finances for FY 2012.

Accordingly, it is necessary to request through you that Governor Lincoln Chafee include in his FY 2012 proposed State budget an appropriation in the amount of \$6.7 million for the City (i.e. \$1.8 million to eliminate the remaining FY 2010 deficit after offset of the bond proceeds as previously discussed and \$4.9 million to cover the FY 2012 forecasted deficit). It should again be noted that this appropriation will do nothing to alter the structural problems that exist in Central Falls and will not change the additional deficits forecasted for the City for fiscal years 2013 through 2016. Furthermore, it will not provide any funding for capital investment that has been neglected for years in the City. Therefore, it is essential that this appropriation of \$6.7 million in the FY 2012 State budget be accompanied by a variety of municipal reform measures as discussed in the Report that will mitigate future anticipated deficits.

In the event the General Assembly does not make the appropriation or fails to devise an alternative funding source for the City, it will be necessary to implement an alternative course of action. In my judgment any alternative action would be limited to placing the City into Chapter 9 bankruptcy or forcing it to selectively default on its obligations during the course of FY 2012 (e.g. stop making pension payments). Although selectively defaulting on debts would enhance the City's cash flow in the immediate term, it would create a large pending legal liability, including attorney fees, which would further decimate the City's financial position. It might also impact the cost of borrowing for other Rhode Island municipalities and the State itself.

I thank you for your consideration of these recommendations and am available to discuss them with you.

Very truly yours,

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

Mark A. Pfeiffer
State Receiver for the City of Central Falls
Associate Justice of the Superior Court, Ret.

ATTACHMENT 2

STATE OF RHODE ISLAND
CITY OF CENTRAL FALLS
OFFICE OF THE RECEIVER

580 BROAD STREET
CENTRAL FALLS, RI 02863

OFFICE: (401) 727-7474
FAX: (401) 727-7422

February 6, 2011

To: Rosemary Booth Gallogly
Director of Revenue

Robert G. Flanders, Jr., Esq.
Receiver Designate for the City of
Central Falls

From: Mark A. Pfeiffer
Receiver for the City of Central Falls

Subject: Receivership Transition

Recognizing that we only have a few days to effectuate the transfer of the Receivership, I have prepared the following outline of historical events, organizational resources and pending matters that I will use to brief both of you regarding the Receivership. Bob, I will be meeting with you tomorrow at 2:30 p.m. on Monday, February 7, to provide a brief review of the outline. I hope to schedule a meeting with both of you, Susanne Greschner (head of municipal finance department), Marilyn McConaghy (head of legal services) and Heather Martino (my Chief of Staff) on either February 9 or 10 for a more extensive review of Items 4 through 14. I will be out of state for the period from February 15 through 21, but otherwise will generally be available over the next several weeks to respond to questions pertaining to any of these items or other matters. There undoubtedly will be additional items added to this outline as we start to work through it.

TRANSITION OUTLINE

1. Reports

- Report of the State Receiver – 12/14/10
- Supplemental Report – to be forwarded on 2/10/11
- Deficit Reduction Letter from Receiver to Director of Revenue – to be sent on 2/8/11

2. History of Receivership

- Judicial Receivership
- State Receivership
- Legal Challenges

3. Receivership Staff/Consultants

- Heather Martino, Chief of Staff (State of RI, DOA/DOR)
- David Eaton, Senior Advisor (State of RI, Office of the Governor)
- Major Steve Bannon, Public Safety Director (RI State Police)
- Susanne Greschner, State of RI, DOR, Municipal Finance
- Marilyn McConaghy, State of RI, DOR, Legal Services
- UMass Boston Edward J. Collins, Jr. Center for Public Management
 - Stephen Lisauskas
 - Stephen McGoldrick
 - Contract extension
- Outside Legal Counsel
 - Ted Orson, Orson & Brusini
 - Karen Grande, Edwards Angell Palmer & Dodge
- State Receiver's Council – Next meeting 2/22/11
 - James Diosa, President (Member, City Council)
 - Edna Poulin
 - Robert Ferri

