

(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 17, 2015, in the Council Chambers, City Hall, Cranston, Rhode Island.

CALL MEETING TO ORDER:

The meeting was called to order at 7:17 P.M. by the Chair.

Present Councilman Steven A. Stycos, Chair
 Council Majority Leader Paul H. Archetto, Vice-Chair (left meeting at 8:00 p.m.)
 Councilman Michael J Farina
 Councilman Mario Aceto (left meeting at 7:40 P.M.)
 Councilman Donald Botts, Jr.
 Council Vice-President Richard D. Santamaria, Jr.
 Council President John E. Lanni, Jr.

Also Present: Robert Coupe, Director of Administration/Acting Personnel Director
 Carlos Lopez, Chief of Staff
 Christopher Rawson, City Solicitor
 Robert Strom, Director of Finance
 Anthony Moretti, City Council Internal Auditor
 Maria Medeiros Wall, City Clerk
 Rosalba Zanni, Assistant City Clerk/Clerk of Committees
 Ron Ronzio, Stenographer

MINUTES OF THE LAST MEETING:

On motion by Council Majority Leader Archetto, seconded by Council President Lanni, 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:

OLD BUSINESS:

PUBLIC HEARINGS/NEW BUSINESS:

11-15-05 Ordinance amending the FY 2016 Capital Budget to include the expenditure of Impact Fees. Sponsored by Councilman Farina.

On motion by Councilman Aceto, seconded by Council Majority Leader Archetto, it was voted to table this Ordinance. Motion passed on a vote of 4-3. The following being recorded as voting "aye": Council Majority Leader Archetto, Council Vice-President Santamaria, Councilman Aceto and Council President Lanni -4. The following being recorded as voting "nay": Councilmen Stycos, Farina and Botts -3.

- **FY 2015 Fiscal Audit**

Chair stated that the Audit Committee did meet last night and only three members attended and even though there was no quorum, he asked that the Auditors proceed with a presentation. He stated that there are a few points he would like to mention:

- This is the first year of a change in the GAP (Government Accounting Practices)
- Auditors pointed out that the supervision of Grants was scattered in the City. Some cities and towns have one person who oversees all the Grants. Chair indicated that Mr. Strom agreed that maybe he could assign someone in his Department to handle this for extra pay.
- Auditors had their computer security people come and look at the computer security system and they recommend things that would make it more secure. This is in their footnotes.
- Chair stated that Mr. Strom suggested the need for a seven member Audit Committee. Chair stated that he will be proposing an Ordinance for this.

Mr. Strom stated that the fund balance of the City is \$20 million; the School has -0- unassigned fund balance; total fund balance between the City and School is \$28 million. This is up from \$26 million last year.

Joseph Balducci, Chief Financial Officer, appeared to speak and stated that the School Department has a person who handles Grants for the City. He stressed that this person is not a Grant Writer. She handles the funds once the Grant is obtained. This position has been there since he has been with the School Department (approximately 16 years). He also stated that the Schools ended last Fiscal Year with a surplus of \$1.3 million.

Mr. Moretti stated \$2 million negative deficit spending on the City side. Part of the \$1.3 million that the City forgave the Schools, over \$400,000 of that has been put aside for middle school sports and music; \$2.8 million surplus on the School side.

Councilman Farina thanked Mr. Strom for his continued prudent financial management this year in the wake of snow, tornado and microburst.

On motion by Councilman Farina, seconded by Councilman Botts, it was voted to forward the FY 2015 Fiscal Audit to the full City Council.

Under Discussion:

Councilman Aceto asked how this can be done without the Audit Committee voting on it. Chair stated that there is no actual requirement that the Committee has to vote on this.

Councilman Aceto asked when the Council can expect receiving the Management Letter. Mr. Strom stated that it could possibly be provided Monday. If it is not ready on Monday, he will make sure that the Auditors have the points that will be stated in the Management Letter.

Council President Lanni stated that he has a problem with that since the Council has not had an opportunity to review the Audit or the Management Letter.

Chair asked what would happen if the Audit is not approved Monday. Mr. Strom stated that he does not want to go to the Auditor General requesting an extension. The Audit needs to be approved by December 31st. The City has never been late and he does not want to start a trend.

Council President Lanni stated that if necessary, a Special Council meeting can be held prior to December 31st, maybe December 30th.

Roll call was taken on motion to refer the Audit to the full City Council and motion passed unanimously.

- **Discussion of timing of fourth quarter adjustments**

Chair asked why this couldn't be done in the fourth quarter. Mr. Strom stated that he could point out any major deficiencies in the Budget in April or May. His concern is not being able to tell what items he would be able to offset them at.

Council President Lanni indicated that the Charter does state fourth quarter.

Chair stated that we need to make fourth quarter transfers in the fourth quarter as best we can.

Mr. Strom stated that this year, we were late because of some personnel issues in the Accounting Department. He can bring this to the City Council in June to be voted on in July. He can also bring any issues up prior to that in a memo form.

- **Real Estate Tax Abatements**

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

- **Tax Assessment Board of Review Decisions as of December 31, 2014**

No action needed.

- **Tax Interest Waiver Approvals**

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

- **Tax Interest Waiver Denials**

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

The meeting adjourned at 8:15 P.M.

Respectfully submitted,



Rosalba Zanni
Assistant City Clerk/Clerk of Committees