

(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, February 14, 2013, in the Council Chambers, City Hall, Cranston, Rhode Island.

CALL MEETING TO ORDER:

The meeting was called to order at 6:30 P.M. by the Chair.

Present: Councilman Steven A. Stycos, Chair
Council Vice-President Michael J Farina, Vice-Chair
Councilman Mario Aceto
Councilwoman Sarah Kales Lee
Councilman Donald Botts, Jr.
Councilman Paul H. Archetto
Council President John E. Lanni, Jr.

Also Present: Gerald Cordy, Director of Administration
Carlos Lopez, Chief of Staff
Evan Kirshenbaum, Assistant City Solicitor
Robert Strom, Finance Director
Patrick Quinlan, City Council Legal Counsel
Maria Medeiros Wall, City Clerk
Rosalba Zanni, Assistant City Clerk/Clerk of Committees
Meredith Mahoney, Stenographer

MINUTES OF THE LAST MEETING:

On motion by Councilman Aceto, seconded by Council Vice-President Farina, it was voted to dispense with the reading of the minutes of the last meeting and they stand approved as recorded.

CORRESPONDENCE:

OLD BUSINESS:

- **Executive Session pursuant to RIGL 42-46-5(a)(2) Pending Litigation - Administration Update: City litigation cost to date in Bello v. City of Cranston, and funding source and review of legal bills (Councilman Archetto) (Cont. from 1/172013).**

City Clerk stated that this item was continued from last month's meeting and it was addressed at a Special Council meeting on February 11th.

On motion by Council President Lanni, seconded by Councilman Aceto, it was voted to remove this item from the agenda. Motion passed unanimously.

Councilman Aceto asked that if there is an update to be reported on this issue in the future, the Chair be informed so it can be placed back on the agenda.

- **Report from Chair on Feb 5, 2013 meeting with administration regarding overspending on overtime accounts in City Departments.** (Cont. from 1/17/2013).

Chair stated that he attend a meeting on February 5th with Council President Lanni, Council Vice-President Farina, Mr. Damiano and several members of the Administration where Mr. Damiano's report of his review of Finances, indicated that the Fire Overtime Budget was on pace to be \$800,000 over budget and Police was on pace to be \$161,000 over budget.

Mr. Strom stated that we are approximately 30 personnel short in the Fire Department and because of this we have incurred overtime, which was not budgeted for. There are approximately 20 individuals who recently started attending the training academy. In his discussion with Chief McKenna, it was indicated to him that there would be a slight savings to offset some of the overtime. In his discussions with the department heads, they indicated to him that they would do the best they can to keep the overtime down.

Councilman Aceto asked what the salary for the twenty members attending the training would be. Mr. Strom stated approximately \$70,000, but they will be paid from a two year federal grant, which will be no cost to the City for the first two years.

Councilman Stycos stated that there needs to be a detailed report kept of what the reasons are for the overtime. He asked if this can be done. Mr. Strom stated that he will check into this. Councilman Stycos asked that this report be forwarded to the entire City Council.

Councilman Aceto asked how the overtime amount is determined when putting the budget together. Mr. Strom stated that the City looks at the history, minimum manning and also at the number of factors.

- **Report from Administration regarding road bonds (which bonds were used for each project and whether spending authorized by the City Council was exceeded).**

Mr. Strom stated that the City has authority from a 2008 Bond for \$10 million. To date, we have bond proceeds that we went out for and approved by the City Council for \$3 million and have \$7 million remain.

Councilman Aceto stated that he would like to see where the CDBG funds were used for last year.

Councilman Santamaria asked if the Administration could look into to see if any part of his Ward qualifies for CDBG money. Mr. Cordy stated that CDBG funding are classified as low modified census.

Council Vice-President Farina asked if Administration could provide a list or map for the new Council members of where the streets are that are funded with CDBG money. Mr. Cordy stated that he will provide this list.

Councilman Archetto asked for the following information for the next Finance meeting:

- How much came from CDBG for Fiscal Year 2012?
- Where were these funds spent (streets)?
- How many applicants and money was received this Fiscal Year and what is on the agenda for 2013?

Mr. Cordy stated that we are still working on last year allocations and \$130,000 remains. This was for Eldridge and Gleason St. for paving. This did not take place because Providence Water and National Grid did work on this street and it was late in the Season. This is to be paved in the upcoming Spring.

- **Discussion of cost of moving Finance Committee Budget Hearings to locations other than City Hall.**

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

On motion by Council President Lanni, seconded by Council Vice-President Farina, it was voted to continue this item to next month's meeting. Motion passed unanimously.

PUBLIC HEARING:

Paul Valetta, President of Firefighters Union, appeared to address the overtime issue and stated that overtime call is by hours of work, not by seniority, it is by division. The reason for the over budget is due to the number of vacancies in the department, bad flu season, four young firefighters who are battling cancer. There are five firefighters who have had their retirement papers in for years, but the State won't retire them.

