

(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 15, 2016, in the Council Chambers, City Hall, Cranston, Rhode Island.

CALL MEETING TO ORDER:

The meeting was called to order at 7:55 P.M. by the Chair.

Present Councilman Steven A. Stycos, Chair
 Council Majority Leader Paul H. Archetto, Vice-Chair
 Councilman Michael J Farina
 Councilman Donald Botts, Jr.
 Councilman Mario Aceto
 Council President John E. Lanni, Jr.

Absent: Council Vice-President Richard D. Santamaria, Jr.

Also Present: Christopher Rawson, City Solicitor
 J. Patrick O'Neill, Assistant 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
 Heather Finger, Stenographer

MINUTES OF THE LAST MEETING:

On motion by Councilman Farina, seconded by Councilman Aceto, 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:

8-16-03 Ordinance ratifying School Committee's amendment to the Collective Bargaining Agreement with the RI Laborers' District Council, Local 1322 Bus Drivers/Mechanics Unit (Bus Drivers/Mechanics 2014-2017).

On motion by Councilman Aceto, seconded by Councilman Farina, it was voted to recommend approval of this Ordinance.

Under Discussion:

Joseph Balducci, School Chief Financial Officer, appeared to speak and stated that Unit received 3.5% raise. There are approximately 76 drivers and four mechanics in this Unit. There are four mechanics and one mechanic was changed to lead mechanic, who serves as a supervisor, and his salary was increased to approximately 5% raise. Before the lead mechanic, there was no supervisor.

Councilman Stycos asked how this person will supervise the other mechanics if he is in the same Unit. **Ray Votto**, Chief Operating Officer, appeared to speak and stated that the lead mechanic oversees the garage functions, repair and maintenance of the buses and vehicles. He will not be doing any evaluations of the employees. He also repairs vehicles.

Council President Lanni asked how many buses the School Department has. **Mr. Votto** stated, approximately 90 and another stage of replacing older vehicles.

Council Majority Leader Archetto asked what the vote was of the School Committee for this contract. **Mr. Votto** stated that it was a unanimous vote with the exception of School Committee Member **Traficante** who recused.

Roll call was taken on motion to recommend approval of this Ordinance and motion passed unanimously.

8-16-04 Ordinance ratifying School Committee's amendment of the Collective Bargaining Agreement with the RI Laborers' District Council, Local 1322 Tradespeople Unit (Tradespeople 2014-2017).

On motion by Councilman Aceto, seconded by Council Majority Leader Archetto, it was voted to recommend approval of this Ordinance.

Under Discussion:

Mr. Votto stated that this Unit received raise of \$1.25 per hour and there are eight employees in this Unit.

Council Majority Leader Archetto asked what the vote was of the School Committee for this contract. **Mr. Votto** stated that it was a unanimous vote with the exception of School Committee Member **Traficante** who recused.

Roll call was taken on motion to recommend approval of this Ordinance and motion passed unanimously.

Resolution Loan Order Authorizing the Borrowing of up to \$29,500,000 from the Rhode Island Infrastructure Bank for the Triton Ocean State, LLC Project. Sponsored by Councilman Favicchio.

On motion by Councilman Botts, seconded by Councilman Farina, it was voted to recommend approval of this Resolution.

Under Discussion:

Mr. Strom stated that this is a perfect opportunity for us and for the rate payers. Debt service to the City would be reduced significantly. Key is that we will be saving a lot of money for the City and rate payers over the next seven years.

Councilman Aceto asked if there has been a change in ownership over the last few years or is Triton still the owner. Mr. Strom stated that Veolia is the company that runs the plant at this time.

Councilman Stycos asked if Mr. Moretti has looked at this Resolution. Mr. Moretti stated, no, he has not. Mr. Strom stated that he would be happy to meet with Mr. Moretti do discuss this.

Roll call was taken on motion to recommend approval of this Resolution and motion passed unanimously.

Ten Year Commercial Tax Incentive Application for Berkeley Acquisition, Inc./Dean Warehouses Services, Inc., 2000 Plainfield Pike.

