

SPECIAL MEETING – CITY COUNCIL

-NOVEMBER 6, 2008-

A special meeting of the City Council was held on Thursday, November 6, 2008 in the Council Chambers, City Hall, Cranston, Rhode Island.

The meeting was called to order at 7:15 P.M.

Roll Call showed the following members present: Councilmen Lanni, Lupino, Livingston, Navarro, Santamaria, Barone and Council President Garabedian -7.

Absent: Council Member Bucci and Council Vice-President McFarland -2.

Also Present: Mayor Michael Napolitano; Ernie Carlucci, Director of Administration; Vito Sciolto, City Solicitor; Steve Woerner, City Council Internal Auditor; Matt Oliveira, Esq., attorney representing the City.

Present Representing the School Department: Richard Scherza, Superintendent of Schools; Joseph Balducci, Chief Financial Officer; Ray Votto, Chief Operating Officer; School Committee Chair Michael Traficante; School Committee Members Deborah Greifer, Andrea Iazzanni, Steven Stycos, and Paul Archetto.

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**CITY OF CRANSTON
RHODE ISLAND**

SPECIAL MEETING OF THE CITY COUNCIL

In Accordance with Section 3.07 of the Home Rule Charter and Section 2.04.060 of the City Code thereof, we hereby call a special meeting of the City Council to be held on

Thursday, November 6, 2008 at 7:00 p.m.
Council Chambers
869 Park Avenue
Cranston, RI 02910

A Joint work session with the School Committee to discuss the School Budget and the deficits for 2007-2008 and 2008-2009 fiscal years.

The public is invited to attend but there will be no public comment at this work session.

And we hereby request the City Clerk to notify all Council members of the Call of the special meeting.

Executed at Cranston, Rhode Island, this 3rd day of November, 2008.

/s/ Mayor Michael T. Napolitano

/s/ Aram G. Garabedian, Council President

Individuals requesting interpreter services for the hearing-impaired must notify the Office of the City Clerk at 461-1000 Ext. 3197 seventy-two (72) hours in advance of the hearing date."

CERTIFICATION

I hereby certify that a true copy of the attached Call of a special meeting of the City Council to be held on Thursday, November 6, 2008 at 7:00 P.M. in the Council Chambers, City Hall, 869 Park Ave., Cranston, R.I. was delivered via electronic mail on the 4th day of November, 2008 and regular mail, postage prepaid to the addresses listed below.

Council President Aram G. Garabedian
173 Belvedere Dr.
Cranston, RI 02920
Aram@blissproperties.net

Council Member Maria A. Bucci
301 Wilbur Ave.
Cranston, RI 02921
MarBC4@aol.com

Councilman Terence Livingston
28 Tucker Ave.
Cranston, RI 02905
Terry@livingstonlaw.us

Councilman Jeffrey P. Barone
16 Samuel Court
Cranston, RI
Jeffreyb22@cox.net

Councilwoman Paula B. McFarland
100 Pomham St.
Cranston, RI 02910
p_mcfarland@verizon.net

Councilman John E. Lanni, Jr.
111 Woodview Dr.
Cranston, RI 02920
john.lanni@yahoo.com

Councilman Anthony J. Lupino
15 Black Oak Court
Cranston, RI 02921
tlupino@cox.net

Councilman Emilio L. Navarro
61 Autumn St.
Cranston, RI 02910
Navarro_emilio@hotmail.com

Councilman Richard Santamaria
20 Burr St.
Cranston, RI 02920
Ritatj10@yahoo.com

/s/ Rosalba Zanni, Assistant City Clerk

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Mayor Napolitano explained what the deficits are for the two fiscal years.

Council President Garabedian asked that Superintendent Scherza address the Council on the current status. Mr. Scherza stated that 87.5% of the School Budget is for salaries and benefits, alone. He presented a packet and read a letter address to the mayor and the City Council members and Mayor-Elect and answers to questions asked of the School Department from the City.

Councilman Lupino stated that one of the handouts in the packet states that there is an arbitration and it would be approximately \$1.1 million if that is lost along with others. He questioned whether this adds up to the \$7.5 million. Mr. Scherza stated that it does not.

Mr. Balducci stated that \$4.9 million is for the carry-over of the loss of the Caruolo Action, \$1.1 million is for the potential loss of arbitration, approximately \$900,000 is for the first year re-payment of last year's loan and \$500,000 represents the potential loss of State Aid for the Career and Technical Center.

Mayor Napolitano stated that in the letter dated September 16, 2008, it states a \$7.5 million deficit. The second page of the letter states contractual obligations. He stated to Mr. Balducci that he had stated that there was approximately \$1.5 million in cuts made. He asked if these figures are included in the current deficit. If these are fixed costs, have they been included in the current deficits. Mr. Balducci stated that they have not. These fixed costs may not go up dramatically.

