

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

### **CALL MEETING TO ORDER:**

The meeting was called to order at 7:43 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: Councilman Michael W. Favicchio  
Gerald Cordy, Director of Administration  
Marissa Campisani, Director of Constituent and Government Affairs  
Evan Kirshenbaum, Assistant City Solicitor  
Robert Strom, Finance Director  
Patrick Quinlan, City Council Legal Counsel  
Salvatore Saccoccio, City Assessor  
Roy Damiano, City Council Internal Auditor  
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:

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

**Mr. Strom** appeared to speak and stated that at this time, he does not have any update. He has been focusing on the Budget, pensioner reform and contract negotiations.

On motion by Councilman Archetto, seconded by Councilman Stycos, it was voted to continue this item. Motion passed unanimously.

- **Road Bonds – Follow-up Report from Administration.**

**Chair** stated that there is no need for further discussion regarding this item and it be removed from the agenda.

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

**Councilman Aceto** stated that in the past, there have been Budget hearings held at various schools and he does not see any issue moving the meetings.

**Council President Lanni** stated that to move meetings to another facility, the City would incur costs to pay custodians to open the buildings. Most of the times, the seats in the Council Chambers do not fill. If needed, there are seats that can be set up out in the halls, which there is an audio system available.

**Councilman Favicchio** stated that unless there is a proposed tax increase or something controversial, the Council Chambers most of the time is empty. This is an expense that we do not need.

**Councilman Stycos** suggested waiting until the Budget is introduced and then perhaps he, Council President Lanni and the Minority Leader can discuss if there is a need to move the meetings.

**Chair** asked that this item be continued.

- **Resolution in support of legislation to allow the City to use income criteria in determining whether to grant property tax relief. (Referred from City Council 2/25/2013)**  
[\[click here to view\]](#)

**Chair** handed gavel to Vice-Chair.

Councilman Stycos motioned to approve this Resolution. Councilwoman Lee seconded the motion.

### Under Discussion:

**Councilman Stycos** motioned to amend line #34 to add a new “Whereas” as follows: “Whereas, the Cranston City Council seeks to more fairly distribute the tax burden by reducing or eliminating the elderly tax exemption for households earning more than \$100,000 a year”. Councilwoman Lee seconded the motion.

Under Discussion:

**Councilman Aceto** asked how the \$100,000 was arrived at and also if the City knows how many people there are that are paying property taxes and making a certain amount. Councilman Stycos stated that as to the \$100,000, he took the median income and multiplied it by two and rounded it off. As to the amount of people who pay property taxes and make a certain amount, he could not find this information. Councilman Aceto stated that there is another community in the State that have something similar.

**Councilman Stycos** stated that we know that there are 493 elderly households in Cranston who earn less than \$23,000 and we know that 5,385 households in Cranston that qualify for the Elderly Exemptions in Cranston.

**Councilman Botts** asked what is being counted as income. Councilman Stycos stated that in most places it is a tax return. Councilman Botts stated that the \$100,000 may sound like a lot, but not for someone who is scraping by in these hard economic times.

**Councilman Favicchio** stated that this would be sending a bad message to our City's seniors. Another problem he sees with this is the administration of this. We do not even know the cost to review all the tax returns.

**Councilman Archetto** stated that his concern is that the people who are affected move out of the City.

**Councilwoman Lee** suggested changing the amount from \$100,000 to \$200,000.

On motion by Councilwoman Lee, seconded by Councilman Stycos, it was voted to amend the previous amendment from \$100,000 to \$200,000.

Under Discussion:

**Council President Lanni** stated that the problem he has with this is you are taking money from the elderly. Council Vice-President Farina agreed with Council President Lanni.

Roll call was taken on motion to amend the previous motion from \$100,000 to \$200,000 and motion passed on a vote of 5-2. The following being recorded as voting "aye": Councilwoman Lee, Councilmen Stycos, Archetto, Aceto and Council President Lanni -5. The following being recorded as voting "nay": Councilman Botts and Council Vice-President Farina -2.

Roll call was taken on the first amendment made by Councilman Stycos and motion passed on a vote of 6-1. The following being recorded as voting "aye": Councilwoman Lee, Councilmen Stycos, Archetto, Aceto, Council Vice-President Farina and Council President Lanni -6. The following being recorded as voting "nay": Councilman Botts -1.

On motion by Councilman Stycos, seconded by Council President Lanni, it was voted to amend the above Resolution to add a new paragraph as follows: "Whereas, the Cranston City Council intends to use additional revenue raised from more fairly taxing people who earn more than \$200,000 a year to further reduce property taxes for the low income elderly". Motion passed on a vote of 6-1. The following being recorded as voting "aye": Councilwoman Lee, Councilmen Stycos, Archetto, Aceto, Council Vice-President Farina and Council President Lanni -6. The following being recorded as voting "nay": Councilman Botts -1.

Roll call was taken on motion to recommend approval of the above Resolution as amended and motion failed on a vote of 3-4. The following being recorded as voting "aye": Councilmen Stycos, Archetto and Councilwoman Lee -3. The following being recorded as voting "nay": Councilmen Botts, Aceto, Council Vice-President Farina and Council President Lanni -4.

**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). Tabled 2/14/2013. [\[click here to view\]](#)**

**Councilman Aceto** stated that he met with the Finance Director in East Providence and Finance Director Strom and Mr. Strom stated to him that he and his Treasurer has certain language he would like added to it.

On motion by Council Vice-President Farina, seconded by Councilman Archetto, it was voted to continue this Ordinance. Motion passed unanimously.

**PUBLIC HEARING:**

**Lawrence DiBoni**, Director of Economic Development, appeared to oppose to the four Tax Incentive Ordinances. He stated that if these Ordinances are passed, it would be sending the wrong message to the business community. This is the wrong time to do this. The economy is starting to turn around; this will hurt the growth of a lot of businesses who were planning to expand.

