

SPECIAL FINANCE COMMITTEE
(BUDGET HEARINGS)

Special meeting of the Finance Committee was held on Monday, April 3, 2008 in the Council Chambers, City Hall, 869 Park Ave., Cranston, Rhode Island.

The meeting was called to order at 7:05 P.M. by the Chair.

Present: Councilman Terence Livingston, Chair
Council Vice-President Paula McFarland, Vice-Chair
Councilman Jeffrey P. Barone
Councilman Emilio L. Navarro
Councilman Anthony J. Lupino
Council President Aram G. Garabedian

Also Present: Councilman Richard D. Santamaria, Jr.
Councilman John E. Lanni, Jr.
Ernest Carlucci, Director of Administration
Frank Migliorelli, Deputy Director of Administration
Vito Sciolto, City Solicitor
Corsino Delgado, Director of Finance
Mike Igoe, City Controller
Steve Woerner, City Council Internal Auditor
Maria Medeiros Wall, City Clerk
Rosalba Zanni, Assistant City Clerk/Clerk of Committees
Ron Ronzio, Stenographer

Chair asked if there are any members of the public who would like to speak regarding the budget.

Public Speakers:

Steve Labrie, 1740 Plainfield Pike, appeared to represent the Teamsters Union. He stated that he is very concerned about what has happened in the Budget presented by the Mayor. When he met with the Mayor, he was assured that cuts would be made across the board. This budget, as proposed, only effects the Teamsters Union. When former Mayor Laffey was in office, he never terminated or layed off people. He found other ways to balance the budget. Mr. Labrie stated that he has another meeting scheduled with the Mayor for Tuesday and, if needed, he will file an unfair labor practice. He stated that in the Personnel Department, there was a union position and the Mayor terminated that position and created an Administrative position.

Paul Gibbs, 90 Orchard St., appeared to speak and asked for a copy of the budget. The City Clerk provided Mr. Gibbs with a copy.

PERSONNEL DEPARTMENT

Susan Bello, Director of Personnel, appeared to speak and explained what the proposed changes in this department's budget are and how they will effect the operation of this department.

Council Vice-President McFarland stated that in going through this department's budget and the new position created, the numbers do not match up. All the positions in the City need to be classified and tested and this new position is not. She asked for a legal clarification of whether the Council should go by a summary or the detailed budget.

Councilman Navarro asked Ms. Bello if these changes will benefit the department or not. Ms. Bello stated that in one case, it will benefit the department and the other, it will not. Downgrading the "Personnel Analyst" position would be a detriment to the department. The changing of the clerical position, would be beneficial to the department.

Council Vice-President McFarland suggested instead of having an Administrative "Personnel Analyst", we use the funds on technology and updating the website for this department. Ms. Bello stated that this department already utilizes the website. Applications are posted and accepted online. Council Vice-President McFarland asked where the job descriptions for the positions that are being changed are in the budget. Ms. Bello stated that she feels the Administration needs to formulate, through Personnel, these job descriptions, which the Administration suggested these changes. Council Vice-President McFarland asked that those descriptions be forwarded to the Council in order for the Council to properly address the budget.

Councilman Barone asked Ms. Bello if she thinks this department will be able to run effectively with one less person. Ms. Bello stated, no. Her concern is if she becomes incapacitated or is on vacation, there would be no one to take over the administrative duties in her absence. Other departments have a second in command and this department would not. Councilman Barone stated that he will support the Mayor's proposal for this department based on the fact the way these positions were created. The current "Personnel Analyst", who Ms. Topakian holds this title, is fairly a new position. Ms. Topakian, as Personnel Director in the past, ran this department fine.

Councilman Lanni stated that Ms. Topakian can work 75 days a year and will be able to cover the vacations or sick days that Ms. Bello would take.

ECONOMIC DEVELOPMENT

Paula Watt, Director of Economic Development, appeared to speak. She stated that as to the major projects in the City, with the aid of the Tax Assessor, the possibility of completion dates and where the projects are located, can be provided to the Council.

Council Vice-President McFarland questioned the \$100,000 under Federal Grants. Mr. Carlucci stated that this is in the budget under the "Revenue" section of this department which offsets the \$100,000.

Council Vice-President McFarland addressed the Gibbs College leaving the City after they were given a Tax Incentive. She stated that she has asked the Solicitor to review the Ordinance regarding Tax Incentives and possibly the Council should amend it to stated that if a company is not performing, the Tax Incentive be stopped. Ms. Watt stated that she has been in contact with the President of Gibbs and the property owner, Paolino Properties, in terms of any potential new tenants for the building. She will be looking at tax incentives in other cities and towns and come back to the Council with some suggestions. Her department has sent out letters to companies in the City that receive tax incentives and what their anticipated job growth was at the time they received the Tax Incentive and where they are now.

Council Vice-President McFarland addressed the question of which budget to go by, whether the detailed or the summary and she stated that the Finance Director has advised her to go by the detailed budget.

