

## **FINANCE COMMITTEE**

Regular meeting of the Finance Committee was held on Thursday, May 15, 2008 in the Council Chambers, City Hall, Cranston, Rhode Island.

The meeting was called to order at 6:30 P.M. by the Council President since the Chair was absent.

Present: Councilman Emilio L. Navarro  
Councilman Jeffrey P. Barone  
Council President Aram G. Garabedian

Absent: Councilman Terence Livingston, Chair  
Council Vice-President Paula McFarland, Vice-Chair  
Councilman Anthony J. Lupino

Also Present: Councilman Richard D. Santamaria, Jr.  
Councilman John E. Lanni, Jr.  
Council Member Maria A. Bucci  
Frank Migliorelli, Deputy Director of Administration  
Charles Garganese, Jr., Assistant City Solicitor  
Aubrey Lombardo, Assistant City Solicitor  
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

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.

### **School Department/Caruolo Action**

**Mr. Woerner** stated that it has been stated in the newspaper that the Mayor has hired an attorney for the Caruolo Action. He was advised by the School Department today, that legal counsel has hired an accounting firm, James Nadeau and a former School Superintendent, to work for the City. Solicitor Garganese stated that he would like some time to research this issue.

On motion by Councilman Barone, seconded by Councilman Navarro, it was voted to continue this item for one month. Motion passed unanimously.

### **CORRESPONDENCE:**

## **OLD BUSINESS:**

### **Property Tax Write-Offs – Rossi Law Office** (Cont. from 2/14/2008, 4/14/2008)

On motion by Councilman Barone, seconded by Councilman Navarro, it was voted to remove this item from the agenda. 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).** (Continued from 7/12/2007; no action on 1/17/2008; Cont. 2/14/2008, 3/13/2008, 4/14/2008).

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

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

This item was continued.

## **PUBLIC HEARING:**

**Kathleen Boyle**, 34 Keith Ave., appeared to appeal the denial of the City Treasurer of tax interest waiver in the amount of \$99.71 and stated that she was late in paying her last quarter taxes by one day.

**Councilman Santamaria** appeared to speak for his constituent, Patricia Marinaro, who was denied tax interest waiver. She filed for a waiver due to financial hardship.

**Patricia Marinaro**, 89 Randall St., appeared to speak and stated that taxes have gone way beyond her income and she is currently on disability. She sent in her tax bill on February 19, 2008 and the check was not cashed until March 6, 2008. Total interest she is appealing to be waived is \$341.00 and she asked that it be put towards this year's taxes. Councilman Barone referred to Mr. Gray and asked if this amount could be deferred to this year's taxes. Mr. Gray stated, yes, this is possible.

**Councilman Lanni** stated that this is a situation that, as Council members, should be addressed in the future because there are a lot of people especially seniors who are in this same predicament.

**Anthony Caprio**, 7 Deer Run, Scituate, appeared to speak regarding his taxes for property he owns at 1055 Oaklawn Ave. He was receiving the tax bill for Oaklawn Ave. at the Pippin Orchard address, which he also owns. He never received a tax bill in the past. He is now trying to obtain a mortgage for Oaklawn Ave. and his attorney notified him that he owes approximately \$17,000 in taxes plus interest. He asked that his circumstances be considered. The interest is approximately \$2,200.

**Edward Pezzelli**, owner of small business at 936 Reservoir Ave. He asked that interest be waived in the amount of \$541.45 on real estate and tangible tax bills. He paid his taxes six days after the grace period. This is the first time he paid his taxes late, unknowingly, in over 40 years.

## NEW BUSINESS:

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

On motion by Councilman Barone, seconded by Councilman Navarro, it was voted to recommend approval the Real Estate/Tangible Tax Abatements. Motion passed unanimously.

### **Motor Vehicle Tax Abatements**

On motion by Councilman Barone, seconded by Councilman Navarro, it was voted to recommend approval the Motor Vehicle Tax Abatements. Motion passed unanimously.

### **Tax Interest Waiver Denials**

On motion by Councilman Navarro, seconded by Councilman Barone, it was voted to override the denial of the City Treasurer of tax interest waiver for **Kathleen Boyle** and to grant the waiver interest. Motion passed unanimously.

On motion by Councilman Barone, seconded by Council President Garabedian, it was voted to override the denial of the City Treasurer of tax interest waiver for **Anthony Caprio** and to grant the waiver interest. Motion passed on a vote of 2-1. The following being recorded as voting "aye": Councilman Barone and Council President Garabedian -2. The following being recorded as voting "nay": Councilman Navarro -1.

On motion by Councilman Barone, seconded by Council President Garabedian, it was voted to override the denial of the City Treasurer of tax interest waiver for **Patricia Marinaro** and to grant the waiver interest. Motion passed unanimously.

On motion by Councilman Barone, seconded by Councilman Navarro, it was voted to override the denial of the City Treasurer of tax interest waiver for **Edward Pezzelli** and to grant the waiver interest. Motion passed unanimously.

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

## **Tax Interest Waiver – no recommendation**

**Mr. Gray** stated that there are three requests for interest waivers of which one he did not feel he could make a recommendation for or against.

**Councilman Navarro** questioned the \$2,240.79 for Park Ave. Greenhouses. Mr. Gray referred to the spreadsheet that was provided to the Committee with the backup information for these waiver requests and stated that by State Law, any taxes over 10 years old, cannot be pursued. The amount being requested is from 1998 through 2003 for tangible.

**Councilman Navarro** asked what the reason is for this request. Mr. Gray stated that apparently, when the tax was issued, it was issued under a particular LLC. They then apparently set up a new corporation, and since then took over the tangible items of the prior one and just started doing business under a new name and his feeling is that they are still using the same tangible equipment. It is still the same owner, it is just a different business name. Therefore, in his opinion, he feels it is still due.

On motion by Councilman Navarro, seconded by Councilman Barone, it was voted to deny the interest waiver request for Park Ave. Greenhouse. Motion passed unanimously.

On motion by Councilman Barone, seconded by Council President Garabedian, it was voted to deny the remainder of the requests listed. Motion passed unanimously.

### **4-08-1 Ordinance authorizing to utilize Western Cranston Impact Fees for Natick Ave.** (Natick Ave. Engineering Study)

**Council Member Bucci**, sponsor of this Ordinance, asked that this Ordinance be approved. No one appeared to oppose.

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

### **\*Performance Audit and Financial Audit of the School Contracts**

**Solicitor Garganese** stated that there is a State Statute stating that once a School District files a Caruolo Action in Court, the Chief Officer of any municipality shall have a performance audit conducted.

**Mr. Woerner** stated that this recommendation came out of the Audit Committee. After speaking with Mr. Balducci, Business Manager of the School Department, Mr. Balducci was under the impression that this was going to be more of a financial review of where they are now.

The meeting adjourned at 7:25 P.M.

Respectfully submitted,

Rosalba Zanni  
Assistant City Clerk/Clerk of Committee