

FINANCE COMMITTEE

Regular meeting of the Finance Committee was held on Monday, May 21, 2007 in the Council Chambers, City Hall, Cranston, Rhode Island.

CALL MEETING TO ORDER:

The meeting was called to order at 6:45 P.M. by the Chair.

Present: Councilman Terence Livingston, Chair
Councilman Anthony J. Lupino
Councilman Emilio L. Navarro (appeared at 7:05 P.M.)
Councilman Jeffrey P. Barone
Council President Aram G. Garabedian

Absent: Council Vice-President Paula McFarland, Vice-Chair

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

MINUTES OF THE LAST MEETING:

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.

CORRESPONDENCE:

OLD BUSINESS:

TAX ASSESSMENT BOARD OF REVIEW DECISIONS (informational only) (Cont. 4/10/2007)

No action needed.

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 and 4/10/2007.

Chair stated that Mr. Woerner is still working on this Ordinance and this Ordinance will be continued.

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.

No action. Ordinance will remain tabled.

NEW BUSINESS:

REAL ESTATE/TANGIBLE TAX ABATEMENTS

Mr. Smith appeared to speak.

On motion by Councilman Barone, seconded by Councilman Lupino, 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 Councilman Lupino, 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 appeared to speak.

On motion by Councilman Barone, seconded by Councilman Lupino, it was voted to approve this report. Motion passed unanimously.

Request from Treasurer for guidance regarding waiver requests due to lost checks

Mr. Gray appeared to speak and stated that there are two Ordinances on the books and neither Ordinance addresses lost checks and he is looking for guidance from this Committee if lost check is a legitimate reason for waiver of interest. Chair asked for Solicitor's opinion. Solicitor Garganese stated that he does not see anything in the Ordinance which addresses lost checks. Chair suggested a continuance of one month and if Administration feels the Ordinance in place should be amended or a procedure addressing lost checks should be implemented, then that can be done.

On motion by Councilman Barone, seconded by Councilman Lupino, it was voted to continue this list of waivers. Motion passed unanimously.

Treasurer's recommendation for denial of waivers

Mr. Gray appeared to speak.

Robert Dupre, property owner of 765 Park Ave., appeared to speak and asked for interest to be waived on the fourth quarter taxes. He paid the fourth quarter one day late. Mr. Gray stated that he did recommend denial because Mr. Dupre is not a City of Cranston resident.

On motion by Councilman Barone, seconded by Councilman Lupino, it was voted to recommend approval of the list of denied interest waivers as recommended by Mr. Gray except for Mr. Dupre's. Motion passed unanimously.

On motion by Councilman Barone, seconded by Councilman Lupino, it was voted to continue the request for interest waiver of Mr. Dupre. Motion passed unanimously.

Treasurer's recommendation for approval of waivers

Mr. Gray appeared to speak.

On motion by Councilman Barone, seconded by Councilman Lupino, it was voted to recommend approval of the list of approved interest waivers as recommended by Mr. Gray. Motion passed unanimously.

***Discussion of revenues from new (Bubble) Ice Rink**

Chair asked if any additional new revenues are expected because of the bubble rink. Bill Bennett from the Rink Management Company, appeared to speak and stated, yes. They have a contract for \$95,000 with an outside organization. Chair asked if the management company has signed a new contract with the City for the bubble rink. Mr. Bennett stated, no, the contract will be up in April of 2008. Councilman Lupino stated that the bubble rink was to be up in April and it is now May 21st and there is no bubble rink up yet. He asked what the status is. Mr. Migliorelli stated that the bubble rink is to be used strictly for practices. Any revenues fall under the current contract. Councilman Barone asked what type of system is used to determine the amount of revenues generated. Mr. Bennett stated that bracelets are sold, which the number of bracelets sold should match the revenues.

Councilman Barone asked if anyone conducts an audit of the amount of revenues received. Mr. Bennett stated that the Parks and Recreation Director receives a packet of this information every month. Anthony Liberatore, Director of Parks and Recreation, appeared to speak and presented balance sheets for the months of January, February, March and April, 2007. Councilman Navarro asked who provides this information. Mr. Liberatore stated that Rink Management puts these balance sheets together. Mr. Liberatore stated that the fire at the rink was January 8, 2006 and re-opened July 8, 2006. Since then, not one check in revenue was received by the City. Since January, 2005, to the date of the fire, not one revenue check was received from this management company or from previous management company, Global Spectrum. He called a meeting last week with the management company, Finance Director, City Treasurer and City Controller and advised them of this.

Councilman Barone stated that there is a bigger problem, we are still waiting for money from a management company who no longer has a contract with the City, at least Rink Management is still here. We need to look into how we are going to go about recouping money from Global Spectrum. Chair asked Solicitor to research this. Mr. Liberatore stated that he would like to set up a type of escrow account for Park and Recreation strictly for operating the bubble rink and the ice rink. Chair stated to Mr. Liberatore that any ideas he has, he meet with the Solicitor because he would like to work within the bounds of the contract and report back to the Committee at the next meeting.

Council President Garabedian asked if it is possible that the reason no money has been sent to the City is because they do not owe any money. Mr. Woerner stated that the owner's capital investment is a real cash influx of approximately \$300,000. In 2006, he sent Mr. Bennett a letter asking him various questions regarding the operation of the rink and also regarding revenues and the accounting process and if they had any business interruption insurance. He has not received a response. Mr. Bennett stated that they were shut down from January, 2006 thru June, 2006 and no revenues came in. As to the business interruption insurance, he does not know if the company has it or not.

On motion by Council President Garabedian, seconded by Councilman Barone, it was voted to have Mr. Liberatore meet with Mr. Bennett, the Solicitor and the Administration and provide the Committee a report as to the financial condition, business interruption insurance and how much money we should have received from this company and the previous management company. Motion passed unanimously.

On motion by Councilman Barone, seconded by Councilman Lupino, it was voted to also request that this Committee be provided with the following: if any money is owed from January, 2005 to the present. Motion passed unanimously.

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).

Councilman Barone stated that the fiscal note should list how much is in this account. Mr. Liberatore stated that this is for the main rink and not the bubble rink. Chair stated that the question is can we use Impact Fees for this. Mr. Corsino stated that currently, there is approximately \$321,000 in Impact Fees between Eastern and Western Cranston.

On motion by Council President Garabedian, seconded by Councilman Lupino, it was voted to table this Ordinance. Motion passed unanimously.

4-07-6 Ordinance authorizing the City to utilize Eastern Cranston Police Impact Fees for various equipment at new station.

Chair stated that we should be using Western Impact Fees along with Eastern. Councilman Barone questioned what the balance is in this account.

On motion by Councilman Barone, seconded by Councilman Lupino, it was voted to amend this Ordinance to add "Western Impact Fees". Motion passed unanimously.

Tax Incentive Application for X-Ray Associates, Inc. for 65 Sockanosset Crossroads.

Paula Rocha, Director of Economic Development, appeared to speak.

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

Under Discussion:

Councilman Barone asked what the fiscal impact is going to be. Ms. Rocha stated \$139,109 for the 10 years. Councilman Navarro asked if this company owns more property in the City. Lisa Sorno appeared to represent X-Ray Associates, and stated that the company currently lease space on Reservoir Ave and own other property on Reservoir Ave. They lease this property on Sockanosset Crossroads.

Roll call was taken and motion passed unanimously.

The meeting adjourned at 7:35 P.M.

Respectfully submitted,

Rosalba Zanni
Assistant City Clerk/Clerk of Committees