



**IN SUPPORT OF INSOLVENCY PROCEEDINGS THROUGH THE
PETITIONING OF THE SUPERIOR COURT
TO PLACE THE CITY OF CENTRAL FALLS
INTO RECEIVERSHIP TO BALANCE THE CITY BUDGET**

WHERE AS: The Mayor and City Council have determined that the City is fiscally insolvent due to unanticipated revenue shortfalls and state budget cuts, along with collective bargaining agreements and pension obligations it cannot afford; and

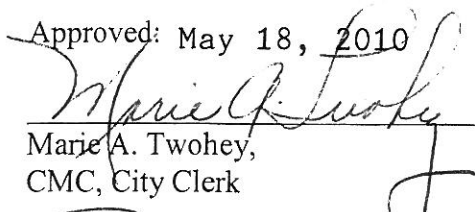
WHERE AS: The City is seeking to balance its budget for Fiscal Year 2010 and Fiscal Year 2011 and needs to resolve its budget crisis before the 2011 tax bills go out in June; and

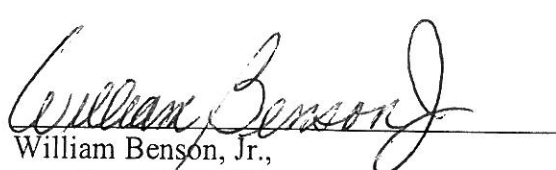
WHERE AS: The extent of the budget crisis is so severe that without a Court appointed Receiver assisting a Court of equity, it is impossible for the City to balance its budget without bankrupting its pension funds or defaulting on obligations to vendors, creditors and/or employees – none of which Mayor and the City Council desires.

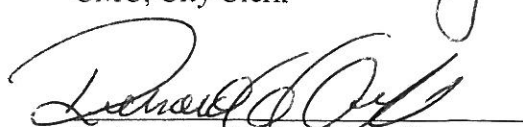
NOW THEREFORE, be it resolved that the Central Falls City Council does hereby join the Mayor in requesting that a petition be filed forthwith in Providence County Superior Court seeking the appointment of a Receiver to exercise all powers necessary and reasonable to return the City to solvency with a budget that is balanced.

Submitted by: Councilor William Benson, Jr.

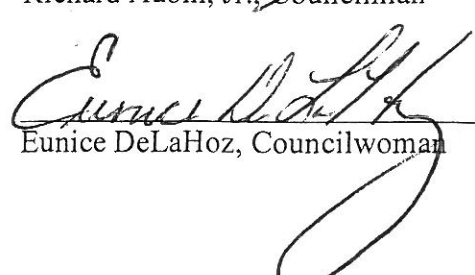
Approved: May 18, 2010

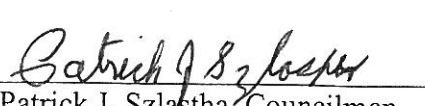

Marie A. Twohey,
CMC, City Clerk


William Benson, Jr.,
City Council President


Richard Aubin, Jr., Councilman

James Diossa, Councilman


Eunice DeLaHoz, Councilwoman


Patrick J. Szlastha, Councilman



**IN SUPPORT OF
LEGISLATION AUTHORIZING MUNICIPALITIES,
INCLUDING THE CITY OF CENTRAL FALLS
TO FILE FOR PROTECTION UNDER CHAPTER 9
OF THE UNITED STATES BANKRUPTCY CODE**

A Resolution in support of Legislation authorizing municipalities, including the City of Central Falls to file for protection under Chapter 9 of the United States Bankruptcy Code.

WHERE AS: The Mayor and City Council have determined that the City is fiscally insolvent due to revenue shortfalls and state budget cuts; and

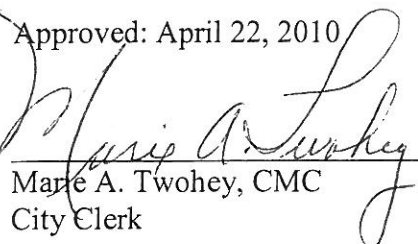
WHERE AS: The City is seeking to balance its budget for the remainder of the 2010 Fiscal Year and for the upcoming 2011 Fiscal Year; and

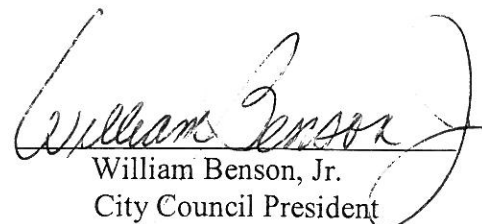
WHERE AS: Although the City is presently seeking monetary concessions from all of its employees; it may need protection under the United States Bankruptcy Code.

NOW THEREFORE, be it resolved that the Central Falls City Council, does hereby request that the City of Central Falls and all municipalities be authorized by the General Assembly to petition for protection under Chapter 9 of the United States Bankruptcy Code.

Submitted by: Councilman William Benson, Jr.