Richard Tomlins, 400 Farmington Ave., appeared to address the Sue Bello case and stated that there is no reason for this case to continue. There has been a large amount of money spent on legal fees to date.

NEW BUSINESS:

- **Real Estate and Tangible Tax Abatements**

On motion by Councilman Aceto, seconded by Council Vice-President Farina, it was voted to recommend approval of the above list of Real Estate Tax Abatements. Motion passed unanimously.

- **Motor Vehicle Tax Abatements**

On motion by Councilman Aceto, seconded by Council Vice-President Farina, it was voted to recommend approval of the above list of Motor Vehicle Tax Abatements. Motion passed unanimously.

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

Councilman Stycos questioned the Abatement on page 1 for 1776 Plainfield Pike and indicated that this is the Wal-Mart plaza. He asked what the reason is for the Board's decision regarding this particular Abatement. Mr. Strom stated that the taxpayer appeared before the Tax Assessor and were denied due to the fact that the Assessor felt there was not enough documentation. They then went before the Tax Assessment Board of Review with a 130 page appraisal and in the Boards' professional opinion, they granted the Abatement.

Councilman Aceto stated that this is an awful lot of money that they were abated. He feels the process needs to be changed. He questioned what the basis of the decision was. Mr. Strom stated that the decision was based on the Boards' professional opinion based on what data the taxpayer presented to the Board at the hearing.

Council Vice-President Farina asked if this Committee can request the Board to appear at the next meeting to explain their rationale behind this large deduction. Chair asked the City Clerk to invite a representative of the Tax Assessment Board of Review to the next meeting to explain their reason for change in valuation for this property.

Councilman Santamaria stated that he would like this Committee to ask at the next meeting the question of why this taxpayer is getting this Abatement, since they had storage trailers on their property for months without being taxed on them.

Councilman Archetto asked if this Abatement has already been approved or can the Council delay this decision. Solicitor Kirshenbaum stated, no, the only appellate rights is for the petitioner.

Council President Lanni stated that we are not here to judge appraisals, we are not professionals. We have a Board, who the Council appointed, that is why we have a non paying Board.

Council President Lanni suggested anything over \$100,000 in Abatement, the City obtain a third party appraisal to see what our value would be. Chair stated that he would like to know Mr. Strom's opinion regarding this amount for the next meeting. He also would like to know if we question Vision appraisal when a decision is made on a large amount. Mr. Strom stated that he will look at the \$100,000 threshold or possibly \$50,000 and also possibly have the Board provide written statement of the justification attached to the change with any large change.

- **Tax Interest Waiver Approvals**

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

1-13-3 Ordinance in amendment of Title 3, Chapter 12 of the Code of the City of Cranston, 2005, entitled “Revenue and Finance, Taxes Generally” (Collection of Past Due Taxes).

[\[click here to view\]](#)

Councilman Aceto stated that the Finance Director has concerns with this program. Councilman Aceto stated that he is willing to table this Ordinance until he can meet with East Providence, who has adopted such an Ordinance to see how this is working in their City.

Council President Lanni stated that from his discussion with Mr. Strom and Mr. Capuano, City Treasurer, the actual amount East Providence collected was \$45,000. He would be in favor of tabling this Ordinance for now.

Mr. Strom stated that he has had a discussion with the Finance Director in East Providence and in his opinion, he felt that due to a threatening letter sent to the taxpayers, this was the really the reason for generating the revenue. A concern he has and also the Finance Director has in East Providence is the Admins system is very difficult to match Social Security numbers. This is a liability to the City.

Mr. Strom indicated that the City of Cranston does send dunning letters for Real Estate taxes and the City has an attorney that sends notices for overdue taxes for Motor Vehicle and a block is placed at the Registry of Motor Vehicles. There is also an attorney hired by the City who handles overdue Tangible taxes. Mr. Strom also stated that the City of Cranston is currently at 98.4% collection rate and he feels we are doing a good job in collection of taxes.

Councilman Aceto indicated that the City is paying these attorneys that help collect taxes. Mr. Strom stated that they get a fee on the interest only collected. Councilman Aceto stated that we do not know if East Providence has a liability issue and how they are dealing with a liability issue.

Mr. Strom stated that he would like the City Treasurer present at the meeting with East Providence.

On motion by Councilman Aceto, seconded by Council President Lanni, it was voted to table this Ordinance. Motion passed unanimously.

1-13-4 Ordinance in amendment of Title 2 of the Code of the City of Cranston, 2012 entitled “Administration and Personnel/Municipal Court” (Judges’ Salaries and Auxiliary Judge Duties). [\[click here to view\]](#)

Council President Lanni stated that this is a re-allocation of monies without an increase or decrease.

