

## FINANCE COMMITTEE

Regular meeting of the Finance Committee was held on Thursday, June 14, 2007 in the Council Chambers, City Hall, Cranston, Rhode Island.

The meeting was called to order at 6:30 P.M. by Council President Garabedian.

Present: Council Vice-President Paula McFarland, Vice-Chair (appeared at 6:40 P.M.)  
Councilman Emilio L. Navarro  
Councilman Jeffrey P. Barone  
Council President Aram G. Garabedian

Absent: Councilman Terence Livingston, Chair  
Councilman Anthony J. Lupino

Also Present: Councilman John E. Lanni, Jr.  
Councilman Richard D. Santamaria, Jr.  
Frank Migliorelli, Deputy Director of Administration  
Charles Garganese, Jr., Assistant City Solicitor  
Aubrey Lombardo, Assistant City Solicitor  
Corsino Delgado, Director of Finance  
Frank Smith, City Assessor  
Donald Gray, City Treasurer  
Steve Woerner, City Council Internal Auditor  
Maria Medeiros Wall, City Clerk  
Rosalba Zanni, Assistant City Clerk/Clerk of Committees  
Heather Finger, Stenographer

Councilman Barone questioned whether there is a quorum. City Clerk stated that there are five members that serve on the Committee and the Council President is Ex-Officio. Three members constitute a quorum. Councilman Barone asked for Solicitor's opinion. Solicitor Garganese stated that the Council President may be counted for purposes of a quorum.

Vice-Chair arrived and conducted the remainder of the meeting in the absence of the Chair.

On motion by Councilman Barone, seconded by Councilman Navarro, 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:**

**6-06-7 Ordinance in amendment of Title 13.08.150 of the Code of the City of Cranston, 2005, entitled "Sewer Service System" (Establishing a Revolving Loan Fund for Connecting to the City Sewer System). Cont. from 1/11/2007, 2/15/2007, 3/15/2007 4/10/2007 and 5/21/2007.**

City Clerk stated that this Ordinance was placed on the agenda in error and no action is needed.

**3-07-6 Ordinance amending the Budget for the Fiscal Year commencing July 1, 2006 and ending June 30, 2007 (Inspections Department Permit Technician). Cont. 4/10/2007 and 5/21/2007.**

No action.

Councilman Navarro motioned to continue this Ordinance. No one seconded the motion.

Councilman Barone motioned to deny this Ordinance. No one seconded the motion.

Ordinance remains continued.

**Request from Treasurer for guidance regarding waiver requests due to lost checks  
Cont. 5/21/2007 - for Solicitor's opinion.**

Solicitor Garganese stated that at the last meeting, the Committee asked for Solicitor to give opinion on this issue. He stated that under Section 3.12.080, if a taxpayer is a resident of the City, if the taxpayer makes the request in writing, if the taxpayer has a history of good payments for the previous five years and if taxpayer has some evidence of lost check, the taxpayer can be given the waiver under this Section of the Code. The taxpayer can also seek relief under Section 3.12.010.

Council Vice-President McFarland asked if the people on this list provided by the City Treasurer, have meet the criteria. Mr. Gray stated that this list is not before the Committee for approval at this time. He would have to research each of them to see if they meet his criteria. He will then bring them before the Council for their consideration.

Council Vice-President McFarland stated that she has spoken to some of the residents who are on this list and they have told her that they have never been late in paying their taxes and City employees have told her that the company that handles the collection lock box system has lost checks for a number of years. Mr. Gray stated that as to the lost checks, he could not prove himself, that the checks were mailed and this is why he brought this issue forward for the Council and the Solicitor to guide him.

Councilman Barone asked if the City keeps a tickler system to find out if this is the first time that a certain taxpayer has had their check lost. Mr. Gray stated that his office keeps a log of people whose interest has been waived within the past five years.

On motion by Council President Garabedian, seconded by Councilman Navarro, it was voted to ask the City Treasurer to review this list and the ones that fall under the Ordinance, the Treasurer is authorized to waive the interest. Motion passed unanimously.

