

(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 Thursday, October 14, 2010 in the Council Chambers, City Hall, Cranston, Rhode Island.

CALL MEETING TO ORDER:

The meeting was called to order at 6:30 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.
Councilwoman Michelle Bergin-Andrews
Robin Muksian-Schutt, Director of Administration
Gerald Cordy, Deputy Director of Administration
Evan Kirshenbaum, Assistant City Solicitor
Robert Strom, Director of Finance
Rosalba Zanni, Assistant City Clerk/Clerk of Committees
Heather Finger, Stenographer

MINUTES OF THE LAST MEETING:

On motion by Councilman Aceto, seconded by Council President Lanni, 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:

- **Johnson & Wales Pilot Agreement** (Cont. 7/15/2010, 9/16/2010).

Solicitor Kirshenbaum stated that after speaking with the City Clerk, there is no Pilot Agreement that was ever signed. The question is where do we go from here. He indicated that he would like to schedule an Executive Session regarding this issue to discuss this with the City Council as to what our options are and what a legal solution would be and what our strategies would be.

Councilman Aceto stated that if there is no agreement in place, he questioned why the State has reimbursed the City Pilot money and how far back can we go as far as taxes on this property. Solicitor Kirshenbaum stated that these questions are more appropriate for Executive Session.

Councilman Aceto motioned to go into Executive Session pursuant to RIGL 42-46-5(a)(2). Council President Lanni seconded the motion for discussion purposes.

Under Discussion:

Council President Lanni asked Solicitor Kirshenbaum if he is prepared to go into Executive Session at this point. Solicitor Kirshenbaum stated that he suggests that this be done at the full City Council meeting so he can have experts present.

Councilman Lupino stated that he would like an Executive Session prior to the regular Council meeting so he can find out the conversation Solicitor Kirshenbaum had with the Council President. Council President Lanni stated that Solicitor Kirshenbaum made him aware of the problem at the time. It was a five minute telephone conversation.

Council President Lanni motioned to hold Executive Session one hour prior to the regular City Council meeting. Councilman Aceto seconded the motion.

Under Discussion:

Councilman Aceto stated that there still is no explanation as to why we have been receiving Pilot money and we need to move quickly to see what we have to do, since we will be starting our budget process in a few months.

Motion to hold Executive Session one hour prior to the regular Council meeting passed unanimously.

- **Possible assistance for residents who have been displaced as a result of severe flooding in the Spring (Cont. 9/16/2010).**

Mr. Cordy stated that there are a few grants and initiatives. There is one with the Pocasset River and one with the Pawtuxet. The buyout program is strictly for the Pawtuxet River program. He has sent to the Clerk's Office a notice regarding an informational meeting on October 19th at 7 PM at the Senior Center. He also sent the Clerk's Office the handout from FEMA regarding Hazard Mitigation Assistance.

Councilman Lupino asked that the Administration share the information from the October 19th meeting with the City Council members who cannot attend this meeting.

Mr. Cordy indicated that, with the help of the Tax Assessor, the City specifically identified addresses that this grant does fit, and the City specifically handed out the notices of the October 19th meeting to the residents affected and posted these notices in the public buildings, supermarkets, drug stores and other area businesses. The notice has also been advertised in the Providence Journal and Cranston Herald. He stated that he encourages people to contact the Administration if they can't attend this meeting and they want to be onboard with this program because there is a very small window of time for us to do the work that needs to be done.

United Way Flood Grant Program. Councilman Lupino.

Administration report on process Administration report on buyout and Inspections report on construction parameters in flood areas.

Mr. Cordy stated that this grant is managed by United Way, but we do refer people to United Way and make them aware of this program.

PUBLIC HEARING/NEW BUSINESS

- **Real Estate and Tangible Tax Abatements**

On motion by Councilman Aceto, seconded by Council President Lanni, it was voted to approve the above list of Tax Abatements. Motion passed unanimously.

- **Motor Vehicle Tax Abatements**

On motion by Councilman Aceto, seconded by Council President Lanni, it was voted to approve the above list of Tax Abatements. Motion passed unanimously.

- **Tax Interest Waiver Approvals**

On motion by Councilman Aceto, seconded by Councilman Lupino, it was voted to approve the above list of Tax Interest Waiver Approvals. Motion passed unanimously.

- **Pastore Youth Center Lease:** Solicitor's opinion on which Lease in effect. Councilman Navarro. Referred from City Council 9/27/2010.

Solicitor Kirshenbaum stated that he does not have an opinion regarding this item and asked that this be continued to the regular City Council meeting.

On motion by Council President Lanni, seconded by Councilman Archetto, it was voted to continue this item to next month's Finance Committee meeting.

Under Discussion:

Councilman Lupino stated that he has concerns about the signature page, which is prior to the City Council being made aware of minor changes to the agreement. Solicitor Kirshenbaum stated that he will meet with Councilman Lupino after this meeting to discuss this issue.

