

(The following is not a verbatim transcript of comments or discussion that occurred during the meeting but rather a summarization intended for general informational purposes. All motions and votes are the official records.)

FINANCE COMMITTEE

Regular meeting of the Finance Committee was held on Wednesday, November 10, 2010 in the Council Chambers, City Hall, Cranston, Rhode Island.

CALL MEETING TO ORDER:

The meeting was called to order at 6:35 P.M.

Present: Councilman Emilio L. Navarro, Chair
Councilman Mario Aceto, Vice-Chair
Councilman Paul H. Archetto
Councilman Anthony J. Lupino
Council President John E. Lanni, Jr.

Absent: Council Vice-President Terence Livingston

Also Present: Councilman Richard D. Santamaria, Jr.
Councilman Robert J. Pelletier
Robin Muksian-Schutt, Director of Administration
Gerald Cordy, Deputy Director of Administration
Evan Kirshenbaum, Assistant City Solicitor
Robert Strom, Director of Finance
Steve Woerner, City Council Internal Auditor
Maria Medeiros Wall, City Clerk
Rosalba Zanni, Assistant City Clerk/Clerk of Committees
Meredith Mahoney, 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:

- **Councilman Lupino: United Way Flood Grant Program - Administration report on process Administration report on buyout and Inspections report on construction parameters in flood areas.**

Mr. Cordy stated that as to the United Way Grant Program, this is administered through CCAP and if anyone calls for assistance, they are referred to CCAP. As to the construction, he referred to the memo from the Building Official. Mr. Cordy addressed the buyout of the homes effected by the flood and stated that total estimated value of the homes in question, based on the Assessor's value, is approximately \$7,221,000. If we are successful with the grant, the value paid to the owner is pre-disaster, the City's match would be \$1.8 million, of which \$1.2 million would be federal dollars. He does not expect all 39 homes to be bought out. We would be looking at \$140,000 per year in tax loss that would be removed from the tax roll.

Councilman Lupino stated that he is concerned with the Building Official's memo, in particular, the third paragraph. He questioned who is monitoring the dollar amounts on the repairs of these homes. Mr. Cordy stated that he was informed by the Solicitor and the Building Official that there is very little we can do to prevent the homeowner from repairing the home. What we can do is try to prevent further flood damages.

Councilman Aceto asked who would incur the costs for homes to be demolished, removal of hazardous waste and any landscaping that would need to be done. Mr. Cordy stated that demolishing costs are factored into the grant.

Council President Lanni stated that the loss of the \$140,000 from the tax roll is not such a bad thing when you think about it. If the homeowner has children in the public schools, those children would be removed from the school system if these people relocate.

Councilman Pelletier asked if the Council could be provided with a GIS aerial map of the homes that would be bought out. Mr. Cordy stated that he will provide the Clerk's Office the file of the homes that qualify to apply for the buyout.

- **Pastore Youth Center Lease. Solicitor's Opinion on effective lease. Referred from 10/25/2010 City Council.**

Solicitor Kirshenbaum stated that he reviewed the various documents relating to the lease and he prepared a draft of an opinion and he read this opinion for the Committee members.

Chair asked what the term of the lease is. Solicitor Kirshenbaum stated that it is a five-year lease and the City can terminate it at will after three years. The City can terminate the lease before three years if the YMCA violates any part of the lease.

Chair asked what significant changes the YMCA has made to the building. Solicitor Kirshenbaum stated that he does not know. In his opinion, the lease is legal.

Council President Lanni asked how much the YMCA pays the City per year to lease this building. Solicitor Kirshenbaum stated that they pay the City \$1 per year to maintain this building.

Council President Lanni asked if any work has been done or is being done on the building. Ms. Schutt stated that they are not doing work on the building, but they are saving the City approximately \$80,000 per year to maintain it. Council President Lanni stated that the YMCA has put a caveat that anyone who uses the building has to obtain a membership at the YMCA.

Councilman Lupino stated that his understanding is that the YMCA has two fee structures, either the person joins the YMCA or they pay a higher fee. He asked if anyone from the YMCA has approached the City willing to amend the policy or terms of fees they charge. Solicitor Kirshenbaum stated that he is unaware whether they have approached anyone in the City. He would be willing to draft a letter to be sent to the YMCA addressing this.

Councilman Santamaria indicated to Section 4 of the lease and questioned if this means we can revisit the agreement. Solicitor Kirshenbaum stated that he would have to review this.

