

## FINANCE COMMITTEE

Regular meeting of the Finance Committee was held on Thursday, March 13, 2008 in the Council Chambers, City Hall, Cranston, Rhode Island.

The meeting was called to order at 6:35 P.M. by the Vice-Chair.

Present: Councilman Terence Livingston, Chair (appeared at 6:40 P.M.)  
Council Vice-President Paula McFarland, Vice-Chair  
Councilman Anthony J. Lupino  
Councilman Emilio L. Navarro  
Councilman Jeffrey P. Barone

Also Present: Councilman Richard D. Santamaria, Jr.  
Councilman John E. Lanni, Jr.  
Frank Migliorelli, Deputy Director of Administration  
Aubrey Lombardo, Assistant City Solicitor  
Corsino Delgado, Finance Director  
Donald Gray, City Treasurer  
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 Barone, 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:**

#### **New (Bubble) Ice Rink Report from Administration on agreement for revenue distribution**

Parks and Recreation Director: progress report and recommendation on lease renewal  
Solicitor report on notice requirements in contract

#### **Ice Rink: Finance report from Management Company and Finance Director and Council Auditor.**

Parks and Recreation Director: progress report and recommendation on lease renewal  
Solicitor report on notice requirements in contract

**Anthony Liberatore**, Director of Parks and Recreation, appeared to speak and stated that the lease renewal is still being discussed. There are two renewal years on the contract and it expires in June and a decision has not yet been made on whether it will be renewed or not.

**Chair** asked when the RFP is going to be completed or will the City be trying to renew with the current provider. Mr. Liberatore stated that he is waiting for an answer to see if an RFP is required if language change is being proposed and will renew with current provider. Chair asked that Mr. Liberatore report to the Council at the next Council meeting, if possible.

**Mr. Liberatore** reported that the City received \$20,000 in revenue for the month of January. He received an e-mail from the Vice-President of Rink Management indicating that the City will be receiving a check in the amount of \$12,000 on Friday.

**Councilman Barone** asked Mr. Liberatore, if in his discussion with Rink Management, the subject of open skating been addressed and what they are doing as to checks and balances. Mr. Liberatore stated that this has been discussed and the practice is if you do not skate, you do not pay to get in. There are two forms of colored bands that are sold at the door, one for stakers and one for non-skaters. Councilman Lanni asked who checks to make sure visitors are not skating. Mr. Liberatore stated that there is an employee at the entrance who checks the bands.

**Ms. Lombardo** stated that the Mr. Garganese, Assistant Solicitor for Finance Committee is not present, since his dad passed way unexpectedly today, but she will ask him to *forward to the Committee an email report on the notice requirement regarding the contract.*

**Chair** stated that both of the above items will be removed from the agenda going forward.

**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).

No action taken. Ordinance will be continued.

**1S-08-4 Ordinance in amendment of Title 13.08 of the Code of the City of Cranston, 2005, entitled “Sewer Service System” (Sewer Tie In Loan Fund Regulations). Referred by City Council 2/25/2008.**

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

Under Discussion:

**Councilman Lupino** stated that this Ordinance was referred back to this Committee because there was no Fiscal Note. He asked if there will be a Fiscal Note attached to this Ordinance once this Ordinance gets to the full City Council meeting. Chair stated that this will be addressed by Mr. Woerner and the Finance Director at the full City Council meeting.

**PUBLIC HEARING:**

## **NEW BUSINESS:**

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

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

### **Motor Vehicle Tax Abatements**

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

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

No action.

### **Tax Interest Waiver Denials**

**Mr. Gray** appeared to speak.

On motion by Councilman Navarro, seconded by Councilman Barone, it was voted to approve the tax interest waiver request of Hawkins W. by 50% and deny \$195.00 of the interest, based on hardship. Motion passed unanimously.

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

### **Tax Interest Waiver Approvals**

**Mr. Gray** appeared to speak.

**Councilman Navarro** questioned the request for interest to be waived for Kameel Mohammed & Connie Rei in the amount of \$1,600 is for. Mr. Gray stated that on this is for two properties, their home and an investment property. His recommendation for interest to be waived on is just on the home and not the investment property and for Real Estate only and not sewers.

On motion by Councilman Navarro, seconded by Councilman Barone, it was voted to recommend approval of the Tax Interest Waivers as recommended by the City Treasurer. Motion passed unanimously.

**Tax Incentive Application for Penske Truck Leasing Co., LP, for property located at 65 Amflex Dr.**

**Paula Watt**, Director of Economic Development, appeared to speak.

**Councilman Livingston** asked if applicant meets all the requirements. Ms. Watt stated, yes.

**Kevin Malloy**, Regional Manager, appeared to speak. Councilman Barone asked Mr. Malloy if the issue with the fence was rectified to his satisfaction. Mr. Malloy stated, yes.

