

FINANCE COMMITTEE

Regular meeting of the Finance Committee was held on Thursday, October 11, 2007 in the Council Chambers, City Hall, Cranston, Rhode Island.

The meeting was called to order at 7:00 P.M. by the Chair.

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

Also Present: Charles Garganese, Jr., Assistant City Solicitor
Aubrey Lombardo, Assistant City Solicitor
Frank Migliorelli, Deputy Director of Administration
Corsino Delgado, Director of Finance
Anthony Sylvia, Director of Public Works
Steve Woerner, City Council Internal Auditor
Frank Smith, City Assessor
Donald Gray, City Treasurer
Anthony Liberatore, Director of Parks and Recreation
Maria Medeiros Wall, City Clerk
Rosalba Zanni, Assistant City Clerk/Clerk of Committees
Heather Finger, Stenographer

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. Motion passed unanimously.

CORRESPONDENCE:

OLD BUSINESS:

New (Bubble) Ice Rink Report from Administration on agreement for revenue distribution
(Cont. 7/12/2007, 8/16/2007 and 9/10/2007).

Ice Rink: Finance report from Management Company and Finance Director and Council Auditor. (Cont. 7/12/2007, 8/16/2007 and 9/10/2007).

Chair presented a report provided by Mr. Woerner and he stated that Mr. Woerner suggests having William Patjane, whose resume is attached with the report, appear at the next meeting to give the Committee a proposal regarding closing the rink in the Summer months, increasing fees, all types of activities regarding the rink.

Councilman Barone stated that bringing in a person to look at this is a good idea, but maybe this should go to the Parks and Recreation Advisory Commission first. Mr. Woerner stated that the Parks and Recreation Advisory Commission is involved in this and they will do the work before it comes to the Finance Committee. Mr. Woerner stated that Mr. Patjane has agreed to do the work for approximately \$2,500 and he will assist him. Councilman Barone stated that if there is a fee being charged, it may have to go through a bidding process.

Councilman Lupino stated that this is \$2,500 that he does not want to spend. We have a very capable Parks and Recreation Director and we do not need to spend \$2,500 to have someone tell us how to run a successful rink. This should be handled through the Parks and Recreation Department. He questions whether there is a valid contract with the rink management company.

Council Vice-President McFarland asked who is making the request of sale of the rink. Mr. Woerner stated that this issue came up during discussions held between the Director of Parks and Recreation, the Director of Finance and himself.

Mr. Delgado stated that no decision has been made in regards to the rink management. He, Mr. Woerner and Mr. Liberatore were asked by the Council to take a look at the finances of the ice rink and in discussions, they were looking at the possibility of sale of the rink, among other options. That is a mere option at this time.

Chair stated that at this point, the only vote this Committee is being asked to make is having Mr. Patjane appear before this Committee and tell us what he can do for us.

Council Vice-President McFarland stated that this Committee does not have the authority to enter into contract with anyone. That is Board of Contract and Purchase and Project ReDirect. She also stated that she does not feel comfortable meeting with this person.

Mr. Delgado stated that when he, Mr. Liberatore and Mr. Woerner met with the ice management company, they asked for \$1,000 a month extra. He advised them that that was in violation of their current agreement and they came up with an addendum, but this addendum has not been signed.

Mr. Liberatore stated that he does not recall any discussion of the option of the sale of the rink at the meeting he attended with Mr. Delgado and Mr. Woerner. He stated that work is being done at the dome rink as we speak. The dome will be up and running in approximately one week. He does not feel there is a need for a consultant. We are making stride. The dome rink will be bringing in revenue to the City. His recommendation is during the months of May, June, July and August, we completely shut down both rinks. It is completely a waste of money. He suggests converting those two rinks as roller skating rinks. There is a company that is interested in operating it at \$128,000, upfront money.

Councilman Navarro stated that since the rink is City-owned property, he questioned why the management company is submitting to us a budget and why isn't the City setting a budget.

Chair stated that in past Administrations, the Council never received a budget from the management company.

Councilman Lupino suggested that Mr. Liberatore check with other municipalities who have rinks and are running profitable operations and he motioned to continue this item to next month and Mr. Liberatore report back to the Committee. Councilman Barone seconded the motion.

Under Discussion:

Council President Garabedian stated that maybe this should be discussed at Project ReDirect on whether there should be a management company to run the rink or the City run it.

Roll call was taken on the above motion and motion passed unanimously.

PUBLIC HEARING:

NEW BUSINESS:

REAL ESTATE/TANGIBLE TAX ABATEMENTS

Mr. Smith appeared to speak.

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

Report from Treasurer on his actions under Ordinance 3.12.080 (informational only)

No action needed.

Report from Treasurer for denial of waivers

None.

Report from Treasurer for approval of waivers

Mr. Gray appeared to speak.

Chair stated that Mr. Gray has discussed with him the issue of lost checks and the Ordinance on the books does not provide waiver of interest for lost checks. Mr. Gray stated that he will attempt to come up with a procedure, but this Committee will have to come up with a provision on accepting waiver of interest for lost checks.

Council Vice-President McFarland stated that there is a lock box system and if these checks are being lost by the company that operates this lock box system, we should charge that company. She questioned if these lost checks are being mailed to the lock box. Mr. Gray stated that some are being mailed to the City and some to the lock box. We do not know where the lost checks are mailed to.

Council President Garabedian asked Mr. Gray if he has checked with other cities and towns to see if they waive interest on lost checks. Mr. Gray stated, no, but he does not feel we should waive interest on lost checks.

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

Collection of delinquent taxes by Rossi Law Office

Chair stated that he requested that this item be placed on the agenda due to the fact that he was approached by a constituent who received a notice from Rossi Law Office stating that they owed 2005 taxes and they do not recall receiving any notices from the City prior to that. Chair asked why the current tax bill does not state if prior year's taxes are owed. Mr. Gray stated that the current software does not have that capability. The City is looking at getting a better software. Chair asked how much the City pays a third party to handle collections, as opposed to the City trying to do the collections. Mr. Gray stated that the contract with Rossi Law Office is they receive 80% of the interest collected.

Council President Garabedian stated that the question is why we are not capable of doing our own collections. This is a good item to address at Project ReDirect under Revenue Enhancement.

Harbor Management Plan

Chair stated that he will submit a Resolution to get the Harbor Management Plan moving to help bring in additional revenues to the City.

The meeting adjourned at 7:45 P.M.

Respectfully submitted,

Rosalba Zanni
Assistant City Clerk/Clerk of Committees