

(The following is not a verbatim transcript of comments or discussion that occurred during the meeting, but rather a summarization intended for general informational purposes. All motions and votes are the official records).

FINANCE COMMITTEE

Regular meeting of the Finance Committee was held on Thursday, December 8, 2011 in the Council Chambers, City Hall, Cranston, Rhode Island.

CALL MEETING TO ORDER:

The meeting was called to order at 6:35 P.M. by the Chair.

Present: Council Vice-President Robert J. Pelletier
Councilman Steven A. Stycos, Vice-Chair
Councilman Emilio L. Navarro (appeared at 7:30 P.M.)
Councilman Paul H. Archetto
Councilman Michael W. Favicchio (appeared at 7:10 P.M.)
Council President Anthony J. Lupino

Absent: Councilman James E. Donahue

Also Present: Councilman Richard D. Santamaria, Jr.
Gerald Cordy, Director of Administration
Mark Capuano, Deputy Director of Administration
Robert Strom, Director of Finance
Steve Woerner, City Council Internal Auditor
Maria Medeiros Wall, City Clerk
Rosalba Zanni, Assistant City Clerk/Clerk of Committees
Heather Finger, Stenographer

MINUTES OF THE LAST MEETING:

On motion by Councilman Archetto, seconded by Councilman Stycos, it was voted to dispense with the reading of the minutes of the last meeting and they stand approved as recorded. Motion passed unanimously.

CORRESPONDENCE:

OLD BUSINESS:

PUBLIC HEARING

Paul Valetta, President of Firefighters Union, appeared to speak regarding pension. He stated that there are approximately 25 firefighters in the State Pension that are eligible to retire right now. There are already 25 openings in the Cranston Fire Department and potentially another 25 by June 30th. There is a potential of 60-70 that are retiring. This is something the City Council has to take into consideration during the Budget season coming up. The firefighters are willing to discuss with the City to fix the private City pension.

NEW BUSINESS

- **Tax Interest Waiver Approvals**

On motion by Council President Lupino, seconded by Councilman Archetto, it was voted to recommend approval of the above Tax Interest Waiver Approvals as recommended by City Treasurer. Motion passed unanimously.

- **Tax Interest Waiver Denials**

On motion by Council President Lupino, seconded by Councilman Archetto, it was voted to recommend approval of the above Tax Interest Waiver Denials as recommended by City Treasurer. Motion passed unanimously.

- **Real Estate Tax Abatements**

On motion by Council President Lupino, seconded by Councilman Archetto, it was voted to recommend approval of the above Real Estate Tax Abatements as recommended by City Assessor. Motion passed unanimously.

- **Motor Vehicle Tax Abatements**

On motion by Council President Lupino, seconded by Councilman Archetto, it was voted to recommend approval of the above Motor Vehicle Tax Abatements as recommended by City Assessor. Motion passed unanimously.

- **Tax Assessment Board of Review Decisions** due to taxes assessed December 31, 2010 (informational only)

No action needed.

Council Auditor's Report presented at 11/28/2011 Council meeting.

Mr. Woerner presented his report.

Mr. Strom stated that there is \$1.6 million shortfall for MAST. He pointed out the positives: healthcare claims are up by \$700,000; the City has received \$150,000 rebate from Recycling; taxes have been collected extremely well for prior year taxes. This all adds up to approximately \$1.4 million and he feels the City will be able to offset the \$1.6 million deficit.

Councilman Archetto asked what the amount is that the City applied to FEMA for reimbursement. Mr. Cordy stated that we applied for approximately \$2 million, of which we can anticipate 75% or better reimbursement.

Councilman Stycos asked how the School Department is doing as to staying within their Budget. Mr. Woerner stated that they are very close. Mr. Strom stated that the reports the City receives monthly show they have a balanced Budget.

Pension Reform Discussion (requested by Councilman Stycos)

Mr. Strom appeared to speak.

Municipal Investment Sharing – State Award to Fidelity

Finance Director's report (requested by Council President Lupino)

Mr. Strom appeared to speak and stated that this was voted 7-0 to approve. We will know more about this within the next several months. Basically, what this is, is a pool of banks that hopefully we will get a better rate. We voted to participate in it and he supported it.

Council Vice-President Pelletier asked that this item be placed on the City Council Docket.

***Auditor's Report** for Fiscal Year 2011

Jim Prescott and **Erica Olobri** of Braver, PC, appeared to present the Audit Report.

Joe Balducci, School Chief Financial Officer, appeared to speak and explained why new Internal Service Fund is necessary. He stated that there is a \$2 million deficit in this Fund for 2010-2011. So far for the 2011-2012 year, they are generating a surplus, which hopefully will offset the \$2 million deficit from 2010-2011.

The meeting adjourned at 7:45 P.M.

Respectfully submitted,



Rosalba Zanni
Assistant City Clerk/Clerk of Committees