

(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, February 17, 2011 in the Council Chambers, City Hall, Cranston, Rhode Island.

CALL MEETING TO ORDER:

The meeting was called to order at 7:05 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
Mike Igoe, City Controller
Steve Woerner, City Council Internal Auditor
Salvatore Saccoccio, City Assessor
Joseph Morris, Senior Revenue Agent
David Ventetuolo, Acting Public Works Director
Maria Medeiros Wall, City Clerk
Rosalba Zanni, Assistant City Clerk/Clerk of Committees
Meredith Mahoney, Stenographer

On motion by Council President Lupino, seconded by Councilman Donahue, it was voted to recess this meeting until after the Ordinance Committee meeting. Motion passed unanimously.

Meeting recessed at 7:05 P.M.

Meeting reconvened at 8:20 P.M.

MINUTES OF THE LAST MEETING:

On motion by Councilman Navarro, seconded by Councilman Donahue, 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:

- **Tax Interest Waiver Request** from Ida Campagnone and Robert Hambarzumyan (Referred from 1/24/2011 City Council).

Mr. Morris appeared to speak.

Councilman Stycos addressed Ms. Campagnone's request was due to a health condition but the medical documentation only indicates a chronic condition and does indicate a causal relationship to the late payment. Mr. Morris stated that he does not evaluate the supporting medical. The statements are made under penalty of perjury, and the Committee has the final determination on whether or not to approve. Mr. Morris stated that this could fall under the prevue of hardship.

Councilman Stycos addressed Mr. Hambarzumyan's request and stated that the request was made months after his death. Mr. Morris stated that the person who made the request claims he did not know that Mr. Hambarzumyan had a tax bill.

Councilman Donahue stated that last month the Finance Director stated that the interest waivers are given once. Mr. Morris stated that was correct. His office keeps records and any second requests are denied.

Councilman Navarro asked if the Tax Collector has authority to issue interest waivers without coming before the City Council. Mr. Morris stated that the Collector has authority to waive up to \$250 in interest for Real Estate only.

On motion by Councilman Donahue, seconded by Council President Lupino, it was voted to approve the Tax Interest Waiver Requests for both Ms. Campagnone and Mr. Hambarzumyan. Motion passed on a vote of 5-2. The following being recorded as voting "aye": Councilmen Donahue, Archetto, Favicchio, Council Vice-President Pelletier and Council President Lupino -5. The following being recorded as voting "nay": Councilmen Navarro and Stycos -2.

PUBLIC HEARING:

NEW BUSINESS:

1-11-04 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 Councilman Navarro, seconded by Councilman Archetto, it was voted to recommend approval of this Ordinance.

Under Discussion:

Councilman Donahue stated that he appreciates the spirit of the Ordinance, but direct mail has gone away. As to the cost, there are more creative and effective ways, such as facebook, City's website or using the Cranston Herald. This may save money.

Ms. Schutt stated that we could partner with the Schools or social media. She would be willing to work with the City Council on ideas on this.

Council President Lupino stated that a good portion of the people escrow their taxes and the bills go to the mortgage companies. Maybe adding referencing the website within the Mayor's message with the tax bills and having this information on the website or if people do not have a computer reference a phone number for people to call for this information.

Councilman Archetto stated that he thinks we could use the \$15,000 somewhere else.

Councilman Santamaria questioned why the information can't be added to the bottom of the Mayor's letter which is inserted with the tax bills. This Ordinance does not state it is a separate piece of paper. Ms. Schutt stated that there is no way the two page list of recyclables would fit in the Mayor's letter. Councilman Santamaria stated that "think green" could be added to the Mayor's letter.

Councilman Navarro stated that maybe the City can work something out with Waste Management to make a mailer out to the City to cut costs.

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

1-11-08 Ordinance authorizing the City to utilize Western Road Impact Fees for the construction of a salt barn.[\[click here to view\]](#)

On motion by Council President Lupino, seconded by Council Vice-President Pelletier, it was voted to recommend approval of this Ordinance.

Under Discussion:

Ms. Schutt stated that Western Roads Impact Fees has approximately \$182,000.

Councilman Santamaria asked if we are running into any problems and when the Salt Barn is going to be done. Mr. Ventetuolo stated that re-designing had to be done. We went to Zoning last week and received approval for variance. The cold weather has held up any progress.

Roll call was taken on motion to recommend approval of the above Ordinance and motion passed unanimously.

