

## **FINANCE COMMITTEE**

Regular meeting of the Finance Committee was held on Thursday, June 12, 2008 in the Council Chambers, City Hall, Cranston, Rhode Island.

The meeting was called to order at 6:30 P.M. by the Vice-Chair.

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

Absent: Councilman Terence Livingston, Chair  
Councilman Emilio L. Navarro

Also Present: Councilman Richard D. Santamaria, Jr.  
Councilman John E. Lanni, Jr.  
Charles Garganese, Jr., Assistant City Solicitor  
Donald Gray, City Treasurer  
Steve Woerner, City Council Internal Auditor  
Rosalba Zanni, Assistant City Clerk/Clerk of Committees  
Heather Finger, Stenographer

On motion by Council President Garabedian, seconded by Councilman Lupino, 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:**

**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 on 1/17/2008; Cont. 2/14/2008, 3/13/2008, 4/14/2008 and 5/12/2008).

On motion by Councilman Lupino, seconded by Councilman Barone, it was voted to remove this Ordinance from the table. Motion passed unanimously.

On motion by Councilman Barone, seconded by Council President Garabedian, it was voted to remove this Ordinance from the agenda. Motion passed unanimously.

**Performance Audit of School Department** (Cont. 4/14/2008 for legal opinion on release of 2007 Audit and 5/12/2008)

**Mr. Garganese** stated that there is no report for the 2007 performance audit at this time. Mr. Woerner stated that there is no actual report. The only thing there is, is what the Council received a month ago.

On motion by Councilman Lupino, seconded by Councilman Barone, it was voted to remove this item from the agenda. Motion passed unanimously.

**Tax Interest Waiver denial of Sante Marinucci (referred for reconsideration by City Council 5/27/2008)**

**Council Vice-President McFarland** stated that Mr. Marinucci owns five properties in the City and has paid his taxes on these properties on time for 35 years. This has been the first time he missed a payment or was late in paying his taxes. She asked for re-consideration.

On motion by Council President Garabedian, seconded by Councilman Barone, it was voted to re-consider the motion to day made at the last Committee meeting and at the Council meeting on May 27, 2008. Motion passed unanimously.

On motion by Council President Garabedian, seconded by Councilman Barone, it was voted to waive the interest for Mr. Marinucci. Motion passed unanimously.

**Update regarding Caruolo Action** (Cont. from 5/12/2008)

**Councilman Lupino** stated that he spoke to Pat Quinlan, City Council legal counsel, today and was advised that the motion to dismiss was filed on June 4, 2008 and will be heard on June 17, 2008.

**PUBLIC HEARING:**

**NEW BUSINESS:**

**Chief James Gumbley – Personal Services Contract**

**Council Vice-President McFarland** stated that she received Chief Gumbley's contract via e-mail yesterday and has not had a chance to review it. She asked that it be referred to the full City Council.

On motion by Council President Garabedian, seconded by Councilman Barone, it was voted to refer Chief Gumbley's personal services contract to the full City Council. Motion passed unanimously.

### **Real Estate/Tangible Tax Abatements**

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

### **Motor Vehicle Tax Abatements**

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

### **Notification pursuant to Ordinance 3.12.080 from City Treasurer of Waiver of Interest (For Information Only)**

**Mr. Gray** appeared to speak.

On motion by Council President Garabedian, seconded by Councilman Barone, it was voted to accept this report. Motion passed unanimously.

### **Tax Interest Waiver Approvals – as recommended by City Treasurer**

On motion by Councilman Lupino, seconded by Councilman Barone, it was voted to recommend approval of tax interest waiver approval list as recommended by City Treasurer. Motion passed unanimously.

### **Tax Interest Waiver Denials – as recommended by City Treasurer**

**Gail Sears DeFelice**, owner of 161-163 South Clarendon St., appeared to speak and presented a copy of a letter she sent to Mr. Gray and indicated that the reason her taxes fell behind was because of the increase in her assessment.

**Chair** indicated that this letter was attached to the packet that was mailed to the Committee members with the agenda.

**Councilman Lupino** stated that Ms. DeFelice's letter states that she is asking for interest waived due to three of her units becoming vacant and her taxes in 2007 increased by \$4,000. He indicated that this Committee does not hear assessment issues or disputes. This Committee only hears tax interest waiver requests.

**Council President Garabedian** asked Ms. DeFelice if she appealed her tax increase. Ms. DeFelice stated that she appealed to the Tax Assessment Board of Review and was denied. Council President Garabedian stated that this increase is unusually high and he asked that this interest waiver request not be acted on at this time and it be researched.

**Chair** asked Mr. Gray that there be no additional accrual of interest during that time.

On motion by Council President Garabedian, seconded by Councilman Lupino, it was voted to have Mr. Woerner research Ms. DeFelice's file until the next Committee meeting.

On motion by Councilman Lupino, seconded by Councilman Barone, it was voted to approve the remainder of the tax interest waiver denials as recommended by City Treasurer. Motion passed unanimously.

### **MISCELLANEOUS BUSINESS:**

**Steven Bloom**, 54 Ingleside Ave., appeared to speak. He reminded the Committee about the situation of the School Budget. He stated that they are taking steps in cutting another \$2.5 million. If they win the Caruolo Action or lose this year, there will be another action filed next year. He questioned what plans the Council and Administration have to address that deficit. By August, all the contract should be settled and we should know where we are going to be. One recommendation he has is to urge the Council and Administration to settle the Caruolo Action.

**Chair** stated that this is not a Council function. Mr. Bloom stated that we are down the road to having two-thirds of the General Fund gone.

**Councilman Barone** stated that not everyone on the Council voted in favor of the Budget. As everyone knows, where are we going to get the money.

**Councilman Lanni** stated that if we listen to the School Committee, there would be a tax increase every single year. We are trying to balance the budget. These are very difficult times. If you look at all the foreclosures, Rhode Island is in a very difficult financial situation.

**Councilman Lupino** stated that three entities, Federal, State and City, fund the Schools. The City has kept up its part for the most part. The Federal Government has increased the mandates, but diminished the funding. The State has been totally unfair with new mandates without giving us resources. To rely on the taxpayers of the City, this is what the Council members have to hear. The answer is going to be in the funding.

The meeting adjourned at 7:25 P.M.

Respectfully submitted,

Rosalba Zanni  
Assistant City Clerk/Clerk of Committee