

*(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, September 11, 2014, 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  
                                 Council Majority Leader Paul H. Archetto  
                                 Councilman Donald Botts, Jr.  
                                 Councilwoman Sarah Kales Lee  
                                 Council President John E. Lanni, Jr.

Also Present:            Councilman Richard D. Santamaria, Jr.  
                                 Council Minority Leader Michael W. Favicchio  
                                 Gerald Cordy, Director of Administration  
                                 Jeffrey Barone, Director of Constituent and Government Affairs  
                                 Christopher Rawson, City Solicitor  
                                 Evan Kirshenbaum, Assistant City Solicitor  
                                 Robert Strom, Finance Director  
                                 Anthony Moretti, City Council Internal Auditor  
                                 Maria Medeiros Wall, City Clerk  
                                 Rosalba Zanni, Assistant City Clerk/Clerk of Committees  
                                 Tracy Sheperd, Stenographer

### **MINUTES OF THE LAST MEETING:**

On motion by Council Vice-President Farina, seconded by Councilwoman Lee, 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:**

### **PUBLIC HEARINGS/OLD BUSINESS:**

## **PUBLIC HEARINGS/NEW BUSINESS:**

**Richard Tomlins**, 400 Farmington Ave., appeared to speak regarding pending lawsuits and stated that the City needs to reserve for all these pending lawsuits, otherwise, there will be a tax increase or we will have to use other funds. The City Council needs to demand the status of all pending lawsuits in order to be prepared to pay for these litigations.

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

On motion by Council Vice-President Farina, seconded by Councilwoman Lee, it was voted to recommend approval of the above list of Abatements as recommended by the City Assessor. Motion passed unanimously.

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

On motion by Councilman Aceto, seconded by Council Vice-President Farina, it was voted to recommend approval of the above list of Abatements as recommended by the City Assessor. Motion passed unanimously.

- **Tax Interest Waiver Approvals** [\[click to view\]](#)

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

- **Tax Interest Waiver Denials** [\[click to view\]](#)

On motion by Councilman Botts, seconded by Councilman Aceto, it was voted to approve the above list of Tax Interest Waiver Approvals as recommended by the City Treasurer. Motion passed unanimously.

### **08-14-1 Ordinance Renewal of lease for the Pastore Center to the YMCA** [\[click to view\]](#)

On motion by Council Vice-President Farina, seconded by Council President Lanni, it was voted to recommend approval of the above Ordinance.

#### Under Discussion:

**Chair** asked for explanation from Administration regarding this lease.

**Mr. Cordy** stated that this is a renewal of existing lease agreement the City has with YMCA.

**Council Majority Leader Archetto** asked how many City employees are employed in the YMCA. Mr. Cordy stated, none, this is all handled by the YMCA. Council Majority Leader Archetto asked what their salaries are. Mr. Cordy stated that he has no way of knowing that. Council Majority Leader Archetto stated that the Council should know all this before this lease agreement is renewed.

**Chair** read a memo from the Director of Bain Plus 2, after School program at Bain, which was sent to Ray Votto at the School Department, stating that they use the Teen Center and are asking for more access to the Center. Chair also read a memo from the Bain Principal to Mr. Votto asking to use the Center for gym classes.

**Chair** stated that this Ordinance should be continued and through the Administration, direct conversations between Bain Plus 2 and the YMCA and the Administration, as to better utilize the Center by the school.

**Councilman Aceto** asked if there is any reference in the lease agreement regarding the Schools and the Center's Right of First Refusal. Solicitor Kirshenbaum stated that he is not sure, but he can check into this and report back.

**Council President Lanni** stated that if the schools take over the Center, his concern is who is going to run it and who is going to use it.

**Council Vice-President Farina** agreed with Council President Lanni's concern.

**Chair** stated that at this point, he is only asking for the School Department, Administration and the YMCA to speak and clarify the issues. He is not talking about turning the Center over to the School Department.

**Mr. Cordy** stated that this is the first time the Administration is hearing that the School is being denied access to the Center. This is a YMCA lease. If we are going to give the Schools access to the Center, he asked that the City Council keep in mind that there is going to be upkeep and staffing of that building and there may be some monetary costs.

**Council Minority Leader Favicchio** stated that this seems to be a pattern with the School Department. This issue has been on the agenda for a week and the School Department is waiting a day or two before this is heard and they informed the Chair and not the Administration of the issues. They also had all Summer to address this issue and waited for school to start.