4. Post-Report Projects

- Annexation
 - Discussion of constitutional issues: elimination of reserved powers
- Shared Services (Pawtucket)
 - Code Enforcement – discussions in progress
 - Vehicle Maintenance – discussions in progress
 - Fire Services – discussions in progress
 - Police Services – needs to be initiated

- Channel One – needs to be initiated (mold remediation problems)
- Library – needs to be initiated (recruiting new Director as required by State regulations)
- Public Works – needs to be initiated
- Meeting to take place regarding shared services legal issues
- Meeting with Mayor McKee (Cumberland)
- Charter Review – needs to be organized at an early date
- Economic Development
 - Broad Street Tour with Governor Chafee/EDC – meeting canceled by EDC; needs to be rescheduled
 - William Wheat Chocolate Mill
 - Designation of economic development officer by end of calendar year

5. FY2011 Budget – Pending initiatives and related matters

- Homestead Exemption Audit – complete by June 2011
- Medical Benefit Eligibility Audit – in progress
- Sale of Surplus Property – awaiting State Purchasing auction
- Street Light Shutoff Program – significantly reduced savings projection
- Road Opening Permits – pending before Receiver's Council; final passage on agenda for 2/22/11 meeting
- City Council Medical Waiver Buyback – consistency with other reductions
- Local Equity Aid Program – payment to Cardi Corp. outstanding; seeking direct payment by RIDOT (payable only; outside of Budget)
- FY2010 Audit Report – expected 2/10/11

6. FY2012 Budget

- To be Completed by April 2011
- Final passage or recommendation of Receiver's Council by May 2011

7. School District

- School Bond Legislation
- 2010 Legislation – Stabilization Fund (letter to RIDE re: inability to make contributions)
- Meet with three members of Central Falls legislative delegation to arrange for introduction

8. CBAs

- Council 94, Local 1627 (expires 6/30/11)
- Police CBA (expires 6/30/12)
- Fire CBA (expires 6/30/12)

9. Human Resources Development

- Need to develop and establish policies – internally or with UMass
- Rectify inconsistent benefits for Community Center employees
- Planned Hiring
 - Library Director (per State regulations) – in progress
 - Community Center Lifeguard – in progress; on hold
 - Personnel Director – FY2012
 - Planner (part-time) – FY2012
 - Turnover
- Appointment of Fire Chief – union negotiations to prevent domino effect
- Appointments to Boards/Commissions – 5 outstanding:
 - Wyatt Board (1)
 - Library Board of Trustees (1)
 - Zoning Board (1)
 - Planning Commission (1)
 - Board of Appeals (1)

10. Wyatt Detention Center

- Organize meeting ASAP with U.S. Marshal, Gov. Office, RI Dept. of Corrections, and Sup of RISP regarding future of Wyatt
- Appointment to Board of Directors

11. Pension Reform

- Options in Report
- Pfeiffer Recommendation as to approach
 - Priority to adopt securitization of municipal bond obligations
 - “MERS 2” analysis of existing workforce
 - Bond bank/Pension Obligation Bond for existing retirees
 - Chapter 9 proceeding as distinct possibility

12. Receiver's Budget

- Part of RI DOR, Municipal Finance Budget
- Supplemental funds needed for FY2011
- Development of Budget for FY2012

13. Legal Issues

- Supreme Court Appeal – pending decision (Feb./ Mar. 2011)
- Moreau Complaint for Indemnification – pending in Superior Court

- Pending Request by City Council to Meet in Advisory Capacity and Use City Clerk Services
- Unemployment Claim (Azim Mazagonwalla) – pending DLT hearing
- Tax Treaty – Roosevelt Ave. Condominium Units
- Nyhart – failure to adequately report pension funding matters
- Major Kevin Guindon (Police) – early retirement issue pending with John Hancock
- Paul Grenon (Fire Retiree) – 2008 reduction in pension payments challenged; legal review in progress
- Ongoing RISP/FBI Investigation
- Board-Up Bid – process to be initiated; pending with State Purchasing

14. Other

- Errors and Omission Coverage for Receiver
- Change in Receivership Statute to provide for indemnification
- Letter to Nyhart (Actuary) regarding past work