

*(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, April 14, 2011 in the Council Chambers, City Hall, Cranston, Rhode Island.

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

The meeting was called to order at 6:52 P.M. by the Chair.

Present: Council Vice-President Robert J. Pelletier, Chair  
Councilman Steven A. Stycos, Vice-Chair  
Councilman Emilio L. Navarro  
Councilman Paul H. Archetto  
Councilman James E. Donahue  
Councilman Michael W. Favicchio  
Council President Anthony J. Lupino

Also Present: Councilman Richard D. Santamaria, Jr.  
Robin Muksian-Schutt, Director of Administration  
Gerald Cordy, Deputy Director of Administration  
Evan Kirshenbaum, Assistant City Solicitor  
Robert Strom, Director of Finance  
Steve Woerner, City Council Internal Auditor  
Salvatore Saccoccio, City Assessor  
Marcia LoPresti, Economic Development Aide  
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 Navarro, seconded by Councilman Favicchio, 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:**

- **Denial of Tax Interest Waiver Request** from Sign Graphics (Tabled 3/17/2011).

On motion by Councilman Navarro, seconded by Council President Lupino, it was voted to remove this item from the table. Motion passed unanimously.

**Mr. Strom** stated that applicant has made request for waiver based on hardship. In the past, interest waivers for businesses were never granted. Reason is because interest waivers are for hardship or illness situations. When you have a business you always have someone to make payments on taxes that are due. In this situation with this business, it was not a hardship that created the late payment. It was because there was a cash problem at the time. He does not consider this a hardship because if that was the case, there would be many businesses that would be asking for waivers.

**Council Vice-President Pelletier** indicated to the list of approved waivers on the agenda this evening, of a request from the YMCA, which the City Treasurer recommended approval.

**Council President Lupino** suggested that maybe this should be referred back to the City Treasurer for reconsideration. Mr. Strom stated that the Treasurer is only making a recommendation, it is the ultimate decision for the Council to either accept or deny the recommendation of the Treasurer.

On motion by Councilman Navarro, seconded by Council President Lupino, it was voted to not approve the recommendation of denial from the City Treasurer.

Under Discussion:

**Councilman Favicchio** stated that there needs to be an overall policy regarding waivers to businesses.

Motion and second to not approve the recommendation of denial from the Treasurer were withdrawn.

On motion by Councilman Stycos, seconded by Councilman Donahue, it was voted to accept the Administration's recommendation to deny this waiver request. Motion failed on a vote of 2-4. The following being recorded as voting "aye": Councilmen Stycos and Donahue -2. The following being recorded as voting "nay": Councilmen Navarro, Archetto, Favicchio and Council Vice-President Pelletier -4.

On motion by Councilman Navarro, seconded by Councilman Archetto, it was voted to approve this interest waiver request. Motion passed on a vote of 4-2. The following being recorded as voting "aye": Councilmen Navarro, Archetto, Favicchio and Council Vice-President Pelletier -4. The following being recorded as voting "nay": Councilmen Stycos and Donahue -2.

- **Policy for when Business request Tax Interest Waivers** (Requested by Council President Lupino 3/17/2011).

**Council President Lupino** stated that the Administration should not be denying business requests and they should be accepted and taken upon their merits. It should not be a blanket denial. Mr. Strom recommended that the Council come up with an Ordinance with these recommendations.

- **Plan for HUD money** (Requested by Councilman Stycos 3/17/2011).

**Councilman Stycos** asked what happens if FEMA does not approve the money and is this money secured. Mr. Cordy stated that if FEMA does not approve it, we have a backup plan to buyout as many properties as possible with that money.

**Councilman Stycos** asked that Fourth Avenue issue be placed on the next month's agenda.

## **PUBLIC HEARING**

## **NEW BUSINESS**

- **Report from Tax Assessor on Tax Assessment Board of Review monthly meetings**

**Chair** presented an email from the Assessor notifying him of a meeting on April 4 and April 13, 2011.

**Mr. Saccoccio** stated that last evening's Tax Assessment Board of Review was cancelled due to lack of quorum. The next meeting will be next week and there will be one more meeting after that.

- **Tax Interest Waiver Approvals**

On motion by Council President Lupino, seconded by Councilman Donahue, it was voted to recommend approval of the Tax Interest Waiver Approvals as recommended by the City Treasurer.

Under Discussion:

**Councilman Favicchio** indicated that the request of the YMCA is approval, even though they are non-profit.

Motion to recommend approval of the list of Tax Interest Waiver Approvals as recommended by City Treasurer passed unanimously.

- **Tax Interest Waiver Denial of Marion Stella**

On motion by Council President Lupino, seconded by Councilman Stycos, it was voted to recommend approval of the Treasurer's recommendation to deny the request of Marion Stella.