Solicitor Kirshenbaum addressed what the obligations of the YMCA are and what the obligations of the City are.

Chair asked that the Solicitor provide the following for the next Council meeting:

- Finalized opinion of which lease is in effect.

Chair asked which lease is valid. Solicitor Kirshenbaum stated that the second lease is valid. Chair indicated that the second lease never came before the Council for approval. Solicitor Kirshenbaum stated that this lease was given to the Council at the October 26, 2009 meeting and the Council did not chose to bring it up. It was listed on the Council docket, and Mr. Cordy discussed the changes and it was not voted on. Chair asked if the second lease was recorded in the Land Evidence Records. Solicitor Kirshenbaum stated, yes. Solicitor Kirshenbaum stated that the changes were explained to the Council. In terms of procedure, the Council did pass the Ordinance authorizing the Purchasing Agent to enter into an agreement and this was done in compliance with the Charter.

9-10-6 Ordinance authorizing the City to utilize Eastern Cranston Recreation Impact Fees for the removal of an abandoned storage tank in preparation for anticipated landscape improvements. Sponsored by Councilman Archetto. (Cont. 10/14/2010).

On motion by Councilman Lupino, seconded by Councilman Archetto, it was voted to recommend approval of this Ordinance.

Under Discussion:

Councilman Aceto asked what the boundary lines are of Eastern Cranston and Western Cranston. Ms. Schutt stated that that is geographical.

Roll call was taken on motion to recommend approval of this Ordinance and motion passed on a vote of 4-1. The following being recorded as voting "aye": Councilmen Navarro, Lupino, Archetto and Council President Lanni -4. The following being recorded as voting "nay": Councilman Aceto -1.

9-10-7 Ordinance in amendment of Title 3 of the Code of the City of Cranston, 2005, entitled "Revenue and Finance" (Tax Relief for Federal Disasters). Sponsored by Councilmen Aceto, Lupino and Navarro. (Cont. 10/14/2010).

On motion by Councilman Lupino, seconded by Councilman Aceto, it was voted to recommend approval of this Ordinance.

Under Discussion:

Councilman Lupino stated that the Council has asked for a legal opinion from Mr. Quinlan, City Council Legal Counsel, and it has not been provided to date. Chairman Navarro, indicated that he, as Chair, did not request a legal opinion. Councilman Lupino stated that Mr. Quinlan volunteered that he would look into this to see if we have authority for tax relief.

Councilman Aceto stated that at the last meeting, the Solicitor stated that we can't do this without General Assembly approval and he asked if this had been done anywhere else in the U.S. and no one answered. He stated that flood victims are in dire need for help.

Roll call was taken on motion to recommend approval of this Ordinance and motion passed unanimously.

Solicitor Kirshenbaum revived his negative endorsement on this Ordinance.

PUBLIC HEARING/NEW BUSINESS

10-10-3 Ordinance in amendment of Chapter 2.24 of the Code of the City of Cranston, 2005, entitled “Fire Department” (Fire Composition).

On motion by Councilman Lupino, seconded by Councilman Aceto, it was voted to recommend approval of this Ordinance.

Under Discussion:

Ms. Schutt thanked the IAFF for approaching the Administration regarding this matter.

Roll call was taken on motion to recommend approval of this Ordinance and motion passed unanimously.

- **Real Estate and Tangible Tax Abatements**

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

- **Motor Vehicle Tax Abatements**

On motion by Councilman Lupino, seconded by Councilman Aceto, it was voted to recommend approval of this list of Tax Abatements.

Under Discussion:

Chair asked if the abatements on this list is added to the budget deficit. Mr. Strom stated that this is a line item in the Revenue side of the budget. These abatements are due to various reasons, such as person does not live in Cranston anymore or there was an error in the bill.

Roll call was taken on motion to recommend approval of this list of Tax Abatements and motion passed unanimously.

- **Real Estate Tax Abatements due to Board of Review Adjustments**

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

- **Tax Assessment Board of Review Decisions due to Taxes Assessed December 31, 2009 (informational only)**

No action needed.

- **Tax Interest Waiver Approvals**

On motion by Councilman Lupino, seconded by Councilman Aceto, it was voted to recommend approval of this list of Tax Interest Waiver approvals. Motion passed unanimously.

MISCELLANEOUS BUSINESS:

Chair asked Mr. Woerner to provide up to date status report of the current budget for the next Council meeting.

The meeting adjourned at 7:45 P.M.

Respectfully submitted,

Rosalba Zanni
Assistant City Clerk/Clerk of Committees