

SPECIAL MEETING – CITY COUNCIL

-MARCH 31, 2003-

A Special meeting of the Cranston City Council was held on Monday, March 31, 2003 in the Cranston High School East Auditorium, 899 Park Ave., Cranston, Rhode Island.

The meeting was called to order at 7:10 P.M. by Council President Pastore.

Roll Call showed the following members present: Councilmen Fung, Jackvony, Council Member Fogarty, Councilmen Ferolito, Lanni, McDonough and Council President Pastore –7.

Absent: Councilwomen O’Hara and McFarland –2.

Also Present: Mayor Stephen P. Laffey; Paul Grimes, Director of Administration; Nancy Ponte, Assistant City Solicitor; Pat Quinlan, City Council Legal Counsel; Jerome Baron, Director of Finance; Mike Igoe, City Controller.

Council President Pastore stated that Councilwomen O’Hara and McFarland contacted him and both are out of State and will not be able to attend this meeting.

Minutes of the last meeting were dispensed with and stand approved as recorded.

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The City Clerk read the following:

CITY OF CRANSTON

RHODE ISLAND

CALL OF SPECIAL MEETING OF THE CITY COUNCIL

In accordance with the Home Rule Charter and Section 3.07 thereof, I hereby call a special meeting of the City Council to be held on Monday, March 31, 2003 at 7:00 P.M. in the Cranston High School East Auditorium, 899 Park Ave., Cranston, RI at which meeting the following items of business shall be transacted:

Budget Address and Introduction of Budget for Fiscal Year July 1, 2003 – June 30, 2004 including introduction of Ordinances pertaining to Police & Fire retiree pension benefits and any other Ordinances and Resolutions related to the FY 2004 Budget.

Fixing the time and place for public hearings on the Operating and Capital Budgets.

And I hereby request the City Clerk to notify all Council members of the Call of the special meeting.

Executed at Cranston, Rhode Island, this 25th day of March, 2003.

/s/ Stephen P. Laffey

Mayor

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CERTIFICATION

I hereby certify that a true copy of the attached Call of a special meeting of the City Council to be held on Monday, March 31, 2003 at 7:00 P.M. in the Cranston High School East Auditorium, 899 Park Ave., Cranston, R.I. was delivered via electronic mail on the 25th day of March, 2003 at the addresses below.

Council President Peter T. Pastore, Jr.
14 Firglade Dr.
Cranston, RI 02920
[Ppastore@randolphsavings.com](mailto:ppastore@randolphsavings.com)

Councilman Marc D. Ferolito
2 Amy Dr.
Cranston, RI 02921
mferolito@msn.com

Council Member Cynthia M. Fogarty
60 Ausdale Rd.
Cranston, RI 02910
Fogarty1@msn.com

Councilman Allan W. Fung
252F Mayfield Ave.
Cranston, RI 02920
alfung@cox.net

Councilwoman Ellen O'Hara
79 Massasoit Ave.
Cranston, RI 02905
ellencohara@cox.net

Councilman Kirk McDonough
67 Dellwood Rd.
Cranston, RI 02920
kirkmcdonough@cox.net

Councilwoman Paula McFarland
100 Pomham St.
Cranston, RI 02910
pmcfarland@prodigy.net

Councilman Randall A. Jackvony
198 Burdick Dr.
Cranston, RI 02920
rjackvony@cox.net

Councilman John E. Lanni, Jr.
111 Woodview Dr.
Cranston, RI 02920
John.lanni@coachusa.com

/s/ Maria Medeiros Wall, City Clerk

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Council President Pastore stated that copies of the Budget will be available to the public after the Mayor presents the Budget.

Mayor Laffey appeared to make his Budget Presentation. He stated that this budget is conservative, fair and above all contains no buried falsehoods – No Gimmicks. He stated that last year's budget and the previous years' budgets were balanced on gross mismanagement and improper use of accounting gimmicks and the result of this were catastrophic.

Last November, the voters of Cranston elected him to watch over their money and he has been and will be watching over their money and he asked that the residents of Cranston watch him and the Council closely as he makes his proposals and the Council makes decisions on these proposals.

