

SPECIAL MEETING – CITY COUNCIL

-APRIL 29, 2008-

Special meeting of the City Council was held on Tuesday, April 29, 2008, in the Western Hills Middle School Auditorium, 400 Phenix Ave., Cranston, Rhode Island.

The meeting was called to order at 7:10 P.M. by Council President Garabedian.

Roll Call showed the following members present: Councilmen Lanni, Lupino, Navarro, Santamaria, Barone, Council Vice-President McFarland and Council President Garabedian -7.

Absent: Councilman Livingston and Member Bucci -2.

Also Present: Mayor Michael T. Napolitano; Ernest Carlucci, Director of Administration; Frank Migliorelli, Deputy Director of Administration; Vito Sciolto, City Solicitor; Corsino Delgado, Director of Finance; Steve Woerner, City Council Internal Auditor.

Present to represent the School Department: Richard Scherza, Superintendent of Schools; Joe Balducci, Chief Financial Officer; Norman Laliberte, Executive Director of Education Programs and Services; Peter Nero, Assistant Superintendent of Schools; Ray Votto, Chief Operating Officer; School Committee Members Debra Greifer, Frank Lombardi, Steve Stycos, Michael Traficante, Andrea Iannazzi.

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Clerk read Call of the Meeting:

**CITY OF CRANSTON
RHODE ISLAND**

SPECIAL MEETING OF THE CITY COUNCIL

In Accordance with the Home Rule Charter and Section 3.07 and Section 2.04.060 of the City Code thereof, I hereby call a special meeting of the City Council to be held on

Tuesday, April 29, 2008 at 7:00 p.m.
Western Hills Middle School Auditorium
400 Phenix Ave.
Cranston, RI 02920

The following items of business shall be transacted:

Presentation by School Committee regarding potential Caruolo Action

And I hereby request the City Clerk to notify all Council members of the Call of the special meeting.

Executed at Cranston, Rhode Island, this 21st day of April, 2008.

/s/ Aram G. Garabedian, Council President

Individuals requesting interpreter services for the hearing-impaired must notify the Office of the City Clerk at 461-1000 Ext. 3197 seventy-two (72) hours in advance of the hearing date."

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CERTIFICATION

I hereby certify that a true copy of the attached Call of a special meeting of the City Council to be held on Tuesday, April 29, 2008 at 7:00 P.M. in the Western Hills Middle School Auditorium, 400 Phenix Ave., Cranston, R.I. was delivered via electronic mail on the 21st day of April, 2008 and regular mail, postage prepaid to the addresses listed below.

Council President Aram G. Garabedian
173 Belvedere Dr.
Cranston, RI 02920
Aram@blissproperties.net

Council Member Maria A. Bucci
301 Wilbur Ave.
Cranston, RI 02921
MarBC4@aol.com

Councilman Terence Livingston
28 Tucker Ave.
Cranston, RI 02905
Terry@livingstonlaw.us

Councilman Jeffrey P. Barone
16 Samuel Court
Cranston, RI
Jeffreyb22@cox.net

Councilwoman Paula B. McFarland
100 Pomham St.
Cranston, RI 02910
p_mcfarland@verizon.net

Councilman John E. Lanni, Jr.
111 Woodview Dr.
Cranston, RI 02920
john.lanni@yahoo.com

Councilman Anthony J. Lupino
15 Black Oak Court
Cranston, RI 02921
tlupino@cox.net

Councilman Emilio L. Navarro
61 Autumn St.
Cranston, RI 02910
Navarro_emilio@hotmail.com

Councilman Richard Santamaria
20 Burr St.
Cranston, RI 02920
Ritatj10@yahoo.com

/s/ Rosalba Zanni, Assistant City Clerk

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Council President stated that the purpose of this meeting is to allow the School Committee to make a presentation regarding the Caruolo Action. He indicated that this is his first dealing with a Caruolo Action and he addressed Section 11.01 of the Charter.

Councilman Lupino referred to the letter he received on April 17, 2008 from the School Department enclosed with a copy of the Caruolo Action. This letter refers to Exhibits, which he has not seen. This letter was also sent to the Mayor and Council President Garabedian and copied to the Council members.

Council President Garabedian asked what the law requires and what the process is and if the City and State laws are followed during the course of the year and before making any transfers if the School Department obtains approval from the Finance Director.

Mr. Balducci stated that in last year's budget, the School Department requested approximately \$129 million and received \$126 million. He looked at what needed to be made on the School Department side and then hired a firm. They identified some adjustments in areas that could be made that would make the School Department in compliance with the \$126 million. Council President Garabedian asked if during that time, a vote was taken to use the health budget account to be used for the budget. Mr. Balducci stated, yes, that was one of the areas that they looked at.

