

**SPECIAL FINANCE COMMITTEE**  
**(BUDGET HEARINGS)**

Special meeting of the Finance Committee was held on Wednesday, April 4, 2007 in the Park View Middle School Auditorium, 25 Park View Blvd., Cranston, Rhode Island.

The meeting was called to order at 7:05 P.M. by the Chair.

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

Also Present: Council Member Maria Bucci  
Councilman Richard D. Santamaria, Jr.  
Councilman John E. Lanni, Jr.  
Mayor Michael T. Napolitano  
Ernest Carlucci, Director of Administration  
Frank Migliorelli, Deputy Director of Administration  
Vito Sciolto, City Solicitor  
Corsino Delgado, Director of Finance  
Mike Igoe, City Controller  
Pat Quinlan, City Council Legal Counsel  
Steve Woerner, City Council Internal Auditor  
Maria Medeiros Wall, City Clerk  
Rosalba Zanni, Assistant City Clerk/Clerk of Committees  
Heather Finger, Stenographer

Chair stated that a questionnaire was provided to each of the department heads for them to respond to prior to this meeting.

**PERSONNEL**

Council Vice-President McFarland stated that she has noticed a 5% increase in this department's budget. She asked how this was structured. **Susan Bello**, Director of Personnel, appeared to speak and stated that those figures come from Mr. Igoe. She and Gail Topakian, Personnel Analyst, are in the Administrative Unit. Under Civil Service Rules, they are entitled to step increases.

Councilman Santamaria asked Ms. Bello what some of her duties are and what some of Ms. Topakian's duties are. Ms. Bello stated that they mirror each other and both manage the department. Ms. Topakian was Deputy Director of Personnel in the past and the last Administration changed her position title to Personnel Analyst.

Council Member Bucci questioned why they are receiving step increases this year. Mr. Carlucci stated that all department heads have been budgeted for a step increase. He was under the impression that all steps were at the same percentage level, but he will have Mr. Igoe correct these figures. This was to bring salary up for people who did not receive any increase in the last few years. Council Member Bucci asked Ms. Bello when the last time was that she received a salary increase. Ms. Bello stated, never.

Councilman Lanni stated that four years ago, there was one Administrator and one Clerk in this department. When Ms. Bello came along, there was a position created for Ms. Topakian and now we have two Administrators in this office. In the past, when a Personnel Director retired, Ms. Topakian became Acting and the Director's position was never funded until the past Administration hired Ms. Bello because Ms. Topakian could not handle the workload.

Councilman Lupino stated that he can't understand why another Director was hired and why an additional Clerk or part-time Clerk was not hired. In looking at the document provided by Ms. Bello of the job descriptions, she lists Blood Drive as a priority. It does not seem to justify why someone who makes \$75,000 a year that this would be a priority.

**Public Speakers:**

**Ann Cole** appeared to speak and stated that she is totally disgusted with the City of Cranston. She has lived in the City for approximately 40 years and she is very upset of the proposed tax increase.

**BOARD OF CANVASSERS**

**Jackie Caruolo**, City Registrar, appeared to speak. Chair asked Ms. Caruolo to explain proposal for part-time help. Ms. Caruolo stated that there is a college student, who has worked part-time in this office during the election, and he is familiar with office procedure and data entry. He is an asset to her office and is helpful to her staff.

Councilman Barone spoke regarding the Hospitalization Buyback and asked how many employees in this office participate in this program. Ms. Caruolo stated, one. Councilman Barone asked how the Hospitalization Buyback amount was arrived at, what is the formula that was used. Mr. Igoe stated that this department was level funded from last year. The formula used is based at the last contract negotiations. It is currently at 50% of the plan amount.

