

SPECIAL FINANCE COMMITTEE
(BUDGET HEARINGS - AMENDMENTS)

Special meeting of the Finance Committee was held on Wednesday, May 7, 2008 in the Council Chambers, City Hall, Cranston, Rhode Island.

The meeting was called to order at 7:05 P.M. by the Chair.

Present: Councilman Terence Livingston, Chair
Council Vice-President Paula McFarland, Vice-Chair
Councilman Emilio L. Navarro
Councilman Anthony J. Lupino
Council President Aram G. Garabedian

Absent: Councilman Jeffrey P. Barone

Also Present: Councilman Richard D. Santamaria, Jr.
Council Member Maria A. Bucci
Ernest Carlucci, Director of Administration
Frank Migliorelli, Deputy Director of Administration
Vito Sciolto, City Solicitor
Corsino Delgado, Director of Finance
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 Council President Garabedian, seconded by Councilman Lupino, it was voted to go into Executive Session pursuant to RIGL 42-46-5(a)(2). Motion passed unanimously.

Councilman Lupino stated that Councilman Barone, even though he takes his job seriously, he will not be able to attend this meeting due to the death of a close friend.

The meeting went into Executive Session at 7:06 P.M.

Present in Executive Session: Councilmen Lupino, Livingston, Navarro, Santamaria, Council Member Bucci, Council Vice-President McFarland and Council President Garabedian; Ernest Carlucci, Director of Administration; Frank Migliorelli, Deputy Director of Administration; Vito Sciolto, City Solicitor; Corsino Delgado, Director of Finance; Steve Woerner, City Council Internal Auditor.

The meeting came out of Executive Session at 7:50 P.M.

On motion by Councilman Santamaria, seconded by Councilman Navarro, it was voted to come out of Executive Session. Motion passed unanimously.

On motion by Councilman Santamaria, seconded by Councilman Navarro, it was voted to seal the minutes of Executive Session. Motion passed unanimously.

Public Speakers:

Mike Dutton, Chief Record Clerk, Police Department, appeared to speak and presented a packet to the Committee. He corrected a rumor that he is retiring in July; he stated that he is not retiring for at least another twelve years. He stated that the cut in salary proposed by the Mayor is approximately \$700 per pay period. He asked that the Committee consider all things before making a decision.

Ernest DePari, Highway Superintendent, appeared to speak and presented a packet to the Committee. He stated that proposing a cut in his salary and giving him more responsibility and duties, he finds very offensive.

Steve Stycos, 37 Ferncrest Ave., School Committee Member, appeared to speak and stated that the Schools really need the funds and asked the Committee to fully fund the Schools. He also stated that he supports a tax increase and other revenue measures.

Jessica Rosner, 107 Betsy Williams Dr., appeared to speak and echoed the statements made by Mr. Stycos. The School Department has made cuts, in good faith, in everything that could be cut without hurting education. She also would be in favor of a tax increase, as long as it is geared for education only.

Steve Labrie, 1740 Plainfield Pike, Business Agent for the Teamsters Union, appeared to speak and stated that this budget is not a responsible budget. Eliminating a department (Engineering Division) is not good for the City. As for Mike Dutton's salary cut, this is a personal vendetta for someone who has received accolades from the Police Department, FBI and State Police. This union, by attrition and retirements, will be saving the City \$230,000; this is a considerable amount of money from a small group. By eliminating the Engineering Department, as proposed by the Mayor, will cost the City a lot more money next year for outside engineers.

Council Vice-President McFarland stated that as to the School Department budget, the Council will be looking at a small tax increase this year or a definite tax increase with a supplemental tax next year, especially since there is a Caruolo Action pending. These are her major concerns. Targeting certain employees who have never had any reprimands, verbally or written, and not look at how to restructure services of government, is not fiscally sound and is not responsible.

Chair stated that this Committee has worked very hard, but the money just isn't there. To fully fund the Schools, we would have to raise taxes and to raise taxes enough to fully fund the Schools, would be above the State cap.

