

(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, December 9, 2010 in the Council Chambers, City Hall, Cranston, Rhode Island.

CALL MEETING TO ORDER:

The meeting was called to order at 6:55 P.M. by the Chair.

Present: Councilman Emilio L. Navarro, Chair
Councilman Mario Aceto, Vice-Chair
Councilman Paul H. Archetto
Councilman Anthony J. Lupino
Council Vice-President Terence Livingston
Council President John E. Lanni, Jr.

Also Present: Councilman Robert J. Pelletier
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
Mike Igoe, City Controller
Steve Woerner, 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 Archetto, seconded by Council Vice-President Livingston, 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 HEARING/NEW BUSINESS:

Public Speakers:

Valerie Schuele, 27 Farm St., appeared to speak and opposed to proposed Ordinance 11-10-1. She stated that she does not care what the City Council members get paid in Warwick, Providence or East Greenwich, this is Cranston, RI and she cares very much for Cranston. This is not the time for raises. She pays a lot of taxes in the City and people are losing their homes.

Suzanne Arena appeared to oppose to proposed Ordinance 11-10-1 and stated that her two children attend Glen Hills School and all the schools are hurting with funding and making cuts. Increasing the Council's salary is unjustified and a lot of people she has spoken to feel this way. She asked that the Council look at more ways to make money, this is part of the solution.

Jim Quinlan, 55 Angell Ave., appeared to oppose to proposed Ordinance 11-10-1 and stated that the Council has asked City employees to take pay freezes and pay cuts. What message will it be sending them if this Ordinance is passed.

Domenic Fusco appeared to oppose to proposed Ordinance 11-10-1 and stated that timing is not right. It gives the wrong message.

Resident of 60 Vale Ave. member of the Cranston Tea Party, appeared to oppose to proposed Ordinance 11-10-1 and stated that this is unjustified.

Diana Gordon, 364 Pontiac Ave., appeared to oppose to proposed Ordinance 11-10-1 and stated that she is not disputing the fact that the Council does not deserve a raise, but this is not the right time, especially when the Administration has taken pay cuts.

Ilene Grossman appeared to oppose to proposed Ordinance 11-10-1 and stated that this is not the right time, even though she feels the Council deserves it.

Deloris Issler, 108 Eldridge St., appeared to speak and opposed to proposed Ordinance 11-10-1 and stated that the right time is when property taxes are at 12% and car taxes are abated retro and pensions are funded completely. This is something that should go to the voters, this is wrong.

Janice Ruggieri, School Committee Member, appeared to speak and questioned where this raise would come from in the budget. Chair indicated that this will be discussed at the appropriate time.

Real Estate and Tangible Tax Abatements

On motion by Councilman Lupino, seconded by Council Vice-President Livingston, it was voted to recommend approval of this list of Tax Abatements. Motion passed unanimously.

Motor Vehicle Tax Abatements

On motion by Councilman Aceto, seconded by Council Vice-President Livingston, it was voted to recommend approval of this list of Tax Abatements.

Under Discussion:

Chair asked for clarification for the \$15,100 in 2010. Mr. Strom stated that this company is entitled to an exemption and this company had a change in personnel and form was not submitted in time to the City. In the past, this company did get this exemption.

Motion passed unanimously.

***Tax Assessment Board of Review Decisions due to Taxes Assessed December 31, 2009
(informational only)***

No action needed.

Tax Interest Waiver Approvals

On motion by Councilman Aceto, seconded by Council Vice-President Livingston, it was voted to recommend approval of this list of approved Tax Interest Waivers. Motion passed unanimously.

Partial Approval of Tax Interest Waiver for Park Ave. Limited Partnership

On motion by Council Vice-President Livingston, seconded by Council President Lanni, it was voted to recommend approval of this partial approval of Tax Interest Waiver. Motion passed on a vote of 3-2. The following being recorded as voting "aye": Councilmen Navarro, Archetto and Council President Lanni -3. The following being recorded as voting "nay": Councilmen Aceto and Lupino -2.

Partial Denial of Tax Interest Waiver for Park Ave. Limited Partnership

On motion by Councilman Lupino, seconded by Councilman Archetto, it was voted to recommend approval of this partial denial of Tax Interest Waiver. Motion passed unanimously.

Annual Financial Audit Report for FY 2009/2010

Councilman Aceto asked if Management Letter will be ready for the December Council meeting. Mr. Woerner stated that it will not be ready for the December Council meeting, it may be ready for the January meeting.