## **FINANCE DEPARTMENT**

Councilman Barone spoke regarding the Auditor General doing his review and asked when the Auditor General will be giving his presentation to the Council on his findings and will it be during the budget hearings. Mr. Carlucci stated that we are at his discretion as to when he is going to do that. The Auditor General has told the Administration that we should expect something hopefully by the end of next week, but he cannot confirm that. Chair asked that Mr. Carlucci ask the Auditor General if this can be completed soon and we can look at the findings prior to ending the budget hearings. Mr. Carlucci stated that the Mayor spoke to the Auditor General yesterday indicating exactly this. Councilman Barone asked if the Auditor General is actually coming in and do a fiscal audit of the books. Mayor Napolitano stated that the Auditor General has audited the books and knows the state of the City and within ten days there will be a report in writing with recommendations. They have been in City Hall for three months and every department has provided information that they requested.

Councilman Santamaria questioned why the 3% increase in Hospitalization, Acct. #50254. Mr. Delgado stated that the increase represents his buyback.

Councilman Barone asked how many employees in this department participate in the buyback program. Mr. Delgado stated two, including himself.

Councilman Barone stated that there is a discrepancy in the budget, since there is one employee in the Canvassing Department who participates for the amount of \$10,000 and two employees in this department sharing \$16,000. Mr. Carlucci stated that one of the employees in the Finance Department receive a partial buyback.

Chair asked if the unfunded pension liability is being funded at 100% of the actuarial rate. Mr. Delgado stated that currently it is being funded at \$1.7 million.

### **Public Speakers:**

**Allan Fung**, 252 Mayfield Ave., appeared to speak and addressed page 25 of the budget and stated that he sees a possible error in the 2006 actual net income. He has an amount of \$665,818, which would give you net income of \$60,000 instead of a net loss.

**Robert Clarkin**, 58 Strathmore Rd., appeared to speak and asked what the assumption of the percentage increase in health is. Mr. Delgado stated 5%.

## **TREASURY AND TAX COLLECTION**

No questions or discussion.

## **INSURANCE & RISK MANAGEMENT**

No questions or discussion.

## **INFORMATION TECHNOLOGY**

Councilman Barone spoke regarding hiring a web company and stated that this would have to go out to bid. He asked if this is covered in the budget. Mr. Carlucci stated that Systems Upgrades would cover this.

Councilman Barone asked how many employees in this department participate in the Hospitalization Buyback. Mr. Carlucci stated there are two employees and at least one partial.

Councilman Barone asked what the Overtime line item for approximately \$45,000 for 2007 is for.

Chair asked that the Council binders be updated with the correct information because he is uncomfortable in having two books being used with different numbers.

Councilman Barone asked how much is used in Overtime in this department. Mr. Woerner stated approximately \$41,000 as of March 29, 2007. Councilman Barone asked why Mr. Woerner has updated financials and the Council does not. Mr. Woerner apologized and stated that he will provide the financials to the Council.

Chair asked if there are any plans to upgrade the financial software. Mr. Delgado stated that this is in the Capital Budget.

### **Public Speakers:**

**Mark Lucas**, 28 Riverfarm Rd., appeared to speak and asked if the \$38,000 is for the redesign or maintenance of the website. Mr. Carlucci stated that he believes it is a little of both.

Councilman Navarro questioned why a representative from this department is not present this evening. Mr. Carlucci stated that those employees would have to be paid overtime and he was looking at saving in overtime and decided not to have anyone appear. He also stated that the questionnaire that was sent to the departments, he felt answered the Council's questions.

Chair stated that he did speak to Mr. Carlucci in regards to having staff who would receive overtime present and he felt it was prudent to save overtime and if there is a question or concern, Mr. Carlucci can bring it back to that department and the issues can be re-addressed.

Councilman Navarro indicated that the calendar of monthly meetings is updated monthly on the website. Someone is doing that. He thinks that there should be someone in the IT Department that can do the financial updates.

Councilman Lupino asked if IT provides technical support to all the departments. Mr. Carlucci stated, yes, with computers, also including the Fire Department. Councilman Lupino asked what is in the budget to set up the computers for the new Police Station. Chair asked for written response to this question by the next meeting.