Council Vice-President McFarland read the following amendments proposed by Mr. Woerner:

Revenues:

101-0000-41162 – Inc. Delinquent Taxes

Increase of \$100,000 for new balance of \$1,100,000.

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

101-1401-44111 – Interest Revenue

Increase of \$100,000 for new balance of \$1,850,000.

On motion by Councilman Navarro, seconded by Council President Garabedian, it was voted to recommend approval of this proposal.

Under Discussion:

Councilman Lupino asked for an explanation of justification for this proposal. Mr. Woerner stated that the proposed balance is less than what is achieved in the last few years.

Roll call was taken and motion passed unanimously.

101-2801-45107 – Police Car Detail

Increase of \$45,000, as indicated by the Police Department, for new balance of \$225,000.

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

101-0501-46151 – Universal Business License

Addition of \$40,000, as proposed by Donald Gray, City Treasurer, for new balance of \$40,000.

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

Council Vice-President McFarland indicated that an Ordinance would have to be passed if this is instituted.

Transfer of Other Funds

Mr. Woerner stated these would be funds (\$374,368) that have been set up in the past and never been used.

On motion by Councilman Navarro, seconded by Council President Garabedian, it was voted to recommend approval of this proposal. Motion passed on a vote of 4-1. The following being recorded as voting “aye”: Councilmen Livingston, Lupino, Navarro and Council President Garabedian -4. The following being recorded as voting “nay”: Council Vice-President McFarland -1.

Transfer of Cum. Surplus

Mr. Woerner proposed to remove \$2,700,000.

Council President Garabedian asked for an explanation. Mr. Woerner stated that the consensus of the group that has met to propose these cuts, was we don't want to tap into the Rainy Day Fund this year. Councilman Lupino asked Mr. Woerner to identify who the members of the group are, since he was not part of these meetings. Chair asked that the stenographer strike the word “group”. Mr. Woerner stated that this proposal is to avoid dipping into the Rainy Day Fund.

On motion by Councilman Navarro, seconded by Council President Garabedian, it was voted to recommend approval of this proposal. Motion passed on a vote of 4-1. The following being recorded as voting “aye”: Councilmen Livingston, Navarro, Council Vice-President McFarland and Council President Garabedian -4. The following being recorded as voting “nay”: Councilman Lupino -1.

Expenditures:

101-1601-51101 – Assessor Field Appraiser-1 month

Increase of \$18,500 for new balance of \$6,187.

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

101-2821-51101 – Public Safety Engineer

Proposal is to restore the \$20,232 cut made by the Mayor.

On motion by Councilman Livingston, seconded by Councilman Navarro, it was voted to recommend approval of this proposal.

Under Discussion:

Chair stated that this proposal restores the Public Safety Engineer's salary. Councilman Lupino stated that, per the Administration, three employees, who were supervised by the Public Safety Engineer, have been moved to the Highway Department and the Public Safety Engineer's duties have been diminished and the cut is justified. Council Vice-President McFarland stated that this employee took a test for this position. The Council will send a terrible message to the City that a person is tested and a certain salary is set and then the salary is cut. This position is a Charter position. The position he holds today with the salary is what he was hired at.

Council President Garabedian stated that this is a Charter position, the Mayor has re-classified the job into another title. There is merit in what Councilman Lupino has stated. A reduction of \$10,000 was far more fair. The reduction of \$20,000 was a dramatic cut according to him.

Councilman Navarro stated that the Safety Engineer is the only one we have in the City. His salary is what he considered merit table, considering the experience he has and credentials he has and he also came to work for the City from the State.

Councilman Lupino asked Solicitor if the Charter allows the Mayor some discretion in changing titles and positions. Mr. Sciolto stated, yes.

On motion by Councilman Lupino, seconded by Council President Garabedian, it was voted to recommend approval of this proposal. Motion passed on a vote of 3-2. The following being recorded as voting "aye": Councilmen Livingston, Navarro and Council Vice-President McFarland -3. The following being recorded as voting "nay": Councilman Lupino and Council President Garabedian -2.

