

FINANCE COMMITTEE

Regular meeting of the Finance Committee was held on Thursday, June 11, 2009 in the Council Chambers, City Hall, Cranston, Rhode Island.

CALL MEETING TO ORDER:

The meeting was called to order at 7:40 P.M. by the Chair.

Present: Councilman Emilio L. Navarro, Chair
Councilman Mario Aceto, Vice-Chair
Councilman Paul H. Archetto (left meeting at 9:40 P.M.)
Councilman Anthony J. Lupino
Council Vice-President Terence Livingston
Council President John E. Lanni, Jr.

Also Present: Councilman Richard D. Santamaria, Jr.
Councilman Robert J. Pelletier
Councilwoman Michelle Bergin-Andrews
Robin Muksian-Schutt, Director of Administration
Evan Kirshenbaum, Assistant City Solicitor
Robert Strom, Director of Finance
David Capuano, City Treasurer
Joseph Morris, Revenue Agent
Steve Woerner, City Council Internal Auditor
Patrick Quinlan, City Council Legal Counsel
Rosalba Zanni, Assistant City Clerk/Clerk of Committees
Heather Finger, Stenographer

MINUTES OF THE LAST MEETING:

On motion by Councilman Lupino, seconded by Council President Lanni, 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

***Status on Operation of Ice Rink/Bubble Rink and Management Company**

Mr. Strom stated that for the last three years, there has been operating losses at the Rink as follows: \$135,000 for the first year, \$44,000 for the second year and \$32,000 for last year. As of April, 2009, the management company has projected \$11,000 deficit. He discussed this with the Administration and his staff and felt it was prudent to go out for RFP. 60 day termination letter was sent to the management company and RFP was made available April 15, 2009. Bids were received and were opened at May 5, 2009 and there were three bids. The bids were evaluated by the Director of Parks and Recreation, the City Treasurer and the Purchasing Agent. Board of Contract and Purchase made recommendation to award bid to Northeast Facility Management on May 19, 2009 and they will commence operation on July 1, 2009. At this time, they have \$4,000 cash balance, \$30,000 Accounts Receivables and \$146,000 of Accounts Payables.

Councilman Aceto stated that he would like to see a copy of the contract and he questioned if the revenues come into the City monthly or not and the Council should know monthly what their revenues are. He questioned what legal recourse we have. Mr. Strom stated that he has met a few times with the management company and questioned why there is a shortfall, and he still has not received a definitive answer.

Councilman Lupino questioned if the liability ends at the end of their contract.

****Breakdown of current Police Department organizational staffing by rank/Assignments/Shifts**

No discussion was held. The Committee was provided with a handout from Ms. Schutt.

- **Real Estate Tax Abatements**

No one appeared to speak.

On motion by Council President Lanni, seconded by Council Vice-President Livingston, it was voted to recommend approval of the Real Estate Tax Abatements. Motion passed unanimously.

- **Motor Vehicle Tax Abatements**

No one appeared to speak.

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

- **Report from Treasurer of Tax Interest Waivers**

Mr. Morris appeared to speak and stated that there are eighteen requests and nine are due to lost checks. This situation is not part of the Ordinance. He also stated that normally, he places these on the agenda at the City's discretion. Most of these checks were lost by Citizens Bank and he will continue to monitor this.

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

5-09-1 Ordinance in amendment of Title 8, Chapter 40 of the Code of the City of Cranston, 2005, entitled "Security Alarm Systems" (Police False Alarm Assessment Schedule).

5-09-4 Ordinance transferring appropriations and amending the Budget for the Fiscal Year commencing July 1, 2008 and ending June 30, 2009 (4th Quarter Transfers).

5-09-6 Ordinance in amendment of Title 2, Chapter 13 of the Code of the City of Cranston, 2005, entitled "Administration and Personnel" (Police Department Composition).

