

(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, May 17, 2012 in the Council Chambers, City Hall, Cranston, Rhode Island.

CALL MEETING TO ORDER:

The meeting was called to order at 7:00 P.M. by the Chair.

Present: Councilman Paul H. Archetto, Chair
Councilman Steven A. Stycos, Vice-Chair
Councilman James E. Donahue
Councilman Michael W. Favicchio (Appeared at 7:15 P.M.)
Council President Anthony J. Lupino

Absent: Councilman Emilio L. Navarro

Also Present: Gerald Cordy, Director of Administration
Mark Capuano, Deputy Director of Administration
Steven Peltier, Assistant City Solicitor
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

*Councilwoman Bucci. Not in attendance due to Temporary Restraining Order issued April 3, 2012 Saccoccio v. City Council C.A. P12-1561

MINUTES OF THE LAST MEETING:

On motion by Councilman Donahue, seconded by Councilman Archetto, 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:

None.

OLD BUSINESS:

Buck Consultant regarding Pension System Experience Study and Costs. .Administration report on cost of plan. (Cont. 4/12/2012). Councilman Stycos.

Mr. Strom stated that the City's funded status is 16.9%. The next step is the Mayor has to report back to the State Investment Commission with a plan to rectify this. He indicated that the Mayor would like to meet with the Council in Executive Session to make recommendations from the study, what he feels is the best suited plan for the City going forward. At that time, the Council can ask questions or ask for another scenario be run. Mr. Strom stated that in this pension plan, there are 53 active, of approximately 400 members. The majority of the members are retirees.

Council President Lupino questioned under what premise the Council would meet in Executive Session. Solicitor Peltier stated that he would have to meet with Mr. Strom to find out what will be discussed and he will respond to Council President Lupino regarding this question. Council President Lupino stated that he would like this question answered prior to the next meeting or before the Executive Session. Solicitor Peltier stated to Council President Lupino that he will let him know tomorrow.

Chair asked that this item be continued to next month's meeting.

Report from Administration on whether there is a major impact on the pension by extending Police and Fire employee's employment by another year. Councilman Stycos.

Councilman Stycos asked that this item be removed from the agenda.

Resolution in support of General Assembly approval of bonding authority to purchase new school buses. (Cont. 4/12/2012)

Chair asked that this item be continued to next month's meeting to address an amendment he will be making to this Resolution.

On motion by Councilman Archetto, seconded by Councilman Favicchio, it was voted to continue this Resolution to next month's meeting. Motion passed unanimously.

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THE CITY OF CRANSTON

RESOLUTION OF THE CITY COUNCIL
IN SUPPORT OF GENERAL ASSEMBLY APPROVAL OF BONDING
AUTHORITY TO PURCHASE NEW SCHOOL BUSES

Passed:

Anthony J. Lupino, Council President

Resolved that,

WHEREAS, the City of Cranston, as most other cities and towns around the State of Rhode Island and around the United States, has experience severe financial constrain over the past fiscal year.

WHEREAS, the fleet of school buses transporting our youths to the Cranston Public Schools is old, in disrepair and in some cases, unsafe.

WHEREAS, there has been public support for new fleet of public school buses.

WHEREAS, a new fleet of school buses would be safer for children, get better gas mileage saving the City of Cranston money in fuel costs, and be more environmentally friendly than the current school buses.

WHEREAS, the City of Cranston lacks the capital to purchase a fleet a new school buses.

NOW THEREFORE, BE IT RESOLVED, that the Cranston City Council hereby requests that the General Assembly pass and enact a law or laws granting the City of Cranston authority to issue not more than \$2,000,000 in bonds and notes to finance the purchase of a new fleet of state of the art school buses to safely transport our children to school.

BE IT FURTHER RESOLVED, , that the Cranston City Council hereby requests the City Clerk to transmit a copy of this Resolution to the Cranston legislative delegation to the Rhode Island General Assembly forthwith

Sponsored by: Councilman Archetto

Co-Sponsored by: Councilwoman Bucci

Referred to Finance Committee April 12, 2012

PUBLIC HEARING

NEW BUSINESS

Resolution supporting Governor Chafee's Municipal Reform Legislation.

Chair stated that the Governor was to be present this evening and was not be able to attend. Due to the Governor not being able to attend this meeting, the sponsor of this Resolution has requested that it be continued to next month's meeting.

On motion by Councilman Donahue, seconded by Council President Lupino, it was voted to continue this Resolution to next month's meeting.

Motion to continue the above Resolution to next month's meeting passed unanimously.

- **Motor Vehicle Tax Abatements**

On motion by Council President Lupino, seconded by Councilman Donahue, it was voted to recommend approval of the above Tax Abatements. Motion passed unanimously.