101-5401-54506 – Historic District Commission

Add \$500, for a total of \$1,000.

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

101-2801-54415 – Police Education

As requested by Police Department, increase this line item by \$17,000, for a total of \$97,000.

On motion by Councilman Navarro, seconded by Council President Garabedian, it was voted to recommend approval of this proposal.

Under Discussion:

Chair stated that this is contractual.

Roll call was taken and motion passed unanimously.

101-3601-54706 – Tipping Fees

Negative reduction of \$52,500.

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

101-4503-51101- Senior Services Social Worker Adult Day Care

Delete \$36,781.

On motion by Councilman Navarro, seconded by Council President Garabedian, it was voted to recommend approval of this proposal for discussion purposes.

Under Discussion:

Council Vice-President McFarland stated that she asked for information from the Director of Senior Services and has not received any response. All these questions would have to be answered before she can support this amendment. Because we do not know if this position is federally funded, it could hurt our services.

Councilman Lupino asked if this position is tied to any federal funds. **Terry Murphy**, Director of Senior Services, appeared to speak and stated that it is required by the State, licensing would be jeopardized by the State if this position is cut.

Council Vice-President McFarland asked for a list of what positions are not funded by federal or state grant.

Councilman Navarro asked, if this position is cut, who would assume those duties. Ms. Murphy stated that there are social workers in the Social Work Division, who are independent case workers. We do not want to have them take on those duties because they are independent and we need a Day Care social worker to cater to the Adult Day Care only.

Entire Committee was opposed to this amendment because there are too many unanswered questions.

Council President Garabedian questioned if the functions can be consolidated in this department. Ms. Murphy stated that all the divisions in the Senior Center are distinct and provide very different services.

Council Vice-President McFarland stated to Ms. Murphy that in the future, on a pro-active approach, she could restructure this department and we have to look at it efficiently. No roll call was taken. Motion failed.

101-0650-54046 – Canvassers Elimination of Polling Places

Decrease of \$20,000.

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

101-1401-51429 – Transfer to Claims

Decrease of \$150,000.

On motion by Council President Garabedian, seconded by Councilman Navarro, it was voted to recommend approval of this proposal.

Under Discussion:

Councilman Lupino asked for an explanation. Mr. Woerner stated that there is a substantial surplus in the Claims Funds and it would be prudent to reduce this.

Motion passed on a vote of 4-1. The following being recorded as voting “aye”: Councilmen Livingston, Navarro, Council Vice-President McFarland and Council President Garabedian -4. The following being recorded as voting “nay”: Councilman Lupino -1.

101-2801-55207 Police Retiree Health

Reduction of \$160,000.

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

101-2101-55207 Fire Retiree Health

Reduction of \$160,000.

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

101-0201-54136 Council Auditor Salary

Increase of \$10,000 in Auditor's salary.

On motion by Council President Garabedian, seconded by Councilman Navarro, it was voted to recommend approval of this proposal. Motion passed on a vote of 4-1. The following being recorded as voting "aye": Councilmen Livingston, Navarro, Council Vice-President McFarland and Council President Garabedian -4. The following being recorded as voting "nay": Councilman Lupino -1.

101-0201-51254 Council Hospitalization

Increase of \$14,047 health benefits for Mr. Woerner

On motion by Council President Garabedian, seconded by Councilman Navarro, it was voted to recommend approval of this proposal.

Under Discussion:

Councilman Lupino stated that this has always been a part-time position and to add \$10,000 to a part-time position and give this person health coverage, would create a big controversy in the City, especially since we are not funding the Schools and the City is in dire financial situation.

Roll call was taken and motion passed on a vote of 4-1. The following being recorded as voting "aye": Councilmen Livingston, Navarro, Council Vice-President McFarland and Council President Garabedian -4. The following being recorded as voting "nay": Councilman Lupino -1.

Revenue:

Sewer Fund

Add \$120,000 in the Sewer for the Florida Power.

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

Expenditures:

School Sewer Fees –addition of \$120,000.

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

Revenue:

Claims Fund – reduction of \$150,000.

