

## **FINANCE COMMITTEE**

Regular meeting of the Finance Committee was held on Thursday, May 14, 2009 in the Council Chambers, City Hall, Cranston, Rhode Island.

### **CALL MEETING TO ORDER:**

The meeting was called to order at 6:50 P.M. by the Chair.

Present: Councilman Emilio L. Navarro, Chair  
Councilman Mario Aceto, Vice-Chair  
Councilman Paul H. Archetto  
Councilman Anthony J. Lupino  
Council Vice-President Terence Livingston (appeared at 6:53 P.M.)  
Council President John E. Lanni, Jr.

Also Present: Councilman Richard D. Santamaria, Jr.  
Councilman Robert J. Pelletier  
Mayor Allan W. Fung  
Robin Muksian-Schutt, Director of Administration  
Gerald Cordy, Deputy Director of Administration  
Michael Glucksman, Assistant City Solicitor  
Evan Kirshenbaum, Assistant City Solicitor  
Robert Strom, Director of Finance  
David Capuano, City Treasurer  
Steve Woerner, City Council Internal Auditor  
Maria Medeiros Wall, City Clerk  
Rosalba Zanni, Assistant City Clerk/Clerk of Committees  
Heather Finger, Stenographer

### **MINUTES OF THE LAST MEETING:**

On motion by Councilman Lupino, seconded by Councilman Aceto, 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**

- **Motor Vehicle Tax Abatements**

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

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

**David Capuano**, City Treasurer, appeared to speak.

On motion by Councilman Lupino, seconded by Council President Lanni, it was voted to recommend approval of this list of Tax Interest Waivers. Motion passed unanimously.

**4-09-3 Ordinance amending Title 2 of the Code of the City of Cranston, 2005, entitled “Administration and Personnel” (Police Department Composition).**

**4-09-4 Ordinance amending Title 2 of the Code of the City of Cranston, 2005, entitled “Administration and Personnel” (Fire Department Composition).**

**Chair** stated that if there are no objections, the above two Ordinances will be taken as a group. No one objected.

Public Speakers:

**Paul Valletta**, President of Local 1363, Firefighters Union, appeared to oppose to Ordinance 4-09-4. He asked if there is a number that has been placed on the nine layoffs in the Fire Department. Chair stated that the number he has from the Administration has the nine firefighters at \$754,443.17. Mayor Fung stated that that is for the twenty members over the life of Fiscal Year 2010. This is not for the nine members. He will provide Mr. Valletta with a copy of the fiscal note.

**Mr. Valletta** asked that he be allowed to speak again after these Ordinances are discussed and rebut. He is not speaking as a public member, but rather a representative of the members of the Union. Chair stated that he has no objections that if there are any rebuttals or any statements Mr. Valletta would like to make, he will be granted the opportunity.

**Mr. Valletta** stated the following reasons why he is opposed to this Ordinance:

- Violates the Collective Bargaining Agreement – clearly, you cannot change the Collective Bargaining Agreement by Ordinance. That is what this Ordinance would do
- Cost vs. Savings – there is no savings laying off these firefighters. You are counting on use of stimulus money you do not have yet to pay for your portion of the healthcare.
- Overtime – during the Summer months, every day there are six firefighters on vacation and those days would be automatic Overtime. That cost would be \$360,743. For the four months, \$269,500 would be for salary; \$77,645 would be for healthcare; \$360,743 would be for Overtime; \$6,753 would be for reimbursement of pension. \$120,000 of pension reimbursement shows nowhere in the Budget as Revenue. As you see, these layoffs will cost the City money. This is not including Severances and eight months of Overtime that is not figured into his estimates.

- Need for Layoffs – why is this Administration asking the Council to change the table of organization by twenty-two positions. It makes no sense at all.

He indicated that this Union has \$2.2 million to give the City to next year's Budget. There is no need for layoffs, either Fire or Municipal, when you have Unions coming to the table offering \$2.2 million to shore up the Budget. The concessions from this Union have nothing to do with the layoffs. These concessions were made long before the threat of layoffs. If this Ordinance is passed, these concessions will no longer be on the table when the department is being reduced by twenty members. For the next two months, this Union is willing to give up \$350,000; Fiscal Year 2010 \$2,307,210 and Fiscal Year 2011 \$1,466,895.

**Paul Saccoccio**, appeared to represent IBPO Local 301, and opposed to Ordinance 4-09-3. He stated that a lot of Mr. Valletta's arguments relates to the Police Officers. They are opposed to any layoffs. He is concerned that the Council has built in the Budget just adopted, artificial savings, such as:

1. vacancies
2. arbitration has been filed, which took \$4.2 million off the table in taking vacancies out of the Budget
3. increase in work – with the fiscal crisis, this is no time to be laying off Police Officers
4. concern of easy way out the Council is going to take about taking money from the Police Pension Fund to offset the Budget deficit

**Diana Gordon** appeared to speak and asked that the Police Officers not be laid off. We really do need our Police, especially in these bad economic crisis.