Approved: April 22, 2010


Marie A. Twohey, CMC
City Clerk


William Benson, Jr.
City Council President



**IN CONCURRENCE WITH THE ISSUANCE OF PROPERTY TAX
BILLS WITH NO INCREASE IN THE LEVY OVER FISCAL YEAR
2009-2010 AS PROPOSED BY THE TEMPORARY RECEIVER
FOR FISCAL YEAR 2010-2011**

WHEREAS: The Mayor and City Council have determined that the City is fiscally insolvent due to revenue shortfalls and state budget cuts, along with collective bargaining agreements and pension obligations it cannot afford; and

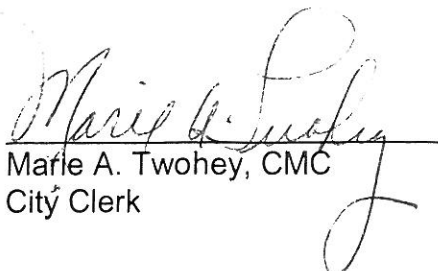
WHEREAS: In addition to significant cost cutting, the City requires revenue to balance its budget; and

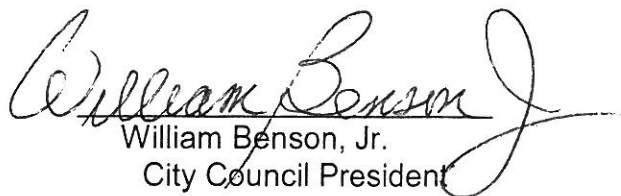
WHEREAS: It has been determined that property tax bills with no increase in the levy over fiscal year 2009-2010 need to be sent to taxpayers as proposed by the temporary receiver for fiscal year 2010-2011.

NOW, THEREFORE, be it resolved that the Central Falls City Council does hereby join the Mayor in concurring with the Receiver's conclusion that it is in the best interests of the City to mail these tax bills while continuing to implement significant cost reduction measures to balance the Central Falls budget.

Submitted by: Councilman Richard Aubin, Jr.

Approved: June 9, 2010


Marie A. Twohey, CMC
City Clerk


William Benson, Jr.
City Council President



IN SUPPORT OF TRANSITIONING THE SUPERIOR COURT RECEIVERSHIP
TO STATE DEPARTMENT OF REVENUE RECEIVERSHIP

WHEREAS: On May 19, 2010, the Mayor and City Council commenced a Superior Court Receivership action, and on that date a Temporary Receiver for the City was appointed; and

WHEREAS: City leaders were forced to take this action due to fiscal insolvency as a result of revenue shortfalls, state budget cuts, along with collective bargaining agreements and pension obligations it cannot afford; and

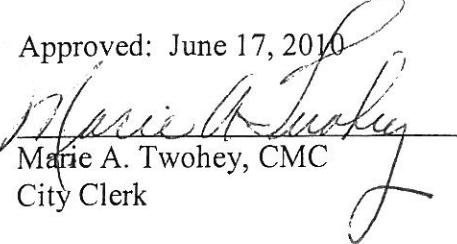
WHEREAS: On June 11, 2010, the Governor signed into law "An Act Relating to City Act Relating to Cities and Towns – Providing Financial Stability," which provides for a Receivership overseen by the State Department of Revenue; and

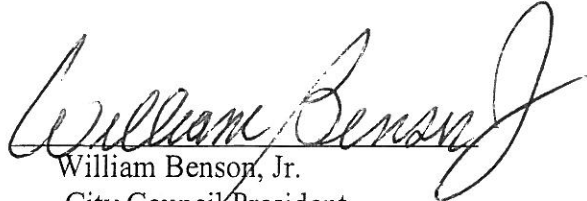
WHEREAS: The State Receiver, with the power to petition the City into Chapter 9 bankruptcy, would possess essentially the same powers as the Superior Court Receiver.

NOW, THEREFORE, be it resolved that the Central Falls City Council does hereby join the Mayor in authorizing a Consent Order dismissing the pending Superior Court action with prejudice after transitioning the Receivership from Superior Court to the State Department of Revenue.

Submitted by Councilman William Benson, Jr.

Approved: June 17, 2010


Marie A. Twohey, CMC
City Clerk


William Benson, Jr.
City Council President



In Support of the Mayor and the City Council contend it is necessary to determine the constitutionality of R.I. General Laws 45-9-3, 45-9-5, 45-9-6 and 45-9-7.