Mayor Laffey stated that this budget is an honest budget and impacts everyone in the City. Revenues are not overestimated, necessary accounts are not under-funded and money is placed in appropriate accounts and line items and pension funds are no longer being robbed. Many budgets that were adopted by past Councils contained poor and inappropriate financial schedules depleting one account to fund another. Approving such budgets amounted to gross fiscal mismanagement. There are certain changes that must be made and his Administration welcomes all questions. He addressed the Council and stated that when they voted for the five year budget back in January, the Council agreed that \$11 million in cuts were necessary. He asked the Council to adopt both Ordinances being introduced tonight and simultaneously save the City \$100 million and at the same time save the bankrupt pension system for the police and fire. He stated that the Councils' job is to be informed as to all Ordinances that would impact the long-term financial status of the City and apparently, the Councils that approved past budgets failed in their tasks. He stated that last Wednesday light was shed on the financial secrecy and darkness that has loomed over the City of Cranston and the Council will no longer claim that he or she made a mistake by not reading an Ordinance before voting on it of by relying on bad information. Financial misinformation will no longer be an excuse for financial mismanagement.

The City was polluted by improper accounting gimmicks and he shared a few of the most obvious ones:

- Balancing a budget by predicting a 100% rate of tax collection. The result – the numbers look nice on paper, but they reflect phantom dollars.
No Gimmick - Balancing a budget on a very real rate of collections. The rate of expected tax collections should be and is in this budget, calculated at 96%.

- Placing FPL Effluent revenues into the General Fund to try to masquerade the budget as a balanced one.
No Gimmick – Placing the FPL Effluent revenues in the Sewer Fund where they actually belong.

- Overestimating those same FPL Effluent revenues, or lack of, before inappropriately placing the number where it does not belong.
No Gimmick – Accurately calculating the revenues and placing them where they belong.

- Using the municipal debt account – the “Rainy Day” fund to make up for shortfalls resulting from poor budget planning.
No Gimmick – rebuilding the municipal debt account so that in the future we don't need unnecessary borrowing.

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- Stealing money out of pension fund to help make up for an unbalanced budget. Robbing an under-funded pension is illegal in the private sector and in the public sector it is at its least morally and ethically reprehensible to seal the retirement money of men and women who served the City so well.
No Gimmick – funding, given the passage of these ordinances, the Police and Fire pension for the first time and putting money into the pension fund instead of taking it out.

- The City Council in passing an ordinance that they knew or should have known allows for unrealistic raises that contributed to the bankrupting of the police and fire pension plan.
No Gimmick – submitting ordinances that will save the pension system that others have felt compelled to rob.

Mayor Laffey stated that his Administration will re-fund accounts that have been bankrupted and manage ALL the money responsibly. Budgeting gimmicks in Cranston end here and they end now!! He also stated that a reasonable and responsible budget will lessen the likelihood of endlessly high tax increases. He stated that we may even increase funding in some areas such as reserves and funding pensions and other areas such as allocating \$125,000 increase for preparation of the zoning and comprehensive plans.

Mayor Laffey stated that he gave a long hard look at the wonderful ladies who cross the school children in the morning and stated that they are great people, but we can't afford to pay them \$87.00 per hour when other options exist. He stated that the free ride is over. Balancing budgets with non-existent money or on the backs of someone's pension amounts to nothing more than make-believe.

Mayor Laffey stated that the good citizens of Cranston deserve a brighter future. When the Council passes both this budget and the Ordinances, then we can say that Cranston is on the way back, that we are starting to solve all our problems. He asked that politics be cast aside beginning tonight and all elected officials be accountable to those who elected them, the citizens of Cranston.

On motion by Councilman Ferolito, seconded by Councilman McDonough, the following Ordinances be advertised for hearing before the Ordinance Committee on Thursday, April 17, 2003 at 7:00 P.M. pursuant to Section 3.12 of the Charter. Motion passed unanimously.

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| 03-03-1SS | Ordinance amending Chapter 24 of the Code of the City of Cranston, 1970, entitled "Police Department". |
| 03-03-2SS | Ordinance amending Chapter 10 of the Code of the City of Cranston, 1970, entitled "Fire Department". |

Council Member Fogarty announced the dates for the Finance Committee meetings regarding the Budget and also stated that this schedule will be advertised.

The meeting recessed at 7:25 P.M.

Rosalba Zanni
Assistant City Clerk/Clerk of Committees

Maria Medeiros Wall
City Clerk

(See Stenographic notes of Ron Ronzio, Stenographer).