

(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 6, 2012 in the Council Chambers, City Hall, Cranston, Rhode Island.

CALL MEETING TO ORDER:

The meeting was called to order at 6:40 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
Council President Anthony J. Lupino

Absent: Council Vice-President Emilio L. Navarro
Councilwoman Maria A. Bucci

Also Present: Gerald Cordy, Director of Administration
Evan Kirshenbaum, Assistant City Solicitor
Robert Strom, Finance Director
Patrick Quinlan, City Council Legal Counsel
Roy Damiano, City Council Internal Auditor
Rosalba Zanni, Assistant City Clerk/Clerk of Committees
Ron Ronzio, Stenographer

MINUTES OF THE LAST MEETING:

On motion by Councilman Favicchio, 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.

CORRESPONDENCE:

OLD BUSINESS:

- **Administration Update: City litigation cost to date in Bello v. City of Cranston, and funding source (Councilman Archetto) (Cont. from 10/11/2012).**

Mr. Strom stated that through November, total cost has been \$26,122 for legal fees related to this case.

Council President Lupino asked if this is excluding Ms. Bello's attorney fees that is being requested. Mr. Strom stated that that is correct.

Chair asked that an update be given on this item at the January Finance meeting.

PUBLIC HEARING:

NEW BUSINESS:

- **Real Estate and Tangible Tax Abatements**

On motion by Councilman Favicchio, seconded by Council President Lupino, it was voted to recommend approval of the Real Estate and Tangible Tax Abatements. Motion passed unanimously.

- **Motor Vehicle Tax Abatements**

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

- **Board of Tax Assessment Review for taxes assessed December 31, 2011 (informational only)**

Mr. Strom stated that at the last meeting, Councilman Stycos had asked for supporting documentation regarding that month's list of Boar of Review Assessments. He stated that he received the information from the Tax Assessor and he will forward it onto the City Council and Finance Committee.

- **Tax Interest Waiver Approvals**

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

- **Tax Interest Waiver Denials**

None.

Resolution directing that a portion of the proceeds from the sale of the Police Station be expended equally in each of the six Wards of the City for the repair of streets and roads.
Councilman Archetto

On motion by Council President Lupino, seconded by Councilman Favicchio, it was voted to deny this Resolution.

Under Discussion:

Council President Lupino indicated that the funds won't be available until after the closing, which is in March and the amount averages approximately \$60,000 per Ward. He stated that there are issues that need to be addressed before this Resolution is passed. He would be willing to withdraw his motion to deny if the Chair agrees to bring this back at some point in the future. Chair stated that he agrees that there are some issues and there is time to investigate this.

On motion by Council President Lupino, seconded by Councilman Favicchio, it was voted to withdraw the motion and second to deny this Resolution. Motion passed unanimously.

Councilman Favicchio stated that although he agrees that every Ward needs road repairs, these funds were appropriated for deficit to the School Department. We could get these funds through another source during the Budget process. Solicitor Kirshenbaum stated that the City had advanced the School Department \$1 million with the understanding that when the Police Station was sold, the City would repay itself that amount to the Rainy Day Fund. This was approximately four years ago.

Councilman Stycos stated that following concerns that he has with this Resolution;

1. Resolution does not mention sidewalks;
2. He is skeptical about dividing these funds by Wards. Some Wards have worse roads than others;
3. We have to look at our priorities.

Councilman Stycos stated that these funds could be used in such areas as restoring middle school sports. Councilman Donahue stated that he is concerned taking funds from an asset that the City is selling and using it as an operating expense such as school sports and/or music program.

Mr. Strom suggests that the proceeds should remain in the balance sheet as an asset and place it in the Rainy Day Fund.

Council President Lupino stated that the City of Providence appropriates and divides the Capital Improvements funds to each Ward and the Council controls what streets are repaired or paved with those funds.

On motion by Councilman Archetto, seconded by Council President Lupino, it was voted to continue this Resolution to the February Finance Committee meeting.

Under Discussion:

Mr. Strom asked that the Council keep in mind that these funds, based on the Charter and City Code, be used to reduce the deficit or capital expenditures, although the fund could be used to repair school windows.

Roll call was taken on motion to continue the above Resolution to the February Finance Committee meeting and motion passed unanimously.

Audit Status Report

Mr. Strom stated that on December 4th, the Audit Committee met and one of the items discussed was the draft of the City Audit. He referred to a memo dated December 6th from Braver PC to the Finance Committee of some of the discussions the Audit Committee had. He stated that Braver PC will be attending the December 17th Council meeting to make a presentation regarding the City Audit.

Chair questioned how much revenue the City has taken in. Mr. Strom stated that through November, our revenues exceeded our expenditures by \$20,000,000.

The meeting adjourned at 7:30 P.M.

Respectfully submitted,

Rosalba Zanni
Assistant City Clerk/Clerk of Committees