**Solicitor Kirshenbaum** indicated that the City did not budget for any upkeep or expenses for the Center. If this is turned over to the School Department, this is a problem.

**Chair** stated that no one is stating that the School Department wants to take over this Center.

**Council President Lanni** stated that he would agree to table this for one month in order for the School Department, the YMCA and Administration to discuss. He also indicated that the Chair is the only one that was contacted by the School Department and no one else on the Council regarding this issue.

On motion by Council President Lanni, seconded by Council Vice-President Farina, it was voted to table this Ordinance for one month. Motion passed on a vote of 6-1. The following being recorded as voting "aye": Councilman Stycos, Council Vice-President Farina, Councilwoman Lee, Council Majority Leader Archetto, Councilman Aceto and Council President Lanni -6. The following being recorded as voting "nay": Councilman Botts -1.

## 08-14-2 Ordinance in Amendment of Budget for fiscal year 2014 (4<sup>th</sup> Quarter transfers)

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

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

### Under Discussion:

**Mr. Strom** appeared to speak. He stated that there was \$250,000 in the budget stabilization for ongoing Police collective bargaining negotiations and \$250,000 contingency for legal costs for FY 2015 and we still ended with a positive surplus. He indicated that no department is in the negative.

**Mr. Moretti** stated that generally speaking, the adjustments presented by Mr. Strom are prudent. He also presented a handout to the Committee.

**Councilman Aceto** asked what the Rainy Day Fund cumulative surplus for this Fiscal Year on the City Side would be if these transfers are made. Mr. Strom stated, over \$500,000.

**Councilman Botts** asked if any of these transfers have anything to do with the School sports and music programs. Mr. Strom stated, no, because the School has \$2.9 million in surplus and it is up to them to set aside money for that.

**Council Vice-President Farina** stated that we should look for closure in the Police matters and he is hopeful that the Administration will provide a report to the City Council very soon regarding ongoing investigations at the Police Department. He also expressed concern with the legal costs and asked the Finance Committee to look at that, what anticipated costs is the estimate based on.

**Council Majority Leader Archetto** stated that Solicitor Kirshenbaum has not been able to tell the Committee what Lydia Wilson's duties were at the Police Station. He will not approve to rubber stamp these transfers until the Council is given the information that they are asking for.

**Mr. Strom** indicated that this money has already been spent and if the Ordinance is not approved, he cannot give the Auditors a negative balance.

**Council President Lanni** stated that Mr. Moretti, the Council Internal Auditor agrees with Mr. Strom. The Council is not the experts, Mr. Moretti is. He understands that the Administration is involved in the handling of the Police investigation, but the public has a right to know what is going on. We need to have a closure to the Police investigations going on. We have a new Chief, which the Council has to ratify, we have a contract that has to be ratified and we have all these frivolous suits.

**Chair** questioned if the legal fees are as of June 30<sup>th</sup>. Mr. Strom stated, yes.

**Chair** asked if there are ongoing negotiations with the Police Union. Mr. Cordy stated that they have started only recently. There has been one meeting to date.

**Council President Lanni** stated that, traditionally, the Mayor has met with the Council prior to meeting with any Union, to ask for any opinions or suggestions from the Council on what he should go in and negotiate. Unfortunately, he has not done that yet. Mr. Strom stated that he believes the Mayor did that with the Council in the Conference Room and advised the Council that he would be getting ready to meet with the Union. He did not get into specifics at that particular time.

Council Minority Leader Favicchio asked for Point of Order and stated that this issue is not on the agenda for discussion this evening.

Roll call was taken on motion to recommend approval of this Ordinance and motion passed on a vote of 6-1. The following being recorded as voting "aye": Councilman Stycos, Council Vice-President Farina, Councilwoman Lee, Councilmen Botts, Aceto and Council President Lanni -6. The following being recorded as voting "nay": Council Majority Leader Archetto -1.

**Ten year Industrial Tax Incentive application: Cadence Science, Inc., 2080 Plainfield Pike** [[click to view](#)]

On motion by Council Vice-President Farina, seconded by Council President Lanni, it was voted to recommend approval of this Tax Incentive Application.

Under Discussion:

**Lawrence DiBoni**, Director of Economic Development, appeared to speak.

**Robert Murray, Esq.**, appeared to represent Cadence Science.

**Brian Palmer**, Vice-President and General Manager and James Messier, Controller, of Cadence Science also were present.