**Treasurer's recommendation for denial of waiver for Robert Dupre  
Cont. 5/21/2007).**

**Robert Dupre**, owner of property at 765 Park Ave., appeared to speak and stated that he has paid his taxes on time for the past five years. Council Vice-President McFarland asked Mr. Dupre if he resides at this address. Mr. Dupre stated, no, but he has owned this property for approximately thirteen years. It is a rental property. Council Vice-President McFarland asked Solicitor if the Ordinance is clear that it has to be owner-occupied. Solicitor Garganese stated that under Section 3.12.080 it does, and under Section 13.12.010, it does not. Council Vice-President McFarland asked Mr. Dupre the reason he was late in making the payment. Mr. Dupre stated that he did not realize it was one day late. He lost track of time. Council Vice-President McFarland stated that the criteria, under Section 13.12.010, does not qualify Mr. Dupre to have the interest waived. The Council does not have the authority to override the Treasurer's recommendation. Councilman Navarro asked Solicitor if there is any other Section of the Code that Mr. Dupre could fall under. Solicitor Garganese stated that if you use Sub-section (c) of Section 3.12.010, this is very discretionary.

Councilman Navarro motioned to waive the interest for Mr. Dupre since he has not been late and it was only one day late this time and also based on what the Solicitor has pointed out. Council President Garabedian seconded the motion. Motion passed unanimously.

**Treasurer's recommendation for denial of waiver for Mr. Veltri  
(Referred back from City Council 5/29/2007).**

**Alfred Veltri**, 39 Carman St., appeared to speak and stated that he was not made aware of the lateness of the payment until one year later. He has a good payment record. Mr. Gray stated that Mr. Veltri cannot use Section 3.12.080 because it is for prior year's taxes. This Section is for current year's taxes.

Councilman Barone asked if the City notified Mr. Veltri in 2006 that the 2005 taxes were due or were late. Mr. Gray stated that he does not know.

On motion by Council Vice-President McFarland, seconded by Council President Garabedian, it was voted to waive the interest. Motion passed unanimously.

## **New (Bubble) Ice Rink**

### **Report from Administration on agreement for distribution of revenues**

Mr. Migliorelli stated that the Bubble Rink is still not up and the current contract is still in effect. Council Vice-President McFarland asked that this item be referred to next month's meeting.

Council President Garabedian stated that the bids came in to erect the Bubble Rink.

## **Ice Rink**

### **Report from Administration on monies owed to the City**

Mr. Corsino appeared to speak. Council Vice-President McFarland asked that this item be placed on next month's agenda and also asked that the management company be asked to appear at that meeting to provide the Council with any financial information, any policies and any proceeds information. Mr. Corsino stated that the City has been receiving financial statements, but we have not received the statements for the month of May. The contract calls for the company to receive 20% of any net operating income. Council Vice-President McFarland asked if there were any months that the company was in the positive. Mr. Corsino stated that to the best of his knowledge, no.

**Anthony Liberatore**, Director of Parks and Recreation, appeared to speak and stated that he had stated to the company that anything in excess of \$35,000, a check is to be sent to the City with a balance sheet. The company had asked for the amount to be \$60,000. This was not acceptable to the City. They came to a settlement today of \$45,000. The City should be receiving a check with a balance sheet in the month of July and they should continue right through March, 2008. Mr. Liberatore provided copies of bills and invoices that the City paid, in the amount of \$140,000. This had nothing to do with the fire. That was part of mis-management. From day one, Global Spectrum took over the operation to the day they left, the City has not seen one check for revenues.

Council President Garabedian stated that the City should look at Global Spectrum and take appropriate legal action. Mr. Corsino stated that as to Global Spectrum, there was a flaw in the contract. He referred to page 18 of the contract. He stated that this contract was predicated on gross revenues and not on expenses. He also stated that he is doing more research into this and will report back to the Committee next month.

Council Vice-President McFarland asked that Mr. Corsino, Mr. Liberatore work together and give the Committee an update at next month's meeting.

Mr. Liberatore stated that he suggested doing an audit on the present company, not that he is suspecting anything.

Council Vice-President McFarland asked that Mr. Woerner work with the Finance Director to do an audit on the present company.

**4-07-5 Ordinance authorizing the City to utilize Western and Eastern Recreational Impact Fees for the repairs to the Cranston Veterans Memorial Ice Rink (Use of Impact Fee Revenue for the Repair of the Cranston Veterans Memorial Ice Rink). Tabled 5/21/2007.**

No action. Ordinance remains tabled.