5-09-8 Ordinance in amendment of Title 8, Chapter 40 of the Code of the City of Cranston, 2005, entitled "Security Alarm Systems" (Fire False Alarm Assessment Schedule).

Public Speakers:

Steven Antonucci, 60 Pine Ridge Dr., President of IBPO Local 301 Police Union, appeared to speak regarding Ordinances 5-09-1 and 5-09-6. He stated that as to 5-09-1, this has never been enforced, even though it has been on the books for years. He is in favor of this Ordinance, this would limit false alarms and bring in revenue. As to 5-09-6, he is not in favor of any Ordinance that would reduce the amount of Officers on the streets and this Ordinance would violate collective bargaining agreement. These positions were left vacant on a good faith effort by the Union, temporarily to save money. It was not meant to eliminate these positions. These would have to be negotiated. A few weeks ago, the Council commended the former Commander and former Major, of what a great job they did, and now those two positions are being proposed to be eliminated. The Colonel needs an Administrative staff to run the department if he is not available. If these two positions are eliminated and the Colonel is not available, the department would be run by a Captain, who is part of the Union.

Paul Saccoccia, National Representative for IBPO Local 301 Police Union, appeared to speak and stated that he feels the residents of Cranston would be opposed to Ordinances 5-09-1 and 5-09-6. He referred to the Police Officers Arbitration Act. He asked that the Council keep the number of people on the Police Department because that is what the people of Cranston want. He presented a packet regarding Arbitration Decision.

Paul Valletta, President of Local 1363 Firefighters Union, appeared to speak and stated that at the Council meeting, the Council spoke about the importance of the Major and the Commander positions. He questioned what has changed since that City Council meeting. The Police Department needs Administrative staff. He questioned what the reason is for this Ordinance. This is in clear violation of the City Charter. If this Ordinance is passed, you are sending a message to other Unions. These positions are there vacant due to an agreement between the Union and the former Mayor and the Union in good faith did not fill these positions and saved money for the City. Now the Council is using that agreement to eliminate these vacant positions.

Valerie Schuele, 27 Farm St., appeared to speak and stated that she does not think the residents of the City are aware of these Ordinances being proposed this evening and she is opposed to them.

Nancy Davis, 17 Merrill Rd., Chair of Public Library Board of Trustees, appeared to oppose to Ordinance 5-09-4.

Henry Priest, Finance Chair of Public Library Board of Trustees, appeared to oppose to Ordinance 5-09-4.

Votes taken on the above Ordinances:

5-09-1

On motion by Councilman Lupino, seconded by Councilman Aceto, it was voted to recommend approval of this Ordinance.

Under Discussion:

Councilman Pelletier asked that line 27 be amended from “2” to “3” and line 33 be amended from “3” to “2”.

Mr. Kirshenbaum asked if these are scrivener’s errors. Councilman Pelletier stated, yes. He stated that he sponsored this Ordinance for two reasons: 1) we have an Overtime problem in the department and by changing this Ordinance, it would reduce Overtime costs, and 2) during the budget process, costs were made in the Police Vehicle Account. When he drafted this Ordinance, he looked at earmarking this money for Police vehicles, but stressed that the reason for this Ordinance was not to generate revenue.

Councilman Aceto stated that looking at the Ordinance on the books now, he asked why this Ordinance has not been enforced and why money has not been collected and what can be done better to collect those fines.

Council President Lanni asked if this Ordinance will be enforced in the future and who will make sure it will be enforced.

Council Vice-President Livingston stated that we have an Ordinance on the books now and by increasing the fines, it does not make it any more enforceable. He would rather see some measure of enforcement to see if we have repeat offenders.

Chair referred to 2010 adopted Budget and for false alarm reimbursement, in 2004 actuals was -0-, 2005 actuals was -0-, 2006 actuals was -0-, 2007 actuals was -0-, 2008 actuals was -0- and 2009 actuals was -0- and the Mayor submitted a 2010 budget with actuals of -0-.

