

SPECIAL MEETING – CITY COUNCIL

-DECEMBER 28, 2005-

Special meeting of the City Council was held on Wednesday, December 28, 2005 in the Council Chambers, City Hall, Cranston, Rhode Island.

The meeting was called to order at 7:00 P.M. by the Council President.

Roll Call showed the following members present: Councilmen Pisaturo, Fung, Livingston, Council Member Fogarty, Councilmen Lanni, Barone, Council Vice-President McFarland and Council President Garabedian –8.

Absent: Council Member Bucci -1.

Also Present: Mayor Stephen Laffey; Robin Muksian-Schutt, Deputy Director of Administration; Jerome Baron, Director of Finance; Michael Glucksman, City Solicitor; Mike Igoe, City Controller.

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Clerk read Call of the Meeting:

**CITY OF CRANSTON
RHODE ISLAND**

**NOTICE OF SPECIAL MEETING
OF THE CITY COUNCIL**

In Accordance with Section 3.07 of the Home Rule Charter, I hereby call a special meeting of the City Council to be held on Wednesday, December 28, 2005 at 7:00 P.M. (or Thursday, December 29, 2005 at 7:00 P.M. if necessary due to snow), in the City Council Chambers, third floor, City Hall, Cranston, RI 02910 at which meeting the following items of business shall be transacted:

- City Audit by Prescott, Chatellier, Fontaine & Wilkinson for the Fiscal Year ending June 30, 2005
- Proposed Amendment to Council Rule 34C

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 20th day of December, 2005.

/s/ Aram g. Garabedian, Council President

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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 Wednesday, December 28, 2005 at 7:00 P.M. in the Council Chambers, third floor, City Hall, Cranston, R.I. was delivered via electronic mail on the 20th day of December, 2005 and regular mail, postage prepaid to the addresses listed below.

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

Council Member Maria A. Bucci
21 Red Hawk Dr.
Cranston, RI 02921
MarBC4@aol.com

Council Member Cynthia M. Fogarty
60 Ausdale Rd.
Cranston, RI 02910
Fogarty1@msn.com

Councilman Allan W. Fung
252F Mayfield Ave.
Cranston, RI 02920
alfung@cox.net

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

Councilman Jeffrey P. Barone
16 Samuel Court
Cranston, RI 02920
Jeffreyb22@cox.net

Councilwoman Paula McFarland
100 Pomham St.
Cranston, RI 02910
pmcfarland@prodigy.net

Councilman Michael S. Pisaturo
506 Laurel Hill Ave.
Cranston, RI 02920
michaelpisaturo@cox.net

Councilman John E. Lanni, Jr.
111 Woodview Dr.
Cranston, RI 02920
jlanni@peterpanbus.com

/s/ Rosalba Zanni, Assistant City Clerk

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“CITY AUDIT FOR FISCAL YEAR ENDING JUNE 30, 2005”

Council President Garabedian asked if anyone from the public wished to speak regarding the Audit. No one appeared to speak from the public.

Councilman Livingston noted that his first name is spelled incorrectly on the draft of the Audit that he received. Council President Garabedian asked that prior to the final draft of the Audit being printed, it be reviewed for any other errors in the names of the Council members.

Jim Prescott of Prescott, Chatellier, Fontaine & Wilkinson, appeared to give a presentation regarding the City Audit and presented a colored outline which he referred to during the presentation. He also referred to the financial documents that the Council members were provided with during the last week. He stated that there are some minor changes, but essentially, the final document is the same as the one that the Council has reviewed. He stated that the General Fund bottom line shows a surplus of \$3.5 million. The City's revenues exceeded the Budget by \$2.1 million, which consisted of approximately \$1 million in property taxes collected that were higher than what was budgeted and investment income, licenses and departmental and other revenue sources of \$1.1 million more than budgeted. Part of the surplus is coming from surplus and revenues. The tax collection percentages in Cranston has always been pretty good and again, the City is over 98% of the current levy on taxes, which is an excellent collection rate and most cities and towns can't say that. On the expenditure side, total expenditure is \$2.5 million. Just three functional areas in the budget exceeded their expenditures. Those would be the Law Department, because of an accrual of claims, Fire Department over approximately \$100,000 and Public Works Department over approximately \$72,000. All the others reported surpluses. The Enterprise Fund, which is the Sewer Fund, had an operating income of \$1.1 million, non-operating income of \$1 million, for total surplus of \$2.1 million and net assets of \$33 million consisting of a lot of fixed capital assets.

Council Member Fogarty asked if the changes are highlighted in the document provided at this meeting. Mr. Prescott stated, no, but his associate, Debbie Mitchell, will go over them later on during this meeting.

Debbie Mitchell appeared to speak and stated what the changes are:

- Page 26, 'other finances sources and uses cost of issuance of \$2.4 million', which has been moved up under 'debt service, interest and other sources'.
- Pg. 23, under 'capital grants and contribution', there was no amount in the first draft, and this has been moved to 'capital grants \$342,000 for homeland security and \$836,000 for sewer'

Council President Garabedian asked when the management letter had been received. The City Clerk stated that the management letter was sent out electronically to all the Council members the same afternoon that she received it.