Mr. Woerner stated that total fund balance is approximately \$21 million. Total School Fund is \$6.5 million; unreserved is \$8.1 million; School unreserved fund balance is approximately \$9 million; General Fund surplus prior to Caruolo adjustments is \$927,000, after Caruolo adjustments is minus \$2.6 million for the year. There seems to be \$1.5 million discrepancy in the Rescue Fund.

On motion by Council Vice-President Livingston, seconded by Councilman Archetto, it was voted to recommend approval of the Annual Financial Audit. Motion passed unanimously.

FEMA Funds Received. Report from consulting firm

Mr. Cordy stated that data he will give is classified public assistance. To date, there are \$1,017,000 to date in claims to FEMA; to date, we have approved \$784,000 of those claims; to date, we have received \$458,000. The money is slowly trickling in.

Chair asked how the \$458,000 will be accounted for in the budget. Mr. Strom stated that those funds went to Revenue as an offset to the Expenditures that occurred and that is reflected in the Audit.

Administration report on FEMA consulting firm

Mr. Cordy stated that to date, the firm has billed the City \$98,500 and of that, we have paid \$88,000.

Councilman Aceto asked what the name of the firm is. Mr. Cordy stated, Maguire Engineering.

11-10-1 Ordinance in amendment of Title 2, Chapter 04 of the Code of the City of Cranston, 2005, entitled "Mayor and City Council" (Salary of Council Members).

Council Vice-President Livingston motioned to amend the effective date on the Ordinance to January 7, 2013. Councilman Archetto seconded the motion.

Under Discussion:

Councilman Archetto clarified that with this amendment, this Council will not be in office.

Roll call was taken on the amendment and motion passed on a vote of 5-1. The following being recorded as voting “aye”: Councilmen Navarro, Archetto, Lupino, Council Vice-President Livingston and Council President Lanni -5. The following being recorded as voting “nay”: Councilman Aceto -1.

Council Vice-President compared compensation of City Council members from other cities and towns to Cranston. He stated that this is not a raise for any of the present Council members. This is a change in compensation for the person who runs in the 2013 election. As to the statement made by a speaker indicating that this is not the right time, it is never going to be a right time because there will always be people who are opposed. Compensation for the City Council has not changed in 27 years. He asked that this Council support this Ordinance.

Council President Lanni stated that this Ordinance would not affect any of the members on this Council. The City Council should receive some compensation. By the time this takes affect, it will not be 27 years, it will be 30 years without change in compensation. He pointed out that this Council does not and has not received any healthcare in 15-20 years.

Councilman Archetto stated that the City Council does not do their job for the money. They do it for the constituents. He cannot support a pay raise at this time when people are losing their homes, their jobs and cannot pay their mortgage.

Councilman Lupino asked where the funding would come from for this. Chair indicated that the budget would have to be balanced at that time.

Council Vice-President Livingston stated that if the funds are not there at that time, then this increase can't occur.

Councilman Lupino asked if there are any budget line items that have been zeroed out the last few years. City Clerk stated that any zeroed out line item is eliminated in the next fiscal budget.

Councilman Pelletier stated that the way the economy is, he cannot see giving the Council, even if it is future Councils, a raise.

Chair stated that going into next budget, there may be pay freezes, positions eliminated and the way the economy is, he cannot support this. At this time, he feels it sends the wrong message, especially to City employees.

Councilman Santamaria stated that he also can't support this at this time.

Council Vice-President Livingston motioned to recommend approval of this Ordinance as amended. Council President Lanni seconded the motion. Motion failed on a vote of 1-5. The following being recorded as voting “aye”: Council Vice-President Livingston -1. The following being recorded as voting “nay”: Councilmen Navarro, Aceto, Archetto, Lupino and Council President Lanni -5.

11-10-2 Ordinance authorizing the City to utilize Western Cranston Road Impact Fees for construction of safety improvements at the intersection of Scituate, Wayland and Phenix Avenues.

Ms. Schutt stated that she attended the State Traffic Commission meeting, where they were taking consideration of this issue and they were very supportive. The Traffic Commission voted to do an updated study. They are looking to do this in-house.

No one appeared to speak in favor or to oppose.

On motion by Council Vice-President Livingston, seconded by Council President Lanni, it was voted to recommend approval of this Ordinance. Motion passed unanimously.

Chair asked that for the next meeting the following item be placed on the agenda: Review numbers on Buck Report and update from Mr. Woerner.

The meeting adjourned at 8:25 P.M.

Respectfully submitted,

Rosalba Zanni
Assistant City Clerk/Clerk of Committees