Councilman Lanni stated that if the teachers union cannot agree on a contract, he asked what happens. Mr. Scherza stated that their contract expired August, 2008 and will remain under that contract until a new one is ratified. Councilman Lanni asked how long a period of time that will be. Mr. Scherza stated that they will work under the current contract until a new one is ratified. They would work under the current contract without any raises other than any statutory step increases.

Mr. Traficante stated that in the 2006-2007 and 2008-2009 budgets, the School Committee has deleted approximately 83 positions for a savings of approximately \$6.1 million. Mr. Votto stated that there have also been layoffs through attrition.

Councilman Livingston addressed question number 11 in the question and answer handout and asked what the savings are. Mr. Scherza stated that he will provide this information to the Council within the next day or two.

Council President Garabedian stated that the bulk of the money is in the contracts. He report the following: 2007-2008, 43 Administrative positions totaled \$5.5 million and 2009-2010 lists 36 Administrative positions. As to the layoff provision, the percentage is in the contract. This should not be made part of the contract. He does not want to see anyone layed off because that affects the economy.

Councilman Barone stated that since there are ongoing negotiations with the teachers, the issue of co-pay for healthcare coverage should be addressed. The City side has implemented a 20% co-pay and the teachers should do their share in co-paying towards their healthcare coverage. If he had a choice of being layed off or co-paying for his healthcare, he would co-pay for his healthcare.

Council President Garabedian stated that it has come time for the teachers to step up to the plate and start contributing towards their healthcare.

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Councilman Navarro stated that somehow, someday, we need to tap the State for additional funding.

Councilman Barone stated that this meeting is being held two days after the election, where it should have been held two weeks ago. He believes the Administration invited the Council, School Committee, Council-elect and School Committee-elect. He asked Mr. Carlucci if that is correct. Mr. Carlucci stated, yes. Councilman Barone stated that he is sure the invitations were also sent out to our State Delegation. He happens to know they are caucusing this evening, and no one is present, so they must feel that is more important than their City that they represent. Council President Garabedian stated that he called the City Clerk to make sure to invite the Mayor, Council members-elect and School Department and asked that the School Committee members-elect were also invited, but he did not ask her to invite our State Delegation.

Councilman Lanni stated that we are in dire times, and if we are expecting the State to come forward and give us the money we need, it is not going to happen.

Mayor Napolitano stated to the Council and School Committee members not to expect more funding from the State. We did not get additional money last year and we are not going to get more next year. He cautioned, when planning the budget for next year, plan accordingly.

Councilman Barone stated that in the packet presented by Mr. Scherza, in all the cuts the School Department has made, they affect the kids. He questioned why the Administration and School Committee are not attacking the 85% of the salaries and benefits. That is where the large savings are.

Mr. Traficante stated that the School Committee has taken their responsibility very seriously and realize the seriousness of our financial crisis. All Administrators have stepped up to the plate. They did away with longevity. This is being discussed with the smaller unions and he assured the Council that this will also be addressed with the teachers union. If the State does not pass an educational formula, every City and Town will face a financial crisis in education. Rhode Island is about the only State, which does not have an educational formula.

Councilman Santamaria stated that he has heard from constituents that the Career Tech Center is in danger of closing, he asked if this is correct. Mr. Scherza stated, absolutely not. It is a property right and it is a State School. Mr. Traficante stated that to the best of his knowledge, the School Committee has never discussed the possibility of closing the school.

Councilman Lanni stated that last year, the Council created Project REDIRECT and some initial progress was made in certain areas. If we could save a few more million dollars, that will help us out, but the City and the School have to work together if we want to accomplish anything.

Councilman Lupino addressed the following things he asked of the School Department via e-mail:

- Readability of the budget document.
- State approved chart of accounts. Mr. Balducci stated that this is being worked on.
- Councilman Lupino had asked that the School Committee go to the Auditor General to look at a plan to attack this deficit. Four years ago the district was told by the Auditor General to be in compliance with GFA. He does not see that. He does not see where the district has done that. Mr. Balducci stated that that is just a recording organization, however, they are in compliance and are taking steps to do that.

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Discussion took place on what the next step is and if a decision or a motion is needed from the Council this evening. Attorney Oliverio stated that this meeting was called so the School Committee and the Council could discuss the deficits, because the Auditor General would not meet with the School Department until this was done.

Mr. Scherza stated that all Administrators now co-pay 20% for their healthcare and there are no raises for the Executive staff. He asked that Council for help and any additional appropriation the Council can give and the School Committee is willing to work with the Council and Administration to work on trying to resolve this issue.

Council President Garabedian stated that there is communication going on between the School Department and Mr. Woerner and if needed, another meeting will be called.

The meeting adjourned at 9:20 P.M.

Maria Medeiros Wall, JD
City Clerk

Rosalba Zanni
Assistant City Clerk/Clerk of Committee

(See stenographic notes of Ron Ronzio, Stenotypist).