WHEREAS, on May 19, 2010, Central Falls City Officials petitioned Superior Court Justice Michael A. Silverstein for appointment of a Receiver to take over the City's finances in the face of an estimated budget deficit of nearly Eight Million and 0/100 (\$8,000,000) Dollars. Thereafter, Justice Silverstein appointed a Receiver to manage the finances of the City of Central Falls;

WHEREAS, on June 10, 2010, the Rhode Island General Assembly enacted legislation amending R.I. Gen. Laws Chapter 45-9. The amended legislation prohibits municipalities from petitioning the Courts for an appointment of a Receiver;

WHEREAS, pursuant to R.I. Gen. Laws § 45-9-3, the Department of Revenue appoints an overseer to assist elected City Officials in an advisory capacity. If the overseer believes that more assistance is needed, a Budget Commission is established. Lastly, if the Budget Commission proves unable to right the City or Town's financial crisis, then R.I. Gen. Laws § 45-9-7 grants the Director of Revenue authority to appoint a Receiver to take command of all municipal functions;

WHEREAS, the amended legislation enacted on June 11, 2010 applies retroactively to May 15, 2010, four days before Central Falls went to the Superior Court to seek protection. Accordingly, this retroactive legislation specifically operated to encompass Central Falls' Petition for Receivership as filed on May 19, 2010;

WHEREAS, on June 18, 2010, Justice Silverstein issued an Order requiring that financial control of Central Falls be turned over to the Department of Revenue;

WHEREAS, on July 16, 2010, Governor Carcieri and Rosemary Booth Gallogly, Acting Director of the Department of Revenue, appointed Retired Superior Court Associate Justice Mark A. Pfeiffer to oversee the state-controlled receivership proceedings in Central Falls, despite never convening a Budget Commission as provided by R.I. Gen. Laws § 45-9-6,

WHEREAS, on Justice Pfeiffer's first day as appointed receiver, he removed four-term Mayor Charles D. Moreau from power, reduced his Seventy One Thousand Seven Hundred Thirty Six (\$71,736) Dollar salary to Twenty Six Thousand (\$26,000) Dollars and fired one of his top aides, Personnel Director Gene R. Noury;

WHEREAS, the Mayor and City Council assert that R.I. Gen. Laws § 45-9-7 is too broad, too bearing and acts to alter the form of the Central Falls' Government;

WHEREAS, R.I. Gen. Laws § 45-9-7 gives the receiver sweeping power to mandate, dictate and alter the form of government. It provides the Receiver with unfettered power and discretion in contravention of the Rhode Island General Laws, Rhode Island case law precedent and the Rhode Island State Constitution;

WHEREAS, the City of Central Falls City Council and the Mayor deem it necessary to determine the legality and constitutionality of R. I. Gen. Laws § 45-9-7, which grants the receiver such usurping powers that it flies in the face of fundamental principles of the Rhode Island State Constitution, City of Central Falls Home Rule Charter and the fundamental principles of democracy entrusted to the taxpayers and residents of the City of Central Falls;

WHEREAS, the City Council and the Mayor, who have been elected by the taxpayers and residents of the City of Central Falls, have been removed of their power and authority in a manner that does not comport with the principles of the Rhode Island State Constitution, the Rhode Island General Laws, and established Rhode Island case law precedent;

WHEREAS, the Mayor and the City Council contend it is necessary to determine the constitutionality of R. I. Gen. Laws §45-9-3, 45-9-5, 45-9-6, and 45-9-7; and believe that the same is of great importance to the City and the State as a whole.

THEREFORE, LET IT BE RESOLVED;

THAT, the Central Falls City Council and Mayor shall file legal action with a court of competent jurisdiction to determine the legality and constitutionality of the amended legislation as enacted by the General Assembly on June 10, 2010;

THAT, the Central Falls City Council asserts it will support the Mayor to determine the legality and constitutionality of R.I. Gen. Laws § 45-9-3, § 45-9-5, § 45-9- 6, and § 45-9-7; and,

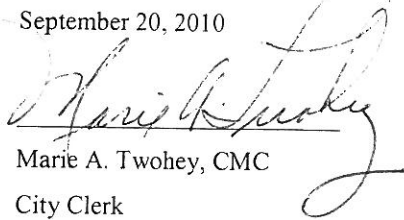
THAT the City Council and the Mayor assert that Attorneys Michael A. Kelly and John O. Mancini of the Law Offices of Michael A. Kelly, P.C. have extensive and adequate experience to provide competent legal representation in this matter to assist the City in its quest to determine the legality and constitutionality of R. I. Gen. Laws §45-9- 3, § 45-9-5, § 45-9-6, and § 45-9-7;

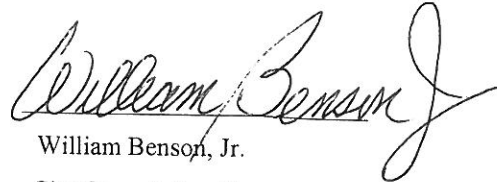
THAT, the Central Falls City Council and the Mayor agree to engage Attorneys Michael A. Kelly and John O. Mancini and the Law Offices of Michael A. Kelly, P.C. to prosecute its claims, assertions and defenses; and

THAT, the Central Falls City Council finds that it is in the best interest of the taxpayers, residents, and voters of Central Falls to determine the constitutionality of the amended legislation as it affects the City of Central Falls.

Submitted at the request of Councilor William Benson.

September 20, 2010


Marie A. Twohey, CMC
City Clerk


William Benson, Jr.
City Council President