- **Tax Assessment Board of Review Decisions assessed as of December 31, 2010 (information only)**

Councilman Stycos asked if the Assessor reviews any of the Board's decisions. Mr. Strom stated, yes, he has discussions with the Board based on their conclusions. Mr. Strom also stated that the Assessor has communications with the Board based on the minutes. Councilman Stycos asked if it can be assumed that the Assessor disagreed with the Board's decisions, which are listed on the Board of Review's letter. Mr. Strom stated that he would prefer to have the Assessor answer this question. Councilman Stycos questioned where the Board came up with the numbers and what justifications they are providing to the Assessor. He asked that for the three items listed on the Board of Review's letter, he would like the backup data and how the board came to their conclusion.

Councilman Favicchio asked if the Board issues a written opinion. Mr. Strom stated that he is not sure, he would have to speak to the Assessor.

Councilman Stycos stated that he would like to see specifics on the three items listed on the Board of Review's letter. Mr. Strom stated that he will obtain this information by the Council meeting.

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THE CITY OF CRANSTON

**RESOLUTION OF THE CITY COUNCIL
SUPPORTING GOVERNOR CHAFEE'S MUNICIPAL REFORM
LEGISLATION**

No.

Passed:

Anthony J. Lupino, Council President

Resolved, That

WHEREAS, cities and towns in Rhode Island have been struggling for years to find the means necessary to provide the vital services their residents demand and deserve without becoming insolvent or taxing their residents out of their homes; and

WHEREAS, cuts in state aid to cities and towns across Rhode Island have resulted in the level of municipal services across the state, including in Cranston, being cut, municipal workers being laid off, municipal salaries and benefits being renegotiated, reserve funds being utilized or depleted and increases in onerous property taxes; and

WHEREAS, in Cranston alone, the total loss of state aid is approximately \$17,000,000 each year, from a \$5.5 Million loss of general revenue sharing and a \$11.4 Million loss of motor vehicle tax reimbursements; and

WHEREAS, to offset these losses, Cranston and other municipalities have been asking the state for years to provide them with the necessary reforms and tools through legislation to make the cuts they need to help offset the loss of the state revenues and, in particular, to control ever-increasing pension and OPEB costs; and

WHEREAS, recognizing the plight of municipalities, Governor Lincoln Chafee has submitted a package of legislation to help municipalities resolve their financial problems and begin the process of recovery and financial stability;

WHEREAS, the package of bills includes:

- Legislation authorizing “highly distressed communities” to eliminate mandates and affect collective bargaining agreements and binding arbitration;
- Legislation reducing disability pensions for people in the MERS system to 50% for those who can perform other employment;
- Legislation authorizing cities and towns to limit pension benefits for new and non-vested employees in locally administered pensions to the benefits paid to employees in the MERS system;

- 47 • Legislation authorizing municipalities with a locally administered pension to
48 withhold cost of living adjustments if the pension is less than 60% funded and
49 after certain findings are made;
- 50 • Legislation requiring all school districts to implement a school budget model
51 approved by the commissioner of education;
- 52 • Legislation providing that supplemental appropriations for the payment of past
53 annual school department expenditures would not be included in a municipality's
54 maintenance of effort requirement;
- 55 • Legislation changing the dates and percentages of payments for foundation level
56 school support and approved expenditures and also for payments of distressed
57 community aid.
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59 **WHEREAS**,the Cranston City Council believes that passage of this legislative
60 package is in the best interest of the City of Cranston.
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62 **NOW, THEREFORE, BE IT RESOLVED THAT**, the Cranston City Council
63 does hereby support the legislative package submitted by Governor Chaffee to assist
64 cities and towns and urges the Cranston Delegation to the General Assembly to work
65 diligently for its passage.
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68 Sponsored by: Councilman Donahue
69 Councilman Favicchio
70 Councilwomen Luciano
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72 Referred to Finance Committee May 17, 2012
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- **Tax Interest Waiver Approvals**

On motion by Council President Lupino, seconded by Councilman Donahue, it was voted to recommend approval of the above Tax Abatements. Motion passed unanimously.

- **Tax Interest Waiver Denials**

None.

MISCELLANEOUS BUSINESS:

Council President Lupino stated that he would like the following information from the Administration for the next meeting:

- Park Theatre is under a tax deferment plan with the City and as part of that, they have to adhere to certain parameters, such as employment. Every time he drives by the Park Theatre, he does not see anything going on there. He questions if they are meeting their employment. He would like a report from the Economic Development Department on the Park Theatre and all the other businesses who receive a tax break from the City. He would like to know who is monitoring them, who audits them and on what dates and what they found.

The meeting adjourned at 7:35 P.M.

Respectfully submitted,



Rosalba Zanni
Assistant City Clerk/Clerk of Committees