**Ken Rouleau**, Vice-President of Local 1363 Firefighters Union, appeared to oppose to Ordinance 4-09-4. He stated that if this Ordinance is passed and layoffs happen, you will be sending strong message to the people who are ready to retire.

**Chair** asked Administration to address these two Ordinances.

**Mayor Fung** stated that these two Ordinances are not just part of a target of Police and Fire and their duties. He addressed Section 6.15 of the Charter, which provides that the Mayor shall reconsider work program and allotments of every department and he also indicated to Sections 5.05 and 5.01 of the Charter. Mayor Fung stated that what he proposed was a 10% workforce reduction through attrition and layoffs throughout all the City departments with the exception of Schools. As to Ordinance 4-09-4, intention is to layoff only twenty positions. Clearly, there is some savings that will be attainable. He feels these Ordinances are necessary for efficient operation of government and he urged passage of both of these Ordinances.

**Chair** questioned layoff process and what the mechanics are going to be. He stated that the following are what need to be considered: cost of the layoffs; what the cost is to the City for arbitrations and what the actual concessions and true savings are.

Vote was taken on the following Ordinances:

**4-09-3**

On motion by Councilman Lupino, seconded by Chairman Navarro, it was voted to deny this Ordinance.

Under Discussion:

**Councilman Archetto** voiced his opposition to this Ordinance. He stated that it is inappropriate at this time. During this financial crisis, crime increases and this Ordinance will take Police Officers off the streets.

**Council President Lanni** stated that he has always been against layoffs. With the Laborers and Teamsters Unions, the Council has no say in layoffs, but with the Police and Fire, that is different. He asked that the Council members not vote in favor of this Ordinance.

**Councilman Lupino** stated that he agrees that it is not sound to layoff people at this time. In the Budget the Council recently adopted, it did not approve any layoffs.

**Council Vice-President Livingston** reiterated the statements made about this not being the time for layoffs, but every Union needs to step up to the plate and not one Union take all the burden of giving concessions. He also stated that if this Ordinance is denied this evening, it will not go before the full Council for consideration. He stated that the Council budgeted for concessions and asked if these two Ordinances are denied, how will we make up that money. Mr. Woerner stated that we budgeted approximately \$1.2 million for these two Unions. Council Vice-President Livingston asked where we would come up with the \$1.2 million to balance our Budget. Mr. Woerner stated he does not know that we can. Council Vice-President Livingston stated that that is his problem. Let these Ordinances go before the full Council.

**Councilman Lupino** withdrew his motion to deny and Chairman Navarro removed his second.

On motion by Councilman Lupino, seconded by Councilman Navarro, it was voted to refer this Ordinance to the full Council with no recommendation. Motion passed on a vote of 5-1. The following being recorded as voting "aye": Councilmen Navarro, Aceto, Lupino, council Vice-President Livingston and Council President Lanni -5. The following being recorded as voting "nay": Councilman Archetto -1.

**4-09-4**

On motion by Councilman Lupino, seconded by Councilman Navarro, it was voted to deny this Ordinance.

Under Discussion:

**Mr. Valletta** stated that every Union has come to the table. What the Council is asking the Unions is basically blackmailing by saying to them if you do not give concessions, you will be laid off. That is not bargaining in good faith. He does not think this is right.

**Council Vice-President Livingston** stated that he does not want layoffs. His position has been to the Administration to sit down with the Unions and work these issues out and avoid layoffs. This Union has already reached the money the city needs in concessions.

**Chair** asked if the Administration has been in contact with the Union on their initial proposal. Mayor Fung stated, no, because the Council wanted to have an Executive Session on the rest of the contracts before any further negotiations continued. He will get back to Mr. Valletta as soon as next week to continue those discussions.

**Council President Lanni** stated to the Mayor that there are concessions out there and he will not bring them forward. Nothing has been brought to this Council for a decision. Mayor Fung stated that he has not had a chance to speak to the Fire Union. He has had other pressing issues to address, such as the sexual predators coming into the City and has not had time to speak to the Fire Union.

**Councilman Lupino** stated that these two Ordinances are totally different and there are different circumstances surrounding the situation. We have one Union that has an existing contract and has come forward with concessions and then we have another Union that is in arbitration.

The meeting recessed at 8:05 P.M.

The meeting reconvened at 8:07 P.M.

Roll call was taken on motion to deny and motion passed unanimously.

Council President Lanni motioned to reconsider the previous vote taken on Ordinance 4-09-3 and Councilman Lupino seconded the motion. Motion passed unanimously.

On motion by Council President Lanni, seconded by Councilman Lupino, it was voted to deny Ordinance 4-09-3. Motion passed unanimously.

The meeting adjourned at 8:10 P.M.

Respectfully submitted,

Rosalba Zanni  
Assistant City Clerk/Clerk of Committees