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

**Report from Audit Committee**

**\*Presentation by The Education Partnership**

**Lisa Blais** Representative for Education Partnership, appeared to speak and presented a copy of her presentation. She stated that this organization has been researching teacher contracts for the last three years across the State.

**Councilman Lupino** asked Ms. Blais if she is a registered lobbyist. Ms. Blais stated that she is a recently registered lobbyist. This organization is non-profit and they are allowed to lobby as long as they stay under 15% of their activity.

**Councilman Barone** stated that he is big on public perception. To him, it looks like a big conflict of interest having a lobbyist or a company helping to negotiate a contract.

**Chair** stated that the Audit Committee's recommendation was to have someone take a look at the contracts and give the Committee an analysis so we have an idea of the School Department and how it operates.

**Councilman Lanni** stated that since he has been on the Council, he could never understand the contracts or the budget for the School Department. Even though he is not a member of this Committee, he is in favor of this proposal to have an outside company come in and help us to understand their contracts. This is a big help.

**Council Vice-President McFarland** stated that we all know that most of the money goes to salaries. We understand contracts, we deal with Police, Fire and other contracts. What she is looking for is someone to go through the School budget and make that understandable.

**Councilman Navarro** agreed with Council Vice-President McFarland. Howard Landsmann stated that they do not audit entire budget.

**Councilman Navarro** stated that what would be useful to the Council would be ways to figure out the School problem and the system. He also stated that he is not in favor of having someone looking at contracts.

**Councilman Lupino** stated that some of the issues in the contracts are mandated by the State Department of Education. He asked if this organization has looked at the contracts of the employees of the Department of Education. Mr. Woerner explained the reasons why the Education Partnership is present this evening.

**Marshall D'Ambrosio**, member of the Audit Committee, appeared to speak and stated that the Audit Committee felt that one of the important components, if we want to do this right was to do an analysis on the contracts.

**Howard Landsmann** stated that this organization does not negotiate any contracts on behalf of any district in the State. They do not give donations, they actually accept donations. East Providence, Lincoln and Barrington School Districts have accepted their analysis and were very happy with the analysis.

**Chair** indicated that we would be getting a fiscal analysis similar to the one we would get with the other City contracts.

**Council Vice-President McFarland** asked why we are only taking a look at one contract when we have bus drivers contracts, custodians contracts, among others. The other municipalities this organization has performed analysis for were done through the superintendents and not the municipality. She questioned why this is being done as a Council.

**Councilman Lupino** stated that there is a Towers and Perrin Report, which was done a few years ago, Project Re-Direct and a Performance Audit that was also done a few years ago. To pay \$50,000 that has no purpose for this Committee, he feels is a waste of money.

*\*Presentation by Howard Landman*

**Howard Landman** appeared to speak and presented a handout. He stated that what he is bringing to the table is not a contract analysis.

**Council Vice-President McFarland** stated that the State Department of Education is the one who should be doing analysis of the school departments. Maybe they should pay for the analysis.

**Chair** asked if this performance analysis is part of the contract analysis. Mr. Landman stated that it would be a separate fee from the \$50,000 for the Education Partnership.

**Marshall D'Ambrosio**, member of the Audit Committee, appeared to speak and stated that this analysis is not the answer, it is the beginning to an answer. \$50,000 is not a lot of money.

**Frank Flynn**, President of Cranston Teachers Alliance and teacher in Cranston, appeared to speak and stated that this Education Partnership is not the right company to do this audit. They are not an education partnership, they are a business partnership. They are an anti-union group.

**Councilman Barone** asked Mr. Flynn, when School Committee was making the cuts, did anyone step up to the plate and address the pay increases. Mr. Flynn stated that as far as the Teachers Alliance, historically, they have done that.

On motion by Councilman Barone, seconded by Councilman Lanni, it was voted to continue this item to a future date and this organization to present to the Committee detail findings of the most recent situations they have been involved in and recommendations they may have and Mr. Woerner to communicate with the Auditor General and find out what other organizations or companies could do the same analysis. Motion passed unanimously.

#### **FY 08 Corrective Action Plan**

- **State Aid Reduction**
- **Department Revenues Under-budget**

**Mr. Woerner** stated that he estimates the following:

- Tax Stamps \$450,000 short this year
- Recordings – approximately \$600,000 short this year

**Council Vice-President McFarland** asked Mr. Woerner if he took into account the accounting sent out by Mr. Igoe monthly. Mr. Woerner stated, yes.

**Mr. Delgado** stated that with respect to revenues, there is not much we can do in the recordings and tax stamps, and also building permits are down. Tax abatements, interest income, we are doing better. On the expenditure side, we continue to be diligent. We have some vacancies that we have not filled. On expenditures, we continue to watch costs very diligently and try to keep it down.

On motion by Councilman Barone, seconded by Councilman Navarro, it was voted to approve the above report by Mr. Woerner. Motion passed unanimously.

The meeting adjourned at 8:10 P.M.

Respectfully submitted,

Rosalba Zanni  
Assistant City Clerk/Clerk of Committee