**Steve Boyle**, President of Cranston Chamber of Commerce, appeared to oppose to the four Tax Incentive Ordinances. If these Ordinances are passed, they will have a negative impact on the businesses.

**NEW BUSINESS:**

**Report from Board of Tax Assessment Review on \$170,000 tax reduction for Wal-Mart Plaza**

**Neil Amper**, Chair of Tax Assessment Board of Review, appeared to speak.

**Councilman Stycos** stated that the reason the Committee requested the Board to appear this evening was to discuss the basis for the Board's decision regarding this abatement.

**Mr. Amper** stated that the Board judged merits of the appraisal provided by the taxpayer. It was the Board's determination that it was over-assessed.

**Council Vice-President Farina** asked how this property got so over-assessed. Mr. Amper stated that Vision Appraisal puts the assessment on.

**Councilman Aceto** asked if Vision Appraisal has the same criteria as the appraisal company who provided the taxpayer with the appraisal. Mr. Saccoccio stated, yes. Councilman Aceto questioned if there is any liability on Vision Appraisal. He asked why Vision Appraisal did not come through with the correct appraisal in the first place. Mr. Saccoccio stated that they did do their job, it is just that the property owner would not provide him with information he requested. This property was also under sale contract.

**Councilman Stycos** stated that he spoke to Vision Appraisal and was advised that there is no State Law that requires the property owner to provide documents to the Tax Assessor. If the property owner does not agree with the Tax Assessor's appraisal, they have the right to appeal to the Tax Assessment Board of Review.

**Councilman Favicchio** asked if the Board feels comfortable with this abatement. Mr. Amper stated, yes, they do not like to give big adjustments. Their job is to be fair with every taxpayer.

**Council Vice-President Farina** asked if it is possible to provide an explanation of the reason of the amount it would cost the City when there is a large abatement. Mr. Saccoccio stated that they will start providing this starting next month's meeting.

**Council President Lanni** stated that he attended one of the Board's meetings and he thanked the members for all they do and they do a great job. The only reason they are being questioned this evening is due to the large amount Wal-Mart was abated.

#### **Fiscal notes on ordinances - Finance Director Robert Strom**

**Mr. Strom** stated that according to the Charter and past practice, Fiscal Notes are all based on any changes on appropriations affecting the Budget as an impact. In some cases it is hard to quantify a Fiscal Note in dollars. He would be willing to discuss this further with the Chair at his leisure.

**Chair** asked that this item be continued.

- **Real Estate and Tangible Tax Abatements** [\[click here to view\]](#)

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

- **Motor Vehicle Tax Abatements** [\[click here to view\]](#)

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

- **Board of Tax Assessment Review for taxes assessed December 31, 2011 (informational only)** [\[click here to view\]](#)

No action needed.

- **Tax Interest Waiver Approvals**

On motion by Council President Lanni, seconded by Councilman Aceto, it was voted to recommend approval of the above Tax Interest Waiver Approvals List. Motion passed unanimously.

- **Tax Interest Waiver Denials**

None.

**2-13-03** Ordinance ratifying the LIUNA (Laborers International Union of North America) Contract, Local 1322 (FY July 1, 2012-June 30, 2015). [\[click here to view\]](#) [\[click here to view\]](#)  
[\[click here to view\]](#)

**Mr. Cordy** stated that Arthur Jordan, the Union's Representative, contacted the Administration and asked for a little more time for them to review this contract with their district counsel. He asked for a continuance.

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

**Chair** asked Administration to provide a breakdown of positions and number of employees.

**2-13-04** Ordinance in amendment of Title 3 of the Code of the City of Cranston, 2005, entitled "Revenue and Finance" (Tax Incentive Reform Commercial Five Year). [\[click here to view\]](#)

**Chair** stated that Councilman Santamaria has asked to withdraw this Ordinance and be re-drafted.

On motion by Council Vice-President Farina, seconded by Councilman Stycos, it was voted to table this Ordinance. Motion passed unanimously.

**2-13-05** Ordinance in amendment of Title 3 of the Code of the City of Cranston, 2005, entitled "Revenue and Finance" (Tax Incentive Reform Commercial Ten Year). [\[click here to view\]](#)

**Chair** stated that Councilman Santamaria has asked to withdraw this Ordinance and be re-drafted.

On motion by Council Vice-President Farina, seconded by Councilman Stycos, it was voted to table this Ordinance. Motion passed unanimously.

**2-13-06** Ordinance in amendment of Title 3 of the Code of the City of Cranston, 2005, entitled "Revenue and Finance" (Tax Incentive Reform Industrial Five Year). [\[click here to view\]](#)

**Chair** stated that Councilman Santamaria has asked to withdraw this Ordinance and be re-drafted.

On motion by Council Vice-President Farina, seconded by Councilman Stycos, it was voted to table this Ordinance. Motion passed unanimously.

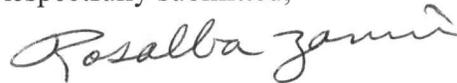
**2-13-07** Ordinance in amendment of Title 3 of the Code of the City of Cranston, 2005, entitled “Revenue and Finance” (Tax Incentive Reform Industrial Ten Year). [\[click here to view\]](#)

**Chair** stated that Councilman Santamaria has asked to withdraw this Ordinance and be re-drafted.

On motion by Council Vice-President Farina, seconded by Councilman Stycos, it was voted to table this Ordinance. Motion passed unanimously.

The meeting adjourned at 8:30 P.M.

Respectfully submitted,



Rosalba Zanni

Assistant City Clerk/Clerk of Committees