Under Discussion:

**Councilman Navarro** stated that Ms. Stella has lived in the City for 45 years and has never missed a payment. He asked that the Committee not accept the recommendation of the Treasurer.

**Councilman Stycos** asked for explanation as to why it was denied by the Treasurer. Solicitor stated that the Clerk in the Tax Collection Office advised the taxpayer that she was late one time in the past five years and she was not eligible for a waiver. Councilman Navarro stated that when Ms. Stella was late five years ago, she was not aware that she could have asked for a waive back then and she should be entitled to use her one time request for waiver of interest.

Roll call was taken on motion to approve the Treasurer's recommendation of denial and motion failed on a vote of 3-4. The following being recorded as voting "aye": Councilmen Stycos, Donahue and Favicchio -3. The following being recorded as voting "nay": Councilmen Navarro, Archetto, Council Vice-President Pelletier and Council President Lupino -4.

On motion by Councilman Navarro, seconded by Councilman Archetto, it was voted to recommend approval of this request for interest waiver. Motion passed on a vote of 4-3. The following being recorded as voting "aye": Councilmen Navarro, Archetto, Council Vice-President Pelletier and Council President Lupino -4. The following being recorded as voting "nay": Councilmen Stycos, Donahue and Favicchio -3.

**3-11-1** Ordinance in amendment of Chapter 3 of the Code of the City of Cranston, 2005, entitled "Revenue and Finance" (Tax Incentive Commercial Five Year).  
[\[click here to view\]](#)

**3-11-2** Ordinance in amendment of Chapter 3 of the Code of the City of Cranston, 2005, entitled "Revenue and Finance" (Tax Incentive Commercial Ten Year).  
[\[click here to view\]](#)

**3-11-3** Ordinance in amendment of Chapter 3 of the Code of the City of Cranston, 2005, entitled "Revenue and Finance" (Tax Incentive Industrial Five Year).  
[\[click here to view\]](#)

**3-11-4** Ordinance in amendment of Chapter 3 of the Code of the City of Cranston, 2005, entitled "Revenue and Finance" (Tax Incentive Industrial Ten Year).  
[\[click here to view\]](#)

On motion by Council President Lupino, seconded by Councilman Archetto, it was voted to recommend approval of the above four Ordinances.

Under Discussion:

**Ms. Schutt** appeared to speak regarding these Ordinances and stated that they will expire on May 1<sup>st</sup>. There are some minor changes and typos, but nothing substantive. One thing that will stay in these Ordinances is the Economic Development Department will monitor the payroll quarterly going forward to make sure the business comply with the minimum employee.

**Councilman Stycos** stated that Section "J", line 140 states that there shall be an annual report. He asked if this has been done. Ms. LoPresti stated, no, it has not, but the department can provide the information.

**Mr. Saccoccio** addressed how the Tax Incentives affect the tax base.

**Council President Lupino** read an email from Mr. Saccoccio regarding this issue.

On motion by Council President Lupino, seconded by Councilman Archetto, it was voted to amend the Ordinances to add a Section "G" to state as follows: "The Administration shall report annually to the Finance Committee at its March meeting on all previously approved and active tax incentives applications, and verify the applicant's compliance with all provisions of this Chapter".

Under Discussion:

**Councilman Stycos** stated that this is addressed under Section "J" of the Ordinances. Council President Lupino stated that he would like to be more specific that the business is in compliance. Councilman Stycos indicated that Section "J" should be amended to add this language instead of adding another Section.

**Chair** stated that as to the Council President's amendment, the report is coming to the Finance Committee and the way the current Ordinances are drafted, it would be going to the City Council. Ms. Schutt stated that to have this report submitted during the Mayor's budget address would get lost in the Mayor's budget address. She suggested it be done separate from the budget presentation.

**Councilman Stycos** stated that he would not want to see the Administration making two reports. She feels there should be one report. He suggested tabling these Ordinances. Chair indicated that these Ordinances will expire May 1<sup>st</sup>.

Motion and second were withdrawn.

On motion by Council President Lupino, seconded by Councilman Archetto, it was voted to amend these Ordinances as follows: delete "Annually with his budget presentation" and add "The Administration shall report annually to the Finance Committee at its March meeting on all previously approved and active tax incentives applications, and verify the applicant's compliance with all provisions of this Chapter". Motion passed unanimously.

Councilman Stycos motioned to amend Section "B", line 74 by deleting "bank branches".

**Solicitor** cautioned that by amending these Ordinances, we would have to re-advertise them and because of the timeframe that these Ordinances need to be passed, if the Council wishes, they could be re-visited at a later date.

No one seconded this motion.

**Councilman Donahue** stated that he agrees that a thorough review is needed at a later time, but these Ordinances need to be passed as drafted for now.