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

Mr. Woerner stated new accounts in the Council Budget, which will be contingency fund called “Taxpayer Escrow Account” and placing \$825,000 and \$679,714, which would have to be achieved through concessions.

On motion by Council President Garabedian, seconded by Councilman Navarro, it was voted to recommend approval of these proposals.

Under Discussion:

Council President Garabedian stated that these funds could be funds that involve potential concessions by unions involving such items as furloughs, healthcare buyback and healthcare co-pays.

Councilman Lupino stated that he would be opposed to any reduction of staff, unless a performance audit is done throughout the City. By cutting jobs, you are cutting services and that is a tax increase.

Chair indicated to Councilman Lupino that the Audit Committee recommended to the Finance Committee that a performance audit be done and Councilman Lupino was not in favor of that at that time. Chair stated that in this amendment, we are not looking at cutting jobs. The savings would be potential healthcare buyback being eliminated, furloughs and potential consolidation with the Schools. Councilman Lupino stated that he was not opposed to an audit, he was opposed to the particular firm being recommended. He indicated that we should go to RFP.

Council Vice-President McFarland stated that she does not feel comfortable with this amendment either. A savings would be to start with the Administrative Unit, as a leader to the unions. To take the people that make the least amount of money is not the proper course to take. We need to start at a level that we actually have control of, which are the Administrators. This would be attacking two unions in the City, the Teamsters and the Laborers, who make the lowest in the City. We had an opportunity to address this through Project ReDirect, which she Chaired the Healthcare Sub-Committee of Project ReDirect and met with all the unions once and they went nowhere. She will not pit unions against unions, because they will hurt City services.

Councilman Navarro stated that we have to start somewhere. We need to find other resources to effectively fund the Schools. We need to change ways we do things in the City.

Roll call was taken and motion passed on a vote of 3-2. The following being recorded as voting “aye”: Councilmen Livingston, Navarro and Council President Garabedian -3. The following being recorded as voting “nay”: Councilman Lupino and Council Vice-President McFarland -2.

101-3101-54201 – Street Lights 10% cut

Reduction of \$120,000.

On motion by Councilman Navarro, seconded by Councilman Livingston, it was voted to recommend approval of this proposal.

Under Discussion:

Council Vice-President McFarland stated that she would like to know from the City what lights would be shut off and what would be the cost of the broken lights. Until she gets these answers, she is opposed to this proposal.

Roll call was taken and motion failed on a vote of 2-3. The following being recorded as voting “aye”: Councilmen Livingston and Lupino -2. The following being recorded as voting “nay”: Councilman Navarro, Council Vice-President McFarland and Council President Garabedian -3.

101-0450-51101 – Personnel Analyst Status Quo

Proposal is to leave Personnel Analyst status quo and add \$22,540.

Councilman Livingston motioned to approve this proposal. Councilman Navarro seconded this motion for discussion purposes.

Under Discussion:

Chair stated that this would be removing the Personnel Clerk position and restoring the Personnel Analyst position.

Roll call was taken and motion failed on a vote of 1-4. The following being recorded as voting “aye”: Councilman Livingston -1. The following being recorded as voting “nay”: Councilmen Lupino, Navarro, Council Vice-President McFarland and Council President Garabedian -4.

Council President Garabedian motioned to add \$15,000 for part-time position with no medical, which could be offered to the Personnel Analyst. No one seconded this motion.

Council Vice-President McFarland stated that this would be increasing the number of workers in this office. A Clerk and a Director of Personnel is enough to run this office efficiently.

Chair asked Council President Garabedian to check with the current Personnel Analyst and see if she is willing to take this position part-time and this amendment can be made on Monday, during the Budget Adoption.

On motion by Council Vice-President McFarland, seconded by Councilman Navarro, it was voted to abolish the Administrative Clerk position. Motion failed on a vote of 1-4. The following being recorded as voting “aye”: Council Vice-President McFarland -1. The following being recorded as voting “nay”: Councilmen Lupino, Livingston, Navarro and Council President Garabedian -4.