Resolution urging the Governor and members of the General Assembly to approve a plan to accelerate the allocation of the proposed Phase-In of the State School Funding Funds. [\[click here to view\]](#)

On motion by Council President Lupino, seconded by Council Vice-President Pelletier, it was voted to recommend approval of the above Resolution. Motion passed unanimously.

Tax Assessment Board of Review:

Solicitor Report on meeting requirements; taxpayer's appeals process; organizational structure; compliance with open meeting, postings and minutes; remuneration.

Discussion of requirements and review of Rules and procedures

Mr. Saccoccio appeared to speak and explained how this Board meets and its organizational process. He stated that this Board is appointed by the City Council and follows the Statute. There are requirements of application process, decision from the board and appeal process and notices of meetings are posted on the Secretary of State's website. He referred to RIGL 44-5-26. He also stated that applications are accepted after tax bills go out and he reviews them and renders a decision. If the taxpayer wants to appeal to the Board, they are forwarded to the Board. The Board makes decisions and gives decision to the Assessor and his office mails the decision to the taxpayer. He has conferred with the Solicitor and was advised that written minutes are to be taken and they are now complying with that requirement.

Chair questioned when it is determined crucial for additional meetings.

Councilman Navarro asked if the Board deliberates behind closed doors as Councilman Stycos stated at the last meeting. Mr. Saccoccio stated that he was not aware that this portion of the meeting was subject to Open Meetings or that the meetings had to be publicized. This will be corrected going forward.

Councilman Archetto asked if the meetings are taped. Mr. Saccoccio stated, yes the taxpayers presentation. Councilman Archetto asked, when the Board makes a decision, do they substantiate a reason for their approval or denial? Mr. Saccoccio stated they did not.

Solicitor stated that when a taxpayer appeals their valuation, the burden is on the taxpayer to prove as to why the valuation set forth by the City is not correct. It should not be the burden of the City or the Tax Assessment Board.

Councilman Santamaria stated that he thinks going forward, this Board should run their meetings similar to the Zoning Board of Review and he also feels the taxpayer should receive their decision quicker.

Rory Budlong, Chair of Tax Assessment Board of Review, appeared to speak and stated that the Board tries to give their decision in a timely manner.

Councilman Santamaria asked if decisions are given to the taxpayer the day of the meeting. Mr. Budlong stated no. The Board makes a decision and mails it to the taxpayer, otherwise, there could be confrontations at the meetings if decisions are made the day of the meeting with the taxpayer present.

Ms. Schutt stated that to give an immediate denial would give impression of an irrational decision.

Mr. Saccoccio stated that there is a meeting of the Board tomorrow and they will be discussing new guidelines for the upcoming tax bill year, such as applicants providing information to the Board in advance of the meeting so it would give the Board time to review the issue.

Councilman Stycos stated that he feels the Board is violating the people's due process rights by making decisions without the public present and addressed the number of meetings held in 2010. According to information provided by the City Council Internal Auditor, the Board met 124 times in 2010. Mr. Saccoccio stated that he does not believe this is correct and would have to check his records. Councilman Stycos stated that the City Code states that the Board can meet five times a month, unless it receives permission from the Finance Committee Chair or the Council President.

Councilman Stycos indicated to a handout provided by the Internal Auditor regarding the Board members' stipend and stated that due to the 124 meetings it held in 2010, each member owes the City money for times they met in violation of the Code. He asked if the members intend to pay the Council back. Solicitor stated that this is a serious allegation and the Board members do not need to answer this question. Mr. Budlong stated that he serves on the Board at great sacrifice to his business. This is a thankless job and the members take a lot of abuse and a lot of grief. They were not aware of the five meetings a month law until last week. These members work nights and take work home.

Ms. Schutt stated that even though this is a City Council appointed Board, she can't sit back and not address this issue. These are citizens who sit on this Board and should not be accused of what they are being accused of. If the Council wishes to change the process or compensation, they can do that.

Council President Lupino stated that he has been through the process and has gone before this board, well-prepared. This is a much more complicated process than what we would want to admit. Looking at their pay, he does not think we could find a service to do what needs to be done with this Board. As to the number of meetings, he feels it may do to the economy. As the economy has gone down, the requests for Abatements has gone up. He asked Mr. Saccoccio if he agrees. Mr. Saccoccio stated that if the economy is good, there are not that many Abatement requests. We also had a Revaluation, which took place in 2008, which added to the number of Abatement requests.

