

FINANCE COMMITTEE

**Denotes requests to the Administration*

Regular meeting of the Finance Committee was held on Thursday, January 17, 2008 in the Council Chambers, City Hall, Cranston, Rhode Island.

The meeting was called to order at 6:40 P.M. by the Vice-Chair.

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

Absent: Councilman Terence Livingston, Chair

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, Finance Director
Steve Woerner, City Council Internal Auditor
Maria Medeiros Wall, City Clerk
Rosalba Zanni, Assistant City Clerk/Clerk of Committees
Meredith Mahoney, Stenographer

On motion by Councilman Lupino, seconded by Councilman Barone, 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:

New (Bubble) Ice Rink Report from Administration on agreement for revenue distribution
(Cont. 7/12/2007, 8/16/2007, 9/10/2007, 10/11/2007, 11/15/2007, 12/6/2007).

Ice Rink: Finance report from Management Company and Finance Director and Council Auditor. (Cont. 7/12/2007, 8/16/2007, 9/10/2007, 10/11/2007, 11/15/2007, 12/6/2007).

Mr. Delgado stated that there is nothing to report from the last meeting. As he indicated in the past, the City is stuck in the current agreement, which expires in June. In the last two months, the rink generated a small profit, to date they are still in the black.

Councilman Lupino asked what the current status of the retail space is. Mr. Delgado stated that he is not sure if we have a contract for that. He believes that Bennett Sports does pay rent. He does not know the specifics, but he can research it. Councilman Lupino stated that he would like to know that the terms are for the lease of the retail space.

Councilman Navarro requested a copy of the addendum to the original contract.

Mr. Migliorelli stated that the City is trying to restructure the payments to the City. He indicated that the rentals are up on the bubble rink.

**On motion by Councilman Navarro, seconded by Councilman Lupino, the Parks and Recreation Director was requested to appear at the February meeting and provide a progress report on the two rinks as well as his recommendation on renewing the contract.*

**Councilman Lupino asked that the Solicitor provide for the next meeting, what the language is in the contract in regards to how many day's notice the management company has to be given if the City does not want to renew the contract with them.*

5-07-5 Ordinance in amendment of Chapter 100 of Title 3 of the Code of the City of Cranston, 2005, entitled "Revenue and Finance" (Tax Deferment Program).
(Continued from 7/12/2007).

No action taken.

PUBLIC HEARING:

NEW BUSINESS:

Real Estate/Tangible Tax Abatements

Mr. Delgado appeared to speak.

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

Motor Vehicle Tax Abatements

Mr. Delgado appeared to speak.

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

**Tax Assessment Board of Review Decisions for taxes assessed December 31, 2006
(Informational Only)**

No action needed.

Tax Interest Waiver Denials

No one appeared to speak.

On motion by Councilman Lupino, seconded by Councilman Barone, it was voted to recommend approval of the Treasurer's report. Motion passed unanimously.

Tax Interest Waiver Approvals

No one appeared to speak.

On motion by Councilman Lupino, seconded by Councilman Barone, it was voted to recommend approval of the Treasurer's report. Motion passed unanimously.

Tax Incentive Application for FINAL GIFT PET CREMATION SERVICES, INC., 1 Daniels Way, Cranston, RI, for property located at Assessor's Plat 36-1 Lot 133.

Paula Watt, Director of Economic Development, appeared to speak and stated that the Economic Development Department supports this Tax Incentive.

Chair stated that when this application was introduced, she indicated that the application stated that business currently has 35 employees and will have 10 new employees, there is a discrepancy in this and the date on the application states 2007, which should be 2008.

Applicant stated that currently he has seven employees. At the end of March, there will be 10. By the end of the year, he will have at least 10, possibly 18 employees.

On motion by Councilman Navarro, seconded by Council President Garabedian, it was voted to recommend approval of this Tax Incentive Application.

Under Discussion:

Council President Garabedian asked if applicant meets the requirements. Ms. Watt stated that they do meet the requirements.

Councilman Lupino asked if the tax incentive is tied into the number of employees. Ms. Watt stated, yes. Councilman Navarro asked if they do not meet the number of employees, do they lose the incentive. Ms. Watt stated that the City usually gives them to the end of the year, since the Tax Assessor does not tax them until the end of the year.