On motion by Council Vice-President McFarland, seconded by Councilman Navarro, it was voted to make the Administrative clerk position classified as a Senior Clerk and position be tested.

Under Discussion:

Councilman Lupino asked Administration what the Mayor’s proposal is. Mr. Carlucci stated that the Administration felt that a non-union position would be more efficient, since this office deals with confidential records and the position was taken out of the union so it wouldn’t be a conflict in dealing with personnel matters. The clerk that is presently in this office will be moved to another department and her duties will be healthcare and payroll in the department of Finance. Motion and second were removed.

101-1901-51101 – City Treasurer Raise

Decrease by \$11,132.

On motion by Council President Garabedian, seconded by Councilman Navarro, it was voted to approve this proposal. Motion passed unanimously.

Council President Garabedian motioned to increase the salary of the City Treasurer by \$5,000. No one seconded this motion.

101-2301-51101- Building Inspections – Vacant Jobs

Councilman Navarro asked if these positions, which are vacant, are going to be filled, since they have been vacant for over a year. Mr. Migliorelli stated that tests were given and no one passed and we are in the process of giving re-certification through the State.

Council President Garabedian stated that he does not want any funds taken out of this department, since this department is critical.

Mr. Migliorelli stated that the Data Entry position will be filled as of May 10, 2008.

No vote was taken.

101-0702-51101- Economic Development Aide

Councilman Navarro stated that he originally proposed to eliminate \$44, 259 for the Economic Development Aide. Based on information he received, he will not be proposing this amendment.

Council Vice-President McFarland stated the following vacant positions, which are already zeroed out of the Budget, should be deleted from the budget altogether:

- Juvenile Hearing Board Clerk – Police Station
- Finance Confidential Assistant to the Finance Director
- Records Inspector in the Clerk’s Office
- Cashier in the Treasurer’s Office

On motion by Council Vice-President McFarland, seconded by Council President Garabedian, it was voted to zero these line items out.

Under Discussion:

Chair stated that these are not costing the City anything. We may need them in the future.

Roll call was taken and motion passed on a vote of 4-1. The following being recorded as voting “aye”: Councilmen Navarro, Lupino, Council Vice-President McFarland and Council President Garabedian -4. The following being recorded as voting “nay”: Councilman Livingston -1.

Council Vice-President McFarland stated that there are positions in the Police Department that are receiving increases, yet there is one position that is being decreased. We are duplicating services all over City government. There is a bookkeeper at the Police Station, Senior Center and City Hall. She asked to fully fund the Validating Clerk.

On motion by Council Vice-President McFarland, seconded by Councilman Navarro, it was voted to fully fund #101-2801-51101 “the Validating Clerk position at the Police Station”, held by Mike Dutton.

Under Discussion:

Councilman Lupino stated that he received an e-mail from Mr. Dutton asking to maintain his position. He finds it ironic that no one from the Administration or Police Department has appeared to speak to retain that position. Mr. Carlucci stated that the Administration feels that a lot of the duties could be assumed by a Police Officer.

Roll call was taken and motion passed on a vote of 3-2. The following being recorded as voting “aye”: Councilman Navarro, Council Vice-President McFarland and Council President Garabedian -3. The following being recorded as voting “nay”: Councilmen Lupino and Livingston -2.

Sale of Properties:

Councilman Lupino addressed the “Sale of Properties” listed on the handout of proposed amendments provided by Mr. Woerner. He suggested taking \$3 million of that amount to offset what will be the debt for the 2007-2008 School Budget. Mr. Carlucci stated that we will be moving forward with the former Police Station sale. As for the Hamilton Building and Sanders School, we have not done anything yet.

Councilman Livingston stated that he would like to review this and obtain a legal opinion. Mr. Sciolto stated that as to the Hamilton Building and Sanders School, the results are uncertain and he would like to review this.

No motions were made regarding the above proposal.

The meeting adjourned at 11:00 P.M.

Respectfully submitted,

Rosalba Zanni
Assistant City Clerk/Clerk of Committees