INFORMATION TECHNOLOGY

Bill Aguiar, Information Technology Manager, appeared to speak. Discussion took place regarding the current financial computer system. Mr. Aguiar stated that looking at a new system would be very expensive, which the City cannot afford it.

INSURANCE & RISK MANAGEMENT

Anna Marino, Claims Examiner, appeared to speak.

Councilman Lupino stated that one thing the Claims Committee does not receive is an accounting of the finances, periodically. Ms. Marino stated that she can provide this information. Councilman Lupino asked for clarification of why some claims are referred to the Solicitor's Office for his action and some are referred to the Claims Committee. He gave as an example, the Providence Water claim. Ms. Sciolto stated that, per the Code, claims against the City are to go to the Claims Committee. Councilman Lupino stated that Ms. Marino would be able to provide the Council with an accounting of all claims that go through the Claims Committee. He questioned what about the other claims. Mr. Sciolto stated that the Solicitor's Office should be able to also give the accounting of any other Claims settled.

Council Vice-President McFarland stated that if the City is looking at privatizing the claims side, going out to bid on the Beacon side should also be looked at.

LAW DEPARTMENT

Vito Sciolto, City Solicitor, appeared to speak.

Council President Garabedian asked for an analysis of what we are spending in legal fees and what it would be if we had a full-time Solicitor.

Council Vice-President McFarland asked what is the actual to date expenses out of the #54103 "Administrative Expense" account. Mr. Woerner stated, \$10,653. Council Vice-President McFarland asked where we are going to show the allocations for the judgment bonds. Mr. Delgado stated that they will show as revenues. Council Vice-President McFarland asked if the reduction in "Outside Legal Services" is realistic. Mr. Sciolto stated that based on actuals, it is realistic.

TREASURY AND TAX COLLECTIONS

Donald Gray, City Treasurer, appeared to speak.

Councilman Lupino questioned the proposed “Universal Business Licenses” and asked who would oversee this. Mr. Gray stated that, currently, there is no avenue for going after tangible taxes for businesses. This would require every business in the City to have a license.

Councilman Lanni stated that he thinks this is a great idea because recently, Mr. Gray provided the Council with a list of businesses that went bankrupt who owed the City money. This would ensure that the City would get the money owed before going bankrupt.

Council Vice-President McFarland stated that this idea is very creative of Mr. Gray and his staff’s part.

Councilman Navarro addressed “Revenue, Legal Fees” of \$20,000, less in projected revenue. He asked for an explanation. Mr. Gray stated that this is for fee for tax sales and for duplicate bills.

Councilman Santamaria asked Mr. Gray what other cities and towns have a business license. Mr. Gray indicated that Scituate just recently passed an Ordinance and Johnston currently requires business licenses.

FINANCE DEPARTMENT

Corsino Delgado, Director of Finance, appeared to speak.

Councilman Barone indicated reduction in interest income under revenue in the amount of \$250,000; prior year, there was \$1 million decrease. He asked for explanation. Mr. Delgado stated that interest rates keep going down and we are being conservative.

Council President Garabedian asked how many people are expected to be layed off and is \$50,000 enough to cover the cost of unemployment compensation. Mr. Delgado stated that six people are expected to be layed off. We are hopeful that some of the people will find employment and the \$50,000 will be enough. Council President Garabedian asked how much we are funding the pension liability. Mr. Delgado stated that this year we are funding the pension at 97%.

EXECUTIVE

Ernest Carlucci, Director of Administration, appeared to speak.

Councilman Barone asked why the Administration has not implemented furlough program for the department heads to cut costs and maybe rank and file would follow. Mr. Carlucci stated that at this time, there is no furlough program in the budget because that would be a negotiated item, however, everything is on the table. The Administration would not expect rank and file to take furlough days without Administrators also participating.

CONTRACT AND PURCHASE

Mark Marchesi, Purchasing Agent, appeared to speak.

Councilman Lupino asked Mr. Marchesi if the City is still working with the School Department in consolidating services in joint purchasing. Mr. Marchesi stated, yes. The two entities participate jointly in such items as purchasing office supplies, state contracts, trash contract.

ASSESSMENT

Frank Smith, City Assessor, appeared to speak.

Councilman Lupino addressed Mr. Smith's answer to question number 13 of the questionnaire that was sent to all the departments by the Chair of the Finance Committee. Mr. Smith stated that at this time, the Building Inspections records are not on the website or online. They do not have the same software as the Assessor's Office.

Mr. Carlucci stated that we were trying to get a new financial system for this year, but because of lack of funding, we were not able to. Councilman Lupino questioned why this cannot be done with Capital Budget funds. Mr. Carlucci stated that computers are not long-term items and felt it was not a Capital Budget item.

ACCOUNTS & CONTROL

Mike Igoe, City Controller, appeared to speak.

No questions were asked of Mr. Igoe.

CITY COUNCIL

Steve Woerner, City Council Internal Auditor, appeared to speak.

No questions were asked of Mr. Woerner.

The meeting adjourned at 9:00 P.M.

Respectfully submitted,

Rosalba Zanni
Assistant City Clerk/Clerk of Committees