Council President Garabedian asked if they followed the Charter requirements during the course of the year. Mr. Balducci stated that he does not recall going through that procedure.

School Committee Member Lombardi addressed Councilman Lupino's question regarding the Exhibits stated in the letter he referred to and stated that those Exhibits are attached to the actual Caruolo complaint. Mr. Lombardi made a presentation and stated that the purpose of this meeting is to ask the City for an additional appropriation of approximately \$4.9 million for the Schools. The School Department hired the firm of Thomas Sweeney and Walter Edge to review the budget.

Thomas Sweeney of B & E Consultants, appeared to speak and stated that their job was to look at the budget for 2007-2008 and determine what is required by law and contract.

Council President Garabedian asked Mr. Sweeney how much time he spent on this analysis and how much he has been paid up to this point in services. Mr. Sweeney stated that he does not have this information at this time.

Councilman Navarro asked when Mr. Sweeney was hired. Mr. Sweeney stated he believes it was sometime in May of last year, after the budget was completed. Councilman Navarro asked how much time was put into this analysis. Mr. Sweeney stated that the School Administration can provide this information. Councilman Navarro asked Mr. Sweeney how many districts his firm has done analysis for. Mr. Sweeney stated that this year, he has done four, none have gone to Caruolo yet. Those districts are East Providence, Pawtucket, West Warwick and Cranston.

Councilman Santamaria asked if the firm looked at getting creative in the areas of Assistant Principals, since we have nine Assistant Principals. Mr. Sweeney stated that this year, nothing can be done because they are all under contract, but there is discussion that this could be looked at next year.

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Councilman Lanni asked Mr. Sweeney if, as far as teachers, he found any overstaffing in this analysis. Mr. Sweeney stated, no, he did not. They did not only look at teachers, but they also looked at non-certified staff and have made some recommendations.

Councilman Barone indicated that 85% of the School budget goes to salary. He asked if the School Committee and the District have been advised on how to handle upcoming contracts, whether they should be one year contract. Mr. Sweeney stated that that is going beyond their scope of their work. In this analysis, he was not asked to do that. He cannot make recommendations to a contract.

Councilman Barone asked Mr. Sweeney if he would make recommendations of how to eliminate future Caruolo action. Mr. Sweeney stated that this is a different issue, this is a program audit procedure.

Mayor Napolitano stated that under State mandate 5.25%, last year the School Department was appropriated \$85,213,000. He believes that is in excess of the 5.25% and asked if this is correct. Mr. Sweeney stated that this is a legal question and is not qualified to answer this question.

Mayor Napolitano stated that he did speak to the Auditor General and was advised that in reference to the figure of \$85 million that was appropriated to the Schools, it could not be more than 5.25%. What he is being told is the schools are not in compliance with the State mandate. He would like this discussed between himself and the schools.

Ben Scungio, Esq., representing the School Department, stated that outside of the jurisdiction of the Superior Court, they would be subject to the 5.25%, however, if the Caruolo action moves forward, the Judge is not bound to the 5.25%.

Council President Garabedian asked how many members are in the Teachers Alliance. Mr. Sweeney stated, 998.

Councilman Lanni stated that there are approximately 10,000 students in the school system and approximately 1000 teachers, that is 1 teacher for every 10 students. This does not seem efficient. Mr. Sweeney stated that there are teachers who do not teach, they are staff, such as nurses, and music and art staff.

Walter Edge of B & E Consultant, appeared to speak and gave a power point presentation of various line items in the school budget.

Councilman Lupino asked if an analysis was done of asset protection or lack of asset protection money. Mr. Edge stated, no, because they are only interested in what is going to happen in FY 2008. This should be addressed in Program Audit, should you have one done.

Councilman Barone stated that this budget was passed in May of 2007. He asked why it took all this time to file a Caruolo. Attorney Scungio stated that the schools have an obligation to run the budget and make sure the numbers are accurate and they wanted to make sure they went through every single process.

Mr. Woerner indicated that the work that Edge and Sweeney have done was based on the actions taken by the School Committee. They have been predicting a deficit since the budget was adopted last year. There could have been changes done that could have saved money.

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Councilman Navarro stated that there was a letter sent to Superintendent Scherza regarding waivers under the Caruolo Act. He asked if Attorney Scungio was involved at all in asking for these waivers. Ronald Cascione, Esq., appeared to represent the School Department, and asked that Mr. Sweeney address this question, since he was the author of those waivers. Mr. Sweeney stated that even though he has authored a number of requests, he indicated that the Department of Education has never granted any waivers to any districts. The City of Providence was granted a waiver in regards to class sizes.