**Mr. Palmer** addressed the increase in number of employees over a number of years if this Tax Incentive is approved.

**Steve Boyle**, President of Cranston Chamber of Commerce, appeared to speak in favor.

No one appeared to oppose.

Roll call was taken on motion to recommend approval of this Tax Incentive Application and motion passed unanimously.

#### **MISCELLANEOUS BUSINESS:**

On motion by Council President Lanni, seconded by Councilman Aceto, it was voted to amend agenda to add discussion only on how to vote on CNG Bus Grant. Motion passed on a vote of 6-0 with one absent. The following being recorded as voting "aye": Councilman Stycos, Council Vice-President Farina, Councilwoman Lee, Council Majority Leader Archetto, Councilman Aceto and Council President Lanni -6. Councilman Botts was not present for roll call vote.

**Councilman Santamaria** stated that there were three questions asked of the School Department and asked Mr. Strom the status of the answers to these three questions.

**Council Minority Leader Favicchio** stated that the Council Grant Writer, Mr. Filarski, has been able to find a regional grant that would allow us to get federal money for CNG buses. He asked that the following be considered and asked of the School Department:

- Number of buses - Consider 5-7 buses
- Size and seating capacity of the buses
- Type of bus

He also stated that we need to know this rather quickly. He also asked that Mr. Strom obtain these answers from the School Department and Mr. Filarski be advised of the answers.

**Councilman Santamaria** stated that these answers are needed by Mr. Filarski rather quickly.

**Mr. Strom** stated that he met with the School Department and they are looking at nine large used buses. They have allocated \$500,000 in their Operating Budget. He believes they are in the process of generating a Purchase Order to purchase these buses. They are anxious to proceed ahead, but there was no mention that they were looking at alternative fuel buses.

**Councilman Santamaria** stated that this may not be anything that will happen right now, but it would be a good start in the process. The deadline for applying for this Grant was noon today, but there may be a grace period.

**Council President Lanni** stated that if we can't use the Grant this year, we can use it next year or the year after.

**Council Minority Leader Favicchio** suggested that the Council President convene the Transportation Sub-Committee to meet and have the School Department attend to have discussion regarding this.

The meeting adjourned at 8:30 P.M.