Councilman Barone stated that he had some changes done on the website based on his profile, so there is someone who is doing that update. He believes we do have resources to update the website. He stressed again that we are in violation of the Ordinances requiring financial reports to be posted on the City's website within 30 days. Mr. Carlucci stated tomorrow he will make sure that if we have the capability to update the web, it will be done.

**Robert Clarkin** appeared to speak and stated that line item 55003 was budgeted at -0- for the last few years and now it is budgeted for \$30,000. He questioned why. Mr. Delgado stated that this is for backup tape scanners and microfiche scanners.

## **EXECUTIVE**

Councilman Barone stated that the Mayor originally stated that he would eliminate the Constituent Affairs position, but this position is still funded in the proposed budget. He also questioned why the salary for the Confidential Secretary is less than the Constituent Affairs position. Mr. Carlucci stated that the salary for the Constituent Affairs was used for the Executive to the Mayor, who would work for the Mayor and himself. The Constituent Affairs position is funded, but the Administration is hopeful not to use that position and return that money to the General Fund. Councilman Barone stated that the Mayor's Office positions are more in this budget than last year's and questioned why. Mr. Carlucci stated that he took a step decrease when he came in in January. The Deputy Director of Administration came in at a step lower. The Mayor's Secretary dropped six steps. Councilman Barone stated that based on the information he has, the salary for the Director of Administration went from \$77,478 last year to \$79,794 for the proposed 2007-2008 year, this is an increase. This is the same for the rest of the positions in this office. He stated that when this Administration came in, it promised to cut spending and increase services. This is not cutting spending in this budget. Mr. Carlucci stated that overall, there is a decrease in spending.

**Public Speakers:**

**Allan Fung** appeared to speak regarding the Mayor's car lease. He stated that this is a 53% increase. During the campaign, the Mayor criticized the prior Mayor for having a vehicle. He now drives a Montego. He asked if this is the car that the Mayor is currently driving. Mr. Carlucci stated, yes. The Administration went with the Montego because the Mountaineer, which was the former Mayor's car, would have been more expensive than the Montego. Mr. Fung stated that this does not seem like a saving. Mr. Carlucci stated that an analysis was done and the mileage on the Montego was better than the Mountaineer. Mr. Fung stated that the Mayor having a car is a concern especially when the Mayor has level funded the schools.

Mr. Fung asked questions regarding Mr. Carlucci serving as Acting Director of Public Works. He asked Mr. Carlucci if he is receiving differential as Acting Director of Public Works and if he is, is this budgeted. Mr. Carlucci stated that he is not receiving differential at this time, but he will in the future, and it is not budgeted. The Administration expects to hire a new Director soon. Mr. Fung stated that this is a concern because the Director of Public Works requires certain qualifications and he is not sure Mr. Carlucci has the qualifications to serve in this capacity. He also has a concern with the differential.

**Robert Clarkin** appeared to speak and stated that he does not think Mr. Carlucci should be receiving differential as Acting Director of Public Works.

**LAW DEPARTMENT**

Mr. Sciolto appeared to speak and answer questions. Councilman Barone stated that he would like Mr. Sciolto to provide him with legal fees regarding the Concrete issue and what attorneys are being paid. Mr. Sciolto stated that he will get this information to the Council. Councilman Barone asked what the \$5,000 increase in Administrative Legal Expense for FY 2008 is for. Mr. Carlucci stated that this is for stenographic expenses.

Councilman Navarro asked what the reason is for various amounts from past years to this year for claims. Mr. Igoe stated that this is due to year end adjustments based on response from our attorneys.

Council Vice-President McFarland stated that the Council has been provided with legal analysis every month. She asked when the next one will be provided. The Council has not received any since February 28, 2007. Mr. Sciolto stated that one will be provided next week. Council Vice-President McFarland asked where in this budget, is the expense of taking on Caruolo Action if it is filed by the School Committee. Mr. Carlucci stated that that has not been budgeted.