Councilman Lanni asked if the Judge would look at these waiver requests if we went to Caruolo. Mr. Sweeney stated that that is a legal question. Whether the Judge looks at these requests or not, that is up to the Judge. Councilman Lanni asked if a Judge has ever overruled the Department of Education's denial of waivers. Mr. Sweeney stated, no.

Council President Garabedian asked what the reduction was in Personnel in the 2007-08 Budget. Mr. Votto stated that this budget was predicated on 22 employees through layoffs, of which, 9 certified teachers, 1 certified administrator, 12 non-certified employees, consisting of custodians and secretaries. Mr. Votto stated that during the past year, every measure that could save money was instituted.

Council President Garabedian asked what the co-share is on health coverage. Mr. Votto stated that in this budget year, the Administrators are paying 10% and next year they would be paying 20%; non-certified employees (bus drivers, custodians, secretaries, teacher assistants and technical assistants) are paying 3%.

Council President Garabedian asked what concessions the unions have made for this upcoming year. Mr. Votto stated that since we are in Caruolo and since this issue was addressed in Executive Session, he cannot speak regarding this.

Councilman Lanni asked how many personnel members pay 3% co-share. Mr. Votto stated approximately 500 employees. Approximately 100 employees are paying 10% this year and will be paying 20% next year.

Councilman Barone asked if the School Department has a buyback program for health coverage. Mr. Votto stated that only two of the bargaining units (bus drivers, secretaries and teacher assistants) have the buyback program. The formula is 40% of what the coverage cost was 2004-05. Mr. Balducci stated that it costs the School Department \$510,000 a year in buyback.

Councilman Lanni asked the School Department how they would adjust their budget to reflect reality, if we go to Caruolo and they lose. Mr. Balducci stated to the Council that the budget they see before them this evening is reality. Councilman Lanni asked what adjustments would have to be made to live within the budget. Mr. Balducci stated that there is nothing that the School Department can do in the next 60 days to live within the budget. Several steps have been taken to achieve savings.

Councilman Santamaria asked, normally, how long a Caruolo Action would take. Attorney Scungio stated that, hopefully, within sixty days if we file right away. It would depend on the Judges and how busy they are.

Council Vice-President McFarland stated that there are policy changes that need to be made on both the City side and the School side and during this past year, she does not think that has been done.

Mr. Lombardi made concluding remarks.

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On motion by Council Vice-President McFarland, seconded by Councilman Barone, it was voted to go into Executive Session pursuant to RIGL 42-46-5(a)(2). Motion passed on a vote of 7-0. The following being recorded as voting "aye": Councilmen Lanni, Lupino, Navarro, Santamaria, Barone, Council Vice-President McFarland and Council President Garabedian -7.

The meeting went into Executive Session at 10:15 P.M.

Present in Executive Session: Councilmen Lanni, Lupino, Navarro, Santamaria, Barone, Council Vice-President McFarland and Council President Garabedian; Ernest Carlucci, Director of Administration; Frank Migliorelli, Deputy Director of Administration; Vito Sciolto, City Solicitor; Corsino Delgado, Director of Finance; Steve Woerner, City Council Internal Auditor.

The meeting came out of Executive Session at 11:00 P.M.

On motion by Council Vice-President McFarland, seconded by Councilman Barone, it was voted to come out of Executive Session. Motion passed on a vote of 7-0. The following being recorded as voting "aye": Councilmen Lanni, Lupino, Navarro, Santamaria, Barone, Council Vice-President McFarland and Council President Garabedian -7.

On motion by Council Vice-President McFarland, seconded by Councilman Barone, it was voted to seal the minutes of Executive Session. Motion passed on a vote of 7-0. The following being recorded as voting "aye": Councilmen Lanni, Lupino, Navarro, Santamaria, Barone, Council Vice-President McFarland and Council President Garabedian -7.

On motion by Council Vice-President McFarland, seconded by Councilman Navarro, it was voted to hold a Special City Council meeting on Saturday, May 3, 2008 at 8:30 A.M. in the Council Chambers, City Hall, to address the issue of the pending Caruolo Action by the School Department. Motion passed on a vote of 7-0. The following being recorded as voting "aye": Councilmen Lanni, Lupino, Navarro, Santamaria, Barone, Council Vice-President McFarland and Council President Garabedian -7.

The meeting adjourned at 11:05 P.M.

Rosalba Zanni
Assistant City Clerk/Clerk of Committee

(See Stenographic Notes of Tracey Shepard, Stenotypist)