Ms. Schutt stated that the Police software, up to this point, was not set up to track the offenses. She believes the software is capable, but it has not been utilized. Ms. Schutt also stated that Acting Colonel Schaffran has met with the person in IT and is looking at putting that software in place. As to the Administration budgeting -0- for the 2010 actuals, the Administration was just following past practice, again, since the software was not capable of tracking the offenses.

Council President Lanni asked why the system was not implemented. Acting Colonel Schaffran stated that he spoke to the Chief Records Clerk and, in order to implement this system, site files for everyone who has alarms in the City would have to be set up, which he believes an Ordinance would need to be passed to implement this system and have people register with the Police Department.

Chair stated that the Ordinance implementing this should be passed prior to passing this Ordinance.

Councilman Lupino stated that this Ordinance is just enhancing the Ordinance that is already on the books.

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

5-09-4

On motion by Councilman Lupino, seconded by Councilman Aceto, it was voted to recommend approval of this Ordinance.

Under Discussion:

Chair opposed to this Ordinance and stated that the Library has implemented cost saving measures, such as reducing hours at the branches and closing during the week. They are running a lean budget and he is opposed to cutting this budget more.

Ms. Schutt stated that the Mayor did not want to decimate the Library services. The Administration has had several meetings with the Library Board and they were advised that the Administration would cut their budget by 10%. The Mayor agreed to \$200,000 rather than the \$300,000 he originally wanted. There is a legal opinion pending on the rollover funds.

Mr. Strom presented an amended version of the Ordinance, which according to the Solicitor, are scrivener's errors.

On motion by Councilman Lupino, seconded by Councilman Aceto, it was voted to move the question. Motion passed unanimously.

Roll call was taken on motion to recommend approval of the above Ordinance and motion failed on a vote of 1-5. The following being recorded as voting "aye": Councilman Aceto -1. The following being recorded as voting "nay": Councilmen Navarro, Lupino, Archetto, Council Vice-President Livingston and Council President Lanni -5.

5-09-6

On motion by Councilman Aceto, seconded by Councilman Archetto, it was voted to deny the above Ordinance.

Under Discussion:

Council Vice-President Livingston explained the reasons why he proposed this Ordinance. He stated that this Ordinance is a watered down version of what the Mayor had proposed to the Council at an earlier meeting. He voted to oppose laying off the former Commander and former Major when the Mayor put that Ordinance forth. Since those positions and five others are vacant, it is appropriate to leave them vacant due to the financial crisis we are in. He asked that since case law was presented by Mr. Saccoccia, out of abundance of caution, he suggested that this Ordinance be continued to the next meeting.

On motion by Council Vice-President Livingston, seconded by Councilman Navarro, it was voted to continue this Ordinance to the next meeting and asked that Mr. Quinlan and Mr. Kirshenbaum along with Attorney Vincent Ragosta look at the issues that the Union representatives have raised with this Ordinance and give this Committee a legal opinion. Motion passed on a vote of 4-2. The following being recorded as voting "aye": Councilmen Navarro, Lupino, Council Vice-President Livingston and Council President Lanni -4. The following being recorded as voting "nay": Councilmen Aceto and Archetto -2.

5-09-8

On motion by Councilman Lupino, seconded by Council President Lanni, it was voted to recommend approval of this Ordinance.

Under Discussion:

Councilman Pelletier appeared to speak as a sponsor of this Ordinance.

Councilman Archetto left the meeting at 9:40 P.M.

Chair asked Chief Gumbley to address implementing this Ordinance and if there would be a requirement for registration similar to the Police. Chief Gumbley stated that most of the fire alarms are for commercial establishments and should not be a problem implementing this.

Chair asked Chief Gumbley how many false alarms there were last year. Chief Gumbley stated approximately 250-300 repeat alarms.

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

The meeting adjourned at 9:50 P.M.

Respectfully submitted,

Rosalba Zanni
Assistant City Clerk/Clerk of Committees