Motion to continue this item to next month's Finance Committee meeting passed unanimously.

- **Resolution Loan Order authorizing the issuance of refunding Certificates of Participation of the City of Cranston. Introduced by Mayor Fung.**

Councilman Aceto indicated that the Resolution states the Mayor as the Sponsor. Per the Charter, the Mayor cannot sponsor a Resolution. Ms. Schutt stated that the Mayor did not sponsor this Resolution,

Mr. Strom explained this Resolution.

Councilman Aceto asked if the bond will be extended and what the interest rate is. Mr. Strom stated that the bond will be terminated in 2015 and will not be extended. As far as the interest rate, we do not have the final numbers at this point. As soon as he receives that information, he will provide it to the City Council.

Chair asked if there will be a fiscal note attached. Mr. Strom stated that there is no fiscal note at this time as we are waiting for the most favorable bond market before we refinance and we do not know the exact numbers but we will only finance if there is a definite saving to the City. .

On motion by Councilman Aceto, seconded by Councilman Archetto, it was voted to recommend approval of the above Resolution as amended. Motion passed unanimously.

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.

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

Under Discussion:

Councilman Aceto questioned if this is the same Ordinance which was passed a few months ago. Councilman Archetto stated that this Ordinance has been amended. The original Ordinance was for \$18,000, this Ordinance is for \$14,000.

Councilman Aceto stated that the confusion was the tank had already been removed prior to the original Ordinance being passed and it should have been a ratification.

Ms. Schutt stated that the request was not for the for the Public Works activity or removing the tank. The Administration was looking at the funding for this removal. The tank needed to be removed. The removal of the tank was an operational function regardless.

Mr. Cordy stated that a contractor who removed the former Highway Garage removed two tanks known, one buried and one was on the surface. The current contractor removed the tank that we did not know about and should have been removed when the building was demolished.

Chair asked for a breakdown of the use of the Impact Fees. Ms. Schutt stated \$12,064 was used of the Impact Fees. Donated trees were used for part of the landscaping. Chair asked what the balance of the Impact Fees is. Mr. Strom stated that right now, we have available \$80,000, plus the \$14,000.

Council President Lanni asked why we are taking the money out of the Impact Fees and not the General Fund. Ms. Schutt stated that this is strictly for recreation. This is why we can't use the General Fund.

Chair asked if there were any contaminants and if there were any tests done. Mr. Cordy stated that everything was tested. The cost for these tests is approximately \$12,000. This comes out of the General Fund.

Mr. Strom indicated that we have not used any Impact Fees since Fiscal Year 2008.

Councilman Lupino asked if we used Eastern Cranston Impact Fees for Chapel View. Solicitor Kirshenbaum stated that this is an area he would like to address in Executive Session.

Councilman Lupino questioned if Taco is anticipating a large project and would this impact Impact Fees for Eastern Cranston. Councilman Lupino stated that he will not support this. He does not have a landscape plan in front of him for this area. He would like this Ordinance tabled until we see a landscape plan.

Councilman Archetto questioned if it is true that as far as Impact Fees, if you do not use them, you lose them. Solicitor Kirshenbaum stated that he would like to address this in Executive Session.

On motion by Councilman Archetto, seconded by Councilman Lupino, it was voted to withdraw the motion to approve this Ordinance. Motion passed unanimously.

Councilman Lupino motioned to move the question. Council President Lanni seconded the motion. Motion passed unanimously.

Roll call was taken on motion to table and motion passed on a vote of 3-2. The following being recorded as voting “aye”: Councilmen Aceto, Lupino and Archetto -3. The following being recorded as voting “nay”: Councilman Navarro and Council President Lanni -2.

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.

Chair suggested tabling this Ordinance pending enabling legislation. He stated that a Resolution establishing a Flood Commission was passed last month and we are in the process of appointing members to this Commission.

On motion by Council President Lanni, seconded by Councilman Archetto, it was voted to continue this Ordinance.

Under Discussion:

Councilman Aceto stated that if this Ordinance is passed pending legislation approval, we would be doing a great service to the people in the flood areas that have been affected. He urged the Committee to pass this Ordinance even if it is amended to state “pending legislative approval”. Solicitor Kirshenbaum stated that passing this Ordinance would add confusion, since the City Council passed a Resolution last month asking for enabling legislation giving authority regarding tax abatements. He questioned the legality of passing this Ordinance.

Council President Lanni suggested tabling this Ordinance and have the Council legal counsel do the research to see if this can be done. Solicitor Kirshenbaum stated that it has been stated before that the City Treasurer is more then willing to meet with people in terms of payment plans to meet their needs.

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

The meeting adjourned at 7:30 P.M.

Respectfully submitted,

Rosalba Zanni
Assistant City Clerk/Clerk of Committees