Council President Lupino stated that what Mr. Woerner's report does not reflect is how many applicants are heard by this Board.

Councilman Favicchio stated that it would be impossible to have a decision made on the spot in any of the cases because deliberations are needed. There is no right to have a decision made in front of the taxpayer.

Council President Lupino stated that as to the five meetings per month, according to the Clerk, this law goes way back. Years ago, the City was less developed. Also contributing to more and more Abatements requests is the change in how often Revaluations are done.

Councilman Santamaria stated that this is not about reputations or how the Board and the Assessor do things, it is about being more open to the public.

Councilman Stycos stated that to him, this is about the law. The Open Meetings Law needs to be followed.

Solicitor stated that as to the accusation of Councilman Stycos of Open Meetings violation, which meetings are posted, noticed, they are open to the public and they are recorded. He questioned where the Open Meetings violation is. Councilman Stycos stated that there have to be minutes, which there are not.

Chair stated that the Board will be meeting tomorrow at 2:00 p.m. to discuss the process and any Council members who wish to attend are welcomed.

Request for Authorization for additional meetings

No discussion was held.

- **Real Estate and Tangible Tax Abatements**

Mr. Saccoccio appeared to speak.

On motion by Council President Lupino, seconded by Councilman Favicchio, it was voted to recommend approval of the above Tax Abatements. Motion passed unanimously.

- **Motor Vehicle Tax Abatements**

Mr. Saccoccio appeared to speak.

On motion by Council President Lupino, seconded by Councilman Donahue, it was voted to recommend approval of the above Tax Abatements. 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 Council President Lupino, seconded by Councilman Favicchio, it was voted to recommend approval of the above list of Tax Interest Waiver Approvals.

On motion by Councilman Stycos, seconded by Councilman Archetto, it was voted to continue the above list of Tax Interest Waiver Approvals to the next meeting.

Council President Lupino withdrew his motion to approve and Councilman Favicchio withdrew his second.

On motion by Council President Lupino seconded by Council Vice-President Pelletier, it was voted to approve the above list of Tax Interest Waiver Approvals. Motion failed on a vote of 3-4. The following being recorded as voting “aye”: Councilmen Navarro, Favicchio and Council President Lupino -3. The following being recorded as voting “nay”: Councilmen Stycos, Donahue, Archetto and Council Vice-President Pelletier -4.

On motion by Council Vice-President Pelletier, seconded by Councilman Archetto, it was voted to refer the above list of Tax Interest Waiver Approvals to the full City Council without a recommendation. Motion passed unanimously.

- ***Tax Interest Waiver Denials**

On motion by Councilman Navarro, seconded by Councilman Archetto, it was voted to recommend approval of the above list of Tax Interest Waiver Denials. Motion passed unanimously.

City Council Internal Auditor, Steve Woerner Financial Report Dec. 2010 [\[click here to view\]](#)

Mr. Woerner presented a report.

Councilman Navarro asked that this report be placed on the City Council Docket.

- **Ice Rink Financials** [\[click here to view\]](#)

Chair stated that since the Finance Director is not present, this will not be discussed this evening.

Ms. Schutt stated that the financials are in the Committee’s packet.

Council President Lupino asked that Rink Management be added to next month's agenda along with Ice Rink Financials. Allegations that Management Company is entering into competitive negotiations with CLCF Hockey and he has also heard allegations that people are being pressured into buying ice time that they do not need.

Chair asked if this should be discussed in Executive Session. Council President Lupino stated that these are just allegations at this time. He asked that Rink Management attend the next meeting.

City Council videotaping Report from City Clerk on cost

City Clerk presented a letter provided by Council President Lupino and a letter from Larry Hood of Video Productions. She indicated that we could go out and contract, but it would cost money. One good way to go is if we purchased our own materials and mount it and it would be good not just for City Council meetings, but other meetings, such as the Zoning Board of Review and Probate Court. We could copy the meetings on DVD and place them online, send to the library to be made available for the public. In the interim, she has contacted Public Access and they would be willing to give us equipment, which would have to be picked up and returned the next day. There is a training session set up for February 2nd, which she and Council Vice-President Pelletier will attend. We are hoping to start taping at the February Council meeting. Other cities and towns pay volunteers. She suggested paying the person that would tape our meetings \$60 per meeting.

The meeting adjourned at 10:55 P.M.

Respectfully submitted,

Rosalba Zanni
Assistant City Clerk/Clerk of Committees