**Steven Boyle** of Chamber of Commerce, appeared to speak in favor of all four Ordinances.

Roll call was taken on motion to recommend approval of the above four Ordinances and motion passed on a vote of 5-1. The following being recorded as voting "aye": Councilmen Navarro, Donahue, Archetto, Favicchio and Council Vice-President Pelletier -5. The following being recorded as voting "nay": Councilman Stycos -1.

**3-11-5** Ordinance in amendment of Chapter 8 of the Code of the City of Cranston, 2005, entitled “Health and Safety” (Emergency Medical Service Fees). [\[click here to view\]](#)

**Ms. Schutt** appeared to speak and stated that any overage in this line item would go to the purchase of a rescue.

**Mr. Strom** stated that we went out to RFP and selected Dawson Group based in Cranston and they service 28 municipalities and our fees are behind those 28 municipalities.

**Councilman Donahue** asked how long it has been that there have been changes to these fees. Mr. Strom stated many years.

**Council President Lupino** stated that this company is telling us to raise fees. He questioned if this company is paid per run or a percentage of what they collect. Mr. Strom stated that they are paid a percentage of what they collect. Council President Lupino asked what would happen if we do not raise the fees. Ms. Schutt questioned why we wouldn’t want to collect what other municipalities are collecting.

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

Under Discussion:

**Council President Lupino** stated that this will affect his healthcare costs. Ms. Schutt stated that Revenues generated would be getting hurt.

**Chair** indicated that fees have not been raised since 2007.

Motion to recommend approval of this Ordinance passed unanimously.

**3-11-6** Ordinance authorizing the City to utilize Eastern Cranston Recreation Impact Fees for development of a community garden. [\[click here to view\]](#)

On motion by Council President Lupino, seconded by Councilman Donahue, it was voted to recommend approval of this Ordinance.

Under Discussion:

**Council President Lupino** asked who bares responsibility of liability. Councilman Stycos stated that he does not know.

Motion to recommend approval of this Ordinance passed unanimously.

**3-11-7** Ordinance in amendment of Chapter 3.12 of the Code of the City of Cranston, 2005, entitled “Taxes Generally” (Tax Bill Recycling Notice). [\[click here to view\]](#)

On motion by Council President Lupino, seconded by Councilman Stycos, it was voted to recommend approval of this Ordinance.

Under Discussion:

**Councilman Stycos** addressed two areas of this Ordinance: notice would go with Motor Vehicle tax bill and the sentence of the Ordinance indicating that “no additional funds be spent to distribute this information in the tax bill mailing”.

Discussion took place on the fiscal note, which indicates funds for printing and postage. Councilman Stycos stated that the Ordinance specifically states that no funds be spent.

Councilman Navarro motioned to amend line 24 to add after “shall include”, “a note on where to access”. Councilman Archetto seconded this motion. Motion passed on a vote of 5-1. The following being recorded as voting “aye”: Councilmen Stycos, Navarro, Archetto, Favicchio and Council Vice-President Pelletier -5. The following being recorded as voting “nay”: Councilman Donahue -1.

On motion by Councilman Navarro, seconded by Councilman Archetto, it was voted to recommend approval of this Ordinance as amended. Motion passed unanimously.

**Resolution** requesting that the Governor and the General Assembly restore the State’s Pilot Funding to the City of Cranston and not proceed the proposed slashing of \$232,023.00 in Cranston’s Pilot Funding allocation. [\[click here to view\]](#)

On motion by Councilman Stycos, seconded by Council President Lupino, it was voted to recommend approval of this Resolution.

Under Discussion:

**Councilman Santamaria** stated that he considers the Governor’s proposal to cut \$232,023 an insult to the taxpayers of the City of Cranston.

Motion to recommend approval of this Resolution passed unanimously.

**Resolution** establishing a Committee to implement consolidation of the City and School Personnel Departments. [\[click here to view\]](#)

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

Under Discussion:

**Councilman Navarro** stated that there have been numerous Resolutions passed in the past to consolidate IT and other departments and has not seen any progress or anything come to fruition, although he does understand the spirit of this Resolution.

**Councilman Donahue** stated that not to pursue some kind of merger is a disservice to the taxpayers of the City.

**Councilman Favicchio** stated that we need to look at some kind of consolidation.

Councilman Stycos stated that he agrees with the concept, but it needs to be done administratively.

**Councilman Donahue** stated that it really can't be managed by the Administration entirely. The input of the Administration and Personnel is valid, but it would need to be done by the governing authority.

Roll call was taken on motion to recommend approval of this Resolution and motioned passed on a vote of 4-2. The following being recorded as voting "aye": Councilmen Donahue, Navro, Favicchio and Council Vice-President Pelletier -4. The following being recorded as voting "nay": Councilmen Stycos and Archetto -2.

The meeting adjourned at 8:35 P.M.

Respectfully submitted,

Rosalba Zanni  
Assistant City Clerk/Clerk of Committees