On motion by Councilman Aceto, seconded by Council Vice-President Farina, it was voted to recommend approval of this Ordinance. Motion passed unanimously.

- **Resolution in support of legislation to allow the City to use income criteria in determining whether to grant property tax relief.** [\[click here to view\]](#)

Chair handed gavel to Vice-Chair.

On motion by Councilman Aceto, seconded by Councilman Stycos, it was voted to recommend approval of the above Resolution.

Under Discussion:

Councilman Stycos presented a handout, which he stated the late former Council Auditor, Steve Woerner, compiled for him a few years ago. He stated that this Resolution requests the General Assembly to give the City broad power to alter exemptions based on income. Other communities have this authority from the General Assembly.

Councilman Aceto asked if anyone know what the financial impact would be and how we would make up the difference. Councilman Stycos stated that he does not have an answer on the estimate at this time.

Councilman Archetto stated that a concern he has with this Resolution is this is a little ambiguous. The Resolution does not state what the income amount is. This Resolution also targets certain individuals.

On motion by Councilman Stycos, seconded by Councilman Aceto, it was voted to amend this Resolution as follows: fifth "Whereas", remove "several towns in Rhode Island" and add "many Rhode Island communities reduce property taxes for the elderly based on income including Cumberland, Portsmouth, North Providence, West Warwick and Newport". Motion passed unanimously.

Mr. Strom stated that before anything is implemented, a lot of research needs to be done to make sure we are not hurting a group of people who have been paying taxes for many many years.

Mr. Quinlan stated that this Resolution is not implementing or changing anything. It only allows you to consider it. This is just asking the General Assembly to allow you to consider this issue.

Councilman Botts stated that, to him, it is wrong to go after our seniors in the City for more revenue.

Roll call was taken on motion to recommend approval of the above Resolution as amended and motion passed on a vote of 5-2. The following being recorded as voting "aye": Councilmen Stycos, Aceto, Archetto, Councilwoman Lee and Council President Lanni -5. the following being recorded as voting "nay": Councilman Botts and Council Vice-President Farina -2.

Gavel was handed back to the Chair.

City Council Printing: Business cards, notepads, envelopes

Informal quotes: [\[click here to view\]](#)

On motion by Council Vice-President Farina, seconded by Council President Lanni, it was voted to go with the lowest bidder. Motion passed unanimously.

Paperless meetings: Quote for City Council laptops. [\[click here to view\]](#)

Bill Aguiar, IT Manager, appeared to speak and stated that he would need to know exactly what the City Council is looking for to determine if a laptop is needed or a tablet.

Councilman Botts stated that his concern is being able to access supporting documents, which the public does not have access to. That may not be supportive of a tablet.

Council Vice-President Farina stated that what he believes the Council is looking for for now is to access the agendas so that the Clerk does not need to make packets any more.

Councilman Santamaria stated that what the Council needs for now is to access the basic internet connection. There are many times during the meetings that the City Clerk has to go to her office to make copies of State Laws. This would eliminate that.

City Clerk stated that the GIS Director is in the process of creating a document management program, which should be completed in a few months.

On motion by Councilwoman Lee, seconded by Councilman Aceto, it was voted to approve the installation of the wireless modem for the Council Chambers in order for the Council to use their own devices in order to access the internet for the time being.

Under Discussion:

Council President Lanni stated that the City Council needs to request for an estimate for tablet or whichever device the Council would like to purchase.

On motion by Council President Lanni, seconded by Councilman Aceto, it was voted to amend the above motion to include IT Director to obtain estimate for laptop or IPADS or both for City use only for the next Council meeting to be voted on and Councilman Botts and Council Vice-President Farina to discuss with Mr. Aguiar the process.

Motion and second were withdrawn.

On motion by Council President Lanni, seconded by Councilman Aceto, it was voted to have the modem installed as soon as possible.

Under Discussion:

Councilman Stycos asked Mr. Strom to prepare a fiscal note regarding this issue for the next Council meeting. Mr. Strom stated that a fiscal note would not be needed. We would just need a bid waiver and we would have to obtain three quotes and we would go to the lowest bidder. He also stated that before he could give a fiscal note, he would have to know what the costs are.

Roll call was taken on motion to have modem installed as soon as possible and motion passed unanimously.

On motion by Council President Lanni, seconded by Council Vice-President Farina, it was voted to have IT Department obtain quotes for costs of laptops or tablets for the Council for the next Council meeting and if they are not ready by then, this issue be referred back to this Committee and Council Vice-President Farina and Councilman Botts meet with the IT Director to review the quotes. Motion passed unanimously.

The meeting adjourned at 9:25 P.M.

Respectfully submitted,

A handwritten signature in cursive script that reads "Rosalba Zanni".

Rosalba Zanni
Assistant City Clerk/Clerk of Committees