**NEW BUSINESS:**

**REAL ESTATE/TANGIBLE TAX ABATEMENTS**

Mr. Smith appeared to speak and indicated that there is a typo in the cover letter. The dates should have been for assessment date for December, 2003, 2004, 2005 and 2006. This typo does not affect the amount being abated or the assessment. He presented a corrected letter.

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

**MOTOR VEHICLE TAX ABATEMENTS**

Mr. Smith appeared to speak.

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

**TAX ASSESSMENT BOARD OF REVIEW DECISIONS (informational only)**

No action needed.

**Report from Treasurer on his actions under Ordinance 3.12.080**

Mr. Gray stated that there is no action needed on this report. This is for information only.

**Report from Treasurer for denial of waivers**

Mr. Gray appeared to speak.

On motion by Councilman Navarro, seconded by Council President Garabedian, it was voted to approve the recommendation of the City Treasurer, all except for Mr. Veltri and Mr. Dupre, which were acted on earlier in the agenda. Motion passed unanimously.

## **Report from Treasurer for approval of waivers**

Mr. Gray appeared to speak.

On motion by Council President Garabedian, seconded by Councilman Barone, it was voted to approve the recommendation of the City Treasurer. Motion passed unanimously.

## **Audit Committee Report on Auditor General's Report regarding the City Finances.**

Mr. Woerner stated that the Audit Committee met and agreed with all the Auditor General's recommendations. The Audit Committee also asked that one of the Committee's function would be to review the tax levy as proposed by the Finance Director and Tax Assessor prior to bills going out.

On motion by Council President Garabedian, seconded by Councilman Navarro, it was voted to continue this item to next month's meeting. motion passed unanimously.

## **5-07-1 Ordinance authorizing the City to utilize Western and Eastern Cranston Police Impact Fees (Harbor Master Vessel).**

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

### Under Discussion:

**Paul Casey**, Dale Ave., Harbor Master, appeared to speak and presented pictures of vessel being proposed to be purchased. Council President Garabedian asked Mr. Casey if he has spoken to the Purchasing Department regarding obtaining bids. Mr. Casey stated, no he has not. He stated that the cost for the vessel would be \$12,000, which includes a brand new boat with a tee top. Council President Garabedian stated that he would think we would have to go through the bidding process. Council Vice-President McFarland stated that since this has to do with Impact Fees, she questioned if we would have to go through the bidding process or could we do a bid waiver.

Councilman Barone motioned to refer this Ordinance to the Police Department so they can do a bid waiver.

Council Vice-President McFarland asked that the information provided by Mr. Casey be forwarded to the Police Department for them to do a bid waiver.

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

## **5-07-2 Ordinance amending the Budget for the Fiscal Year commencing July 1, 2007 and ending June 30, 2008 (2007 Budget Stabilization – Police Station Sale).**

Mr. Woerner explained this Ordinance. No one appeared to speak in favor or to oppose.

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

**5-07-3 Ordinance amending the Budget for the Fiscal Year commencing July 1, 2006 and ending June 30, 2007 (Fire Grant – Supplemental Appropriation).**

No one appeared to speak in favor or to oppose.

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

**5-07-4 Ordinance in amendment of Chapter 8 of the Code of the City of Cranston, 2005, entitled “Health and Safety” (Emergency Medical Service Fees).**

Mr. Woerner explained this Ordinance. No one appeared to speak in favor or to oppose.

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

**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).**

Council President Garabedian spoke in favor of this Ordinance. Councilman Barone stated that he would like to have this Ordinance tabled, since he just received the amendments this evening and has not had a chance to review them. He also stated that he would like to know what the fiscal impact would be for this Ordinance. Council President Garabedian stated that in the budget recently adopted, the Council appropriated approximately \$600,000, but he does not see a large amount of people taking advantage of this deferment program, based on two other cities and towns that had this type of program already in effect.

Council Vice-President McFarland stated that there is a Fiscal Note attached to the Ordinance. She recommended forwarding this Ordinance to the full City Council without recommendation in order for Councilman Barone to review the amendments along with the rest of the Council and also have this Ordinance re-advertised with the amendments.

No one appeared to oppose.

On motion by Council President Garabedian, seconded by Councilman Navarro, it was voted to accept the amendments. Councilman Barone opposed because he does not know what the amendments are.

The meeting adjourned at 7:45 P.M.

Respectfully submitted,

Rosalba Zanni  
Assistant City Clerk/Clerk of Committees