Chair asked if outside legal counsel is anticipated if a Caruolo Action is filed.

Councilman Lanni stated that putting money in a budget if you do not know you need it, when there is a plan to raise taxes, does not make sense.

Councilman Santamaria stated that there is pending legislation to get rid of Caruolo Action and we should not be getting ahead of ourselves.

**Public Speakers:**

**Robert Clarkin** appeared to speak and questioned if there was any speculation that no effort was made by this Administration to not give anything to the Schools. He also questioned the legal fees for Cullion litigation. Mr. Sciolto stated that as of now, there is no special legal fees set up for Cullion. He indicated that this Administration has cut hourly rate of legal fees.

**Allan Fung** appeared to speak and stated that he finds troublesome that the Mayor, during the campaign, criticized the former Administration of the budget for the Law Department that it was outrageous. He is concerned that we now have a potential Caruolo Action and also Cullion litigation. He also stated that the savings of the reduced hourly rate are not reflected in this budget.

**PROBATE COURT**

Councilman Barone questioned the increase in Advertising. **Maria Medeiros Wall**, City Clerk, appeared to speak and stated that the Providence Journal increases the fees every year. This is offset, since the fees are paid by the applicant and this is reflected in the Revenues.

**Public Speakers:**

**Allan Fung** appeared to speak regarding line item #46150 Real Estate Tax Account, which is budgeted down to \$2 million, where in prior years, it was \$2.6 million. This drop is too substantial in drop. It should be at \$2.3 to \$2.5 million. Ms. Wall stated that last year's budget, we are going to be under-funded. Her amount last year was reduced by former Finance Director by \$400,000. She had recommended \$1.9 million for this budget and the Administration increased it to \$2 million. Mr. Woerner stated that as of March 29, 2007, we received only \$1.3 million. Mr. Fung asked what the projected end on that is, because we still have three months left. Mr. Woerner stated approximately \$1.9 million. Mr. Fung questioned what the status is on instrument recordings. Mr. Woerner stated approximately \$750,000. Mr. Fung questioned the dramatic increase of \$10,000 in pension contribution. Mr. Woerner stated that this is due to poor investment performance in 2000 by 30% this year.

**Robert Clarkin** appeared to speak and questioned RI Real Estate Tax Expense reduction by \$300,000. Mr. Woerner stated that there was a drop in revenues and there was also a drop in expenses. Mr. Clarkin questioned the following:

- what the year to date is for Drug and Alcohol Testing in Personnel Department
- line item 54046 in Canvassing Department of \$47,000 has more then doubled from the last Presidential election – he questioned why

Council President Garabedian stated that he wants the Charter to be followed and any appropriations at the end of the year are to go into the General Fund. He wants a clean budget, no special funds.

### **CITY COUNCIL and CITY CLERK**

Councilman Barone questioned what line item 54134 is for. Ms. Wall stated that this is for Supplements to the Code Books. Councilman Barone questioned the amount of \$6,000. Ms. Wall stated that it might be a few \$100 over. There are variations in the Supplements, such as tables. Councilman Barone questioned if the amount for Council Auditor is for the salary. Mr. Woerner stated, no, he gets paid by the hour. Councilman Barone questioned what advertisements come out of the Clerk's Budget. Ms. Wall stated such advertisements for Probate Court ads, which are paid by the applicant; licensing ads, which are paid by the applicant and Comprehensive Plan and Zone Amendment ads, which are also paid by the applicant.

Council President Garabedian stated that since 1982, the Council members have not had a pay increase. He is not asking that their salary be increased, especially during these hard times, he just wanted to state this for the record. This is a future issue and this is why he is bring this up at this time.

Councilman Lupino suggested changing the location for the April 10, 2007 meeting, since the School Department is on that agenda and a