On motion by Councilman Farina, seconded by Councilman Aceto, it was voted to recommend approval of this Tax Incentive Application.

Under Discussion:

Lawrence DiBoni, Director of Economic Development, appeared to speak and stated that the company plans to bring in 80-200 employees in the next few years, 80 jobs right away.

John Mancini, Esq., appeared to represent the applicant.

Council Majority Leader Archetto asked how many employees this company employs. Attorney Mancini stated, in total, they have operations in Kansas and two locations in California, and they have hundreds of employees. At this location, they plan to have 80-200 employees over the next few years. Attorney Mancini presented a packet for the Committee members.

Council Majority Leader Archetto asked what this Tax Incentive does for the property taxes. Mr. DiBoni stated that this Tax Incentive would be just on the building and not on the land or tangible.

Council President Lanni stated that this is a no brainer. This company is bringing in up to 200 potential new jobs, this is a major company taking over an existing empty facility. He will be supporting this.

Chair questioned if a fiscal note is needed. Mr. Strom stated that he does not think a fiscal note is needed for this Tax Incentive. Chair asked that a fiscal note be provided and he will be voting against this because we will be giving this company close to \$800,000 to \$1 million in lost revenue. Companies should be paying their share of taxes just like the residents of our City. He thinks this is morally wrong. This is a profitable company. This is not good economic development by giving them this Tax Incentive.

Councilman Aceto stated that he agrees that the City will be losing money in the beginning, but by the time this Tax Incentive is over, the City will reap its benefits then because the building will be worth more. Also, the businesses in the area will profit from this business and also from their employees who will be frequenting those businesses.

Council Majority Leader Archetto stated that we need to be business friendly and by passing this, it will show other businesses in the State who are looking to relocated, thinking about coming to Cranston.

Roll call was taken on motion to recommend approval of this Tax Incentive Application and motion passed on a vote of 5-1. The following being recorded as voting "aye": Council Majority Leader Archetto, Councilmen Farina, Botts, Aceto and Council President Lanni -5. The following being recorded as voting "nay": Councilman Stycos -1.

- **Real Estate Tax Abatements**

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

- **Motor Vehicle Tax Abatements**

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

- **Tax Interest Waiver Approvals.**

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

Legal fees – Administration’s report regarding \$34,720 payment of Steven Antonucci’s legal fees (Chairman Stycos).

Chair asked if the City is still paying Mr. Antonucci’s legal fees to Attorney Conley. Solicitor Rawson stated that we paid one bill for approximately \$1,000 to do with Officer Josefson’s case, where Officer Josefson sued Mr. Antonucci. Chair asked if the Council approved Mr. Antonucci’s legal fees. Solicitor Rawson stated that the City was obligated to pay it in the scope of his employment. Chair asked if there are any other legal fees that the City paid for Mr. Antonucci. Solicitor Rawson stated, no.

Council President Lanni questioned if the City paid former Colonel Palombo's legal fees. Solicitor Rawson stated that the City did to some degree. Council President Lanni stated that it seems that the City paid legal fees for bad behavior for many individuals.

Councilman Aceto questioned whether the Union should have paid Mr. Antonucci's legal fees for Attorney Conley. Solicitor Rawson stated that Mr. Antonucci had right to a personal attorney and in that case, the Union was not willing to pay.

Chair asked if the City has paid any legal fees for former Major Ryan. Solicitor Rawson stated, no. Chair asked Solicitor if the City would pay them if we were presented with bills from former Major Ryan. Solicitor Rawson stated, possibly.

Chair asked if the Mayor tried to force the Police Union to pay part of the cost for Officer Josefson's case since their Union President played a part in his demotion. Solicitor Rawson stated, no, the City is under no obligation to do that. We cannot force a Union to pay the costs for one of their members.

Council Majority Leader Archetto asked Mr. Moretti what the cost of the Josefson settlement was. Mr. Moretti stated that he will be reporting on this at the Council meeting.

The meeting adjourned at 9:10 P.M.

Respectfully submitted,



Rosalba Zanni
Assistant City Clerk/Clerk of Committees