Respectfully submitted,



Rosalba Zanni  
Assistant City Clerk/Clerk of Committees

CITY OF CRANSTON  
Q4 FYE 2014 PROPOSED ADJUSTMENTS

Re: 8-14-2

Submitted by Anthony Munitic  
Finance Com. 9/10/14 mlw/ell

| <u>Dept #</u>  | <u>Department Name</u> | <u>Line Item Type</u>         | <u>Budget</u> | <u>Proposed Q4 Transfers</u> | <u>Available Balance</u> | <u>Actual</u> | <u>Act v Budget Over / (Under)</u> | <u>FYE 2015 Budget</u> |
|--|------------------------|-------------------------------|---------------|------------------------------|--------------------------|---------------|------------------------------------|------------------------|
| <b>PROPOSED REVENUE ADJUSTMENTS:</b>                     |                        |                               |               |                              |                          |               |                                    |                        |
| 0000   | General Fund           | Payment in Lieu of Taxes      | 4,937,927     | 1,105,000                    | 6,042,927                | 6,043,927     | 1,000                              | 5,536,467              |
| 1800   | School System          | RI School Aid                 | 42,881,891    | 143,845                      | 43,025,736               | 43,025,736    | -                                  | 46,653,409             |
| 7000   | CD Block Grants        | Federal Award                 | 888,866       | 640,000                      | 1,528,866                | 1,535,495     | 6,629                              | 1,068,262              |
| 7010   | WIA - Job Development  | Other Revenue                 | 432,889       | 45,000                       | 477,889                  | 453,045       | (24,844)                           | 460,826                |
|  |                        |                               |               | <b>1,933,845</b>             |                          |               |                                    |                        |
| <b>PROPOSED Q4 SPENDING TRANSFERS:</b>                   |                        |                               |               |                              |                          |               |                                    |                        |
| 1102   | City Council           | Orders of the Council         | 20,000        | (20,000)                     | -                        | -             | -                                  | 5,000                  |
| 1103   | Law                    | Outside Legal Services        | 283,000       | 570,000                      | 853,000                  | 568,145       | (284,855)                          | 288,500                |
| 1105   | City Clerk             | RI Real Estate Tax            | 348,750       | 100,000                      | 448,750                  | 445,617       | (3,133)                            | 537,600                |
| 1113   | Controller             | Salary Schedule               | 309,566       | 25,000                       | 334,566                  | 329,001       | (5,565)                            | 335,077                |
| 1114   | Assessments            | Salary Schedule               | 295,031       | 10,000                       | 305,031                  | 305,357       | 326                                | 310,127                |
| 1115   | Contracts & Purchasing | Salary Schedule               | 115,571       | 10,000                       | 125,571                  | 126,652       | 1,081                              | 123,244                |
| 1116   | IT                     | Salary Schedule               | 361,190       | 5,000                        | 366,190                  | 379,904       | 13,714                             | 386,217                |
| 1200   | Fire                   | Overtime                      | 3,200,000     | 150,000                      | 3,350,000                | 3,627,743     | 277,743                            | 3,200,000              |
| 1300   | Public Works           | Lighting Streets              | 1,200,000     | 380,000                      | 1,580,000                | 1,572,381     | (7,619)                            | 1,250,000              |
| 1302   | Highway Maintenance    | Snow Removal Vendors          | 200,000       | 200,000                      | 400,000                  | 475,200       | 75,200                             | 200,000                |
| 1303   | Engineering            | Salary Schedule               | 262,108       | 20,000                       | 282,108                  | 273,740       | (8,368)                            | 279,508                |
| 1306   | Refuse Removal         | Tipping Fees                  | 968,547       | 80,000                       | 1,048,547                | 839,334       | (209,213)                          | 966,000                |
| 1306   | Refuse Removal         | Other                         | 226,328       | -                            | 226,328                  | 444,025       | 217,697                            | 100,000                |
| 1307   | Fleet Management       | Gasoline & Oil                | 6,000         | 80,000                       | 86,000                   | 5,964         | (80,036)                           | 6,000                  |
| 1400   | Parks & Recreation     | Playground Attendant Wages    | 120,000       | 130,000                      | 250,000                  | 170,812       | (79,188)                           | 150,000                |
| 1600   | Sr Svc: Admin          | Salary Schedule               | 121,913       | 40,000                       | 161,913                  | 168,699       | 6,786                              | 188,446                |
| 1601   | Sr Svc: Programs       | Salary Schedule               | 43,706        | 5,000                        | 48,706                   | 45,646        | (3,060)                            | 46,808                 |
| 1603   | Sr Svc: Social Svcs    | Salary Schedule               | 108,683       | 7,000                        | 115,683                  | 113,408       | (2,275)                            | 116,121                |
| 1604   | Sr Svc: Transvan       | Replacement Vehicles          | -             | 120,000                      | 120,000                  | 114,912       | (5,088)                            | -                      |
| 1700   | Muni Indebtedness      | Contingency                   | 536,536       | (426,000)                    | 110,536                  | 109,813       | (723)                              | 100,001                |
| 1700   | Muni Indebtedness      | Contingency - Labor Contracts | 375,000       | (375,000)                    | -                        | -             | -                                  | -                      |
| 1700   | Muni Indebtedness      | Interest - Bonds & Notes      | 3,438,580     | (6,000)                      | 3,432,580                | 3,432,186     | (394)                              | 3,347,685              |
| <b>Total re: Q4 Transfers</b>                            |                        |                               |               | <b>1,105,000</b>             |                          |               |                                    |                        |
| <b>SUPPLEMENTAL APPROPRIATIONS:</b>                      |                        |                               |               |                              |                          |               |                                    |                        |
| 1800   | School System          | School Maintenance            | 137,469,134   | 143,845                      | 137,612,979              | 137,612,979   | -                                  | 140,815,652            |
| 7000   | CD Block Grants        | Program Projects              | 803,447       | 640,000                      | 1,443,447                | 1,348,924     | (94,523)                           | 922,402                |
| 7010   | WIA - Job Development  | Salary Schedule               | 312,864       | 45,000                       | 357,864                  | 317,254       | (40,610)                           | 331,232                |
| <b>Total re: Supplemental Appropriations</b>             |                        |                               |               | <b>828,845</b>               |                          |               |                                    |                        |
| <b>TOTAL Q4 TRANSFERS &amp; SUPPLEMENTAL ADJUSTMENTS</b> |                        |                               |               | <b>1,933,845</b>             |                          |               |                                    |                        |