

## **FINANCE COMMITTEE**

Regular meeting of the Finance Committee was held on Thursday, October 15, 2009 in the Council Chambers, City Hall, Cranston, Rhode Island.

### **CALL MEETING TO ORDER:**

The meeting was called to order at 6:45 P.M. by the Chair.

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

Also Present: Councilman Richard D. Santamaria, Jr.  
Councilman Robert Pelletier  
Council Member Michelle Bergin-Andrews  
Robin Muksian-Schutt, Director of Administration  
Evan Kirshenbaum, Assistant City Solicitor  
Robert Strom, Director of Finance  
Pat Quinlan, City Council Legal Counsel  
Steve Woerner, City Council Internal Auditor  
Mark Marchesi, Purchasing Agent  
Maria Medeiros Wall, City Clerk  
Rosalba Zanni, Assistant City Clerk/Clerk of Committees  
Heather Finger, 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:**

**8-09-8 Ordinance in amendment of Chapter 2.80 of the Code of the City of Cranston, 2005, entitled "Administration and Personnel" (Retirement Allowance for Retired city Employees). (Contd. Sept. 17, 2009)**

**Chair** asked for a legal opinion. Solicitor Kirshenbaum stated that as he stated at the City Council meeting, this Ordinance is appropriate and Mr. Quinlan feels the same.

**Mr. Quinlan** stated that he researched this and he feels the same as Solicitor Kirshenbaum.

**Councilman Lupino** stated that even though this is appropriate, he asked if this is subject to legal challenge. Solicitor Kirshenbaum stated that appropriate does not mean it is not subject to legal challenge. He feels comfortable in recommending this Ordinance.

**Councilman Aceto** stated that he would feel a lot more comfortable if the Solicitor and Administration would sit with the collective bargaining units and possibly get this language changed in the collective bargaining contracts and send the unions a letter regarding this. Solicitor Kirshenbaum stated that the problem he has with this request is can you collectively bargain for the consequences of someone's illegal act. Ms. Schutt stated that she would have to discuss this with the Mayor.

**Council President Lanni** stated he does not think this belongs in the contracts.

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

Under Discussion:

**Paul Valetta**, President of Firefighters Local 1363, appeared to speak and stated that his union is willing to sit down and put this in their contract the exact way Council Member Bergin-Andrews had written it. He stated that no one in the Fire Department is against honorable service and indicated that the deal is off the table. At the last meeting, he agreed to put this in their contract. Members of the Council are now stating that if the union is opposed to put this in the contract, then the union is against honorable service. This deal is off the table now.

Mr. Valetta and other members of the union, who were present, left the meeting.

**Councilman Lupino** asked what happens if the employee is found guilty, his portion of the contribution to the retirement pension. Solicitor Kirshenbaum stated that his opinion is that the employee gets his contribution back.

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

**Analysis of Budget year ending June 30, 2009 (Cont. 9/17/2009)**

**Mr. Strom** stated that the audit is just about at the end of completion. At this point, everything is going smoothly. Once the draft of the audit is ready, he will bring it to the Committee's attention.

**Mr. Woerner** stated that as to the School Department audit, the attorneys have asked that we hold it until the Court case is settled.

**Councilman Aceto** asked how much has been spent on legal fees so far for the Caruolo Action. Mr. Strom stated pre and post Caruolo, in total a little over \$300,000 on the City side. Mr. Woerner stated that the school has spending \$38,000 but since the appeal process started.

## **PUBLIC HEARING/NEW BUSINESS**

- **Real Estate Tax Abatements**

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

- **Motor Vehicle Tax Abatements**

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

- **Tax Assessment Board of Review Decisions for taxes assessed December 31, 2008 (for information only)**

No action needed.

- **Tax Interest Waivers**

On motion by Councilman Pelletier, seconded by Councilman Aceto, it was voted to recommend approval of the above list of Tax Interest Waivers. Motion passed unanimously.

**Councilman Pelletier** asked that the checking account number be blocked out on the packet that is provided by the City Treasurer, since this is confidential information.

On Council Vice-President Livingston, seconded by Councilman Aceto, it was voted to redact the account number from the packets provided by the City Treasurer. Motion passed unanimously.

**Bids for:**

- Sale of 1090 Cranston St. property
- Sale of 1081 Pontiac Ave. property
- Sale of Melody Lane (Plat 16, Lots 1332 & 1335) property
- Sale of Farmington Ave. (Plat 7, Lots 244, 212, 202, 245 & 3790) property

**Chair** asked what the process is now that the bids have been opened. Mr. Marchesi stated

that these will go to the City Council meeting in October and the City Council will vote and a letter will be drafted to bid to Board of Contract and Purchase to award the bid to the highest bidder.

**Council President Lanni** stated that the Charter states that the bid has to be 90% of appraisal. He asked if these bids violate the Charter. Solicitor Kirshenbaum stated that the 90% is 90% of the appraised value, not assessed value.

**Councilman Aceto** asked that this portion of the Charter be read into the record. Solicitor Kirshenbaum read Section 7.08 of the Charter.

**Councilman Aceto** questioned if there is a statutory requirement of time that we have to respond to those bids.

**Chair** asked that these bids be sent to the Administration for a report on all these properties with recommendations from the Administration. Solicitor Kirshenbaum stated that the problem is Section 7.08 of the Charter. We know who the highest bidder is and the next step is whether the Council wants to grant it to the highest bidder.

**Council Vice-President Livingston** motioned to refer to the Administration and get appraisal of each individual property with an analysis of each property with recommendation from the Administration and have this report for the next Finance Committee meeting. Councilman Archetto seconded the motion.

Under Discussion:

**Council President Lanni** stated that he does not see why this should come back to this Committee. If this report is ready, it be presented at the full City Council meeting. His only concern is the properties, which were bid for \$10.

**Ms. Schutt** stated that there is going to be a cost incurred for those appraisals. If the City Assessor can do this in-house, per Charter, it would save the City money.

**Council Vice-President Livingston** withdrew his motion and Councilman Archetto withdrew his second.

On motion by Council Vice-President Livingston, seconded by Councilman Pelletier, it was voted to refer these items to the Administration and get appraisal of each individual property with an analysis of each property with recommendation from the Administration and have report presented at the full Council meeting. Motion passed unanimously.

**MISCELLANEOUS BUSINESS:**

**Chair** asked that the Administration provide for the next Council meeting, how much of bond money has been utilized for infrastructure repairs up to this point and what streets were done under bond money infrastructure and if any streets have been paved with stimulus money, how much and how many.

The meeting adjourned at 7:30 P.M.

Respectfully submitted,

Rosalba Zanni  
Assistant City Clerk/Clerk of Committees