Roll call was taken on motion to recommend approval and motion passed unanimously.

**Tax Incentive Application for ROBERT'S PRECUT VEGETABLES, INC., 10 Camelot Circle, Johnston, RI, for property located at 15 Daniels Way, Cranston, RI.
(to be continued to February 14, 2008)**

Councilman Barone stated that when a Tax Incentive Application comes before this Committee, he does not see the dollar amount.

Chair stated that according to the Ordinance, the business receives 10% relief per year for ten years and gradually increases each year until it reaches 100% and the incentive is based on the assessed value as of December, 2007, in this case.

Councilman Barone asked if there is a total of what has been approved so far by this Committee for the year. **Chair stated that the Department of Economic Development or the Administration is supposed to bring to this Committee during the budget time what has been given in tax incentives. *Council President Garabedian requested that this information be provided to the Council.*

Councilman Navarro stated that in the past, we received a reason for a Tax Incentive and he asked that this be addressed for this application. He stated that the information provided in this application is insufficient.

On motion by Councilman Lupino, seconded by Councilman Barone, it was voted to continue this application to next month's meeting. Motion passed unanimously.

Councilman Lupino indicated that Quill Pen on Plainfield Pike, will be moving out of the City and he stated that he would like to see information on their Tax Incentive they received in the past. This business is in the vicinity of Robert's Precut Vegetable and eventually, there will be another business going into the building where Quill Pen is now.

**Chair requested the following information be provided to this Committee:*

- 1. Analysis of savings and tax loss to the City on Robert's tax incentive if granted.*
- 2. What Tax Incentives are presently outstanding in the City.*
- 3. Reason for the Robert's tax incentive.*
- 4. Information on tax incentives given to Quill Pen and their financial loss to the City.*

1S-08-1 Ordinance loan order authorizing the issue of \$2,500,000 judgment bonds of the City for the settlement of “Valley vs. City of Cranston”: authorizing the issue of \$2,500,000 temporary notes for that purpose and authorizing advances from the General Treasury for that purpose (Judgment Bond Valley vs. City of Cranston).

Chair indicated that this Ordinance can be taken up before this Committee and referred to the Special Council meeting to be held later on this evening, or no action can be taken by this Committee and let the full Council act on it.

Councilman Lupino stated that if we are going to have discussion, have it before this Committee since there is no public present.

Councilman Lanni stated that this Ordinance should go before the full Council so all Council members can discuss it.

No one appeared to speak in favor or to oppose.

On motion by Councilman Lupino, seconded by Councilman Navarro, it was voted to refer this Ordinance to the full City Council meeting to be held at 8:00 P.M. later this evening. Motion passed on a vote of 4-1. The following being recorded as voting “aye”: Council Vice-President McFarland, Councilmen Lupino, Navarro and Council President Garabedian -4. The following being recorded as voting “nay”: Councilman Barone -1.

1S-08-2 Ordinance transferring appropriations and amending the Budget for the fiscal year commencing July 1, 2007 and ending June 30, 2008 (State Mandated Revaluation).

Chair questioned if the Ordinance should show increase in revenues in “Tax Assessors” account and the “Council” account be reimbursed. Mr. Delgado stated that we would not get reimbursed until next July, 2008. He supposes that it become an item in next year’s budget. He believes the money should go back into the “Assessor’s” account to offset the expenses that we have right now, such as bills we have to get out.

Mr. Woerner stated that from an accounting point of view, you do have a choice as long as money is billed to the State by June 30th, it can be billed as revenue in this budget.

No one appeared to oppose.

Councilman Barone motioned to recommend approval of this Ordinance stating that assessment has to be done. Council President Garabedian seconded the motion. Motion passed unanimously.

1S-08-3 Ordinance transferring appropriations and amending the Budget for the fiscal year commencing July 1, 2007 and ending June 30, 2008 (Personnel Analyst).

Councilman Barone asked if this is an increase and what the amount is for. Mr. Delgado stated that this is putting back the position in the budget that the Council tried to abolish last year. No one appeared to oppose.

On motion by Councilman Barone, seconded by Councilman Navarro, it was voted to recommend approval of this Ordinance. Motion passed unanimously.

The meeting adjourned at 7:40 P.M.

Respectfully submitted,

Rosalba Zanni
Assistant City Clerk/Clerk of Committees