Mr. Prescott spoke regarding the fund balance statements. He stated that on page 24, in the General Fund, you now have undesignated fund balance of \$19,599,000. Council President Garabedian asked what the authority is of setting up these separate funds and why it is not in one reserve fund. Mr. Prescott stated that the real number is what is in the General Fund. Most of the other funds are associated with specific programs and if those funds are not used, they evaporate. It also depends on how the fund is set up.

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Ms. Mitchell continued to address the changes

- Pages 76-84 – all the funds are listed

Council President Garabedian stated that the Charter states that any monies left in a fund is to go back into the General Fund at the end of the fiscal year.

Mr. Baron stated that there are a number of funds that have appropriations.

Council Vice-President McFarland addressed page 24 ‘reserve fund-undesignated’ and asked why it is undesignated. Mr. Prescott stated that you could, as a Council, designate it in the same way as the School Department did. Undesignated fund balance represents approximately 9 ½ % of your operating budget, which is considered pretty healthy.

Council Vice-President McFarland stated that the Fire Pension Study was done recently and is posted on the City’s website and she questioned why the Council did not receive a copy of this. She also questioned when the unfunded healthcare study, which was to be done on an annual basis, is going to be completed. Ms. Mitchell stated that for FY 2008, this will be required, but it would be a good idea to start the process.

Mayor Laffey appeared to speak and thanked the City Council for the last three years for accepting what were very conservative budgets, which were necessary to take the City out of the hole to be where it is today. He pointed out that in the past, for years, the Audits were not done on time and since he has been Mayor, the Audit has been done every year on time and he thanked Mr. Baron, Mr. Igoe and the Finance Department.

Council Member Fogarty stated that there is another group that does a bit of work that involves the Audit and that is the Audit Committee, and she as the Audit Committee Chair and Finance Committee Chair, thanked Mr. Prescott and Ms. Mitchell who have kept the Committee up to date. Councilman Barone also serves on this board and they receive great support from Mr. Igoe and Mr. Baron and there are three members of the public who serve on this Committee, one who is present this evening, Mr. D’Ambrosio, and the other two being Mr. Fradin and Attorney Baute. They meet monthly and go through a lot of work.

Councilman Fung addressed Page 50 ‘debt maturity’ and asked why there is a substantial drop in the General Obligation Debt in the last five years. Ms. Mitchell stated that this is because they are maturing and Page 51 shows the actual maturity date.

On motion by Councilman Fung, seconded by Councilman Barone, it was voted to accept the Audit with the amendments and corrections noted. Motion passed on a vote of 8-0. The following being recorded as voting “aye”: Councilmen Pisaturo, Fund, Livingston, Council Member Fogarty, Councilmen Lanni, Barone, Council Vice-President McFarland and Council President Garabedian -8.

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“PROPOSED AMENDMENT TO COUNCIL RULE 34C”

On motion by Councilman Fung, seconded by Councilman Barone, it was voted to delete Council Rule 34C.

Under Discussion:

Councilman Fung asked that the Council reconsider the motion taken at the Rules Committee meeting, which failed on a tie vote, to delete this Rule. The reason he made this motion was, with the other amendments made to the Rules, the Ordinances will now go before one sub-committee rather than all Ordinances going before the Ordinance Committee as it was before. By deleting this Rule, the full Council members can vote on a matter, where if a member does not sit on a certain committee, he can't vote on an Ordinance even though he can speak.

Councilman Livingston stated that by making an Ordinance go before one committee, we would be streamlining the process. If an Ordinance is tabled in a committee, you could still get a majority to bring it up and have a full debate.

Councilman Pisaturo stated that there is more than ample opportunity for any Council member to ask questions or voice their approval or disapproval regarding an Ordinance or the Council member can voice their opinion under “Council Member Communications” or voice their opinion on an Ordinance by a majority vote.

Councilman Barone stated that even though a member of the Council is allowed to speak on an issue, if the Council member is not a member of that Committee that hears the Ordinance, that Council member is not given the opportunity to vote on it. He also stated that he was elected to represent his residents in his Ward and if he can't vote on an issue, then he would feel like he did not represent his residents.

Councilman Fung stated that by not eliminating this Rule, you would be inconsistent with the Charter. He questioned how you would get around the Charter. Council President Garabedian quoted Section 3.06.

Roll call was taken on motion to delete Council Rule 34C and motion failed on a vote of 3-5. The following being recorded as voting “aye”: Councilmen Fung, Barone and Council Vice-President McFarland -3. The following being recorded as voting “nay”: Councilmen Pisaturo, Livingston, Council Member Fogarty, Councilman Lanni and Council President Garabedian -5.

The meeting adjourned at 9:00 P.M.

Rosalba Zanni
Assistant City Clerk/Clerk of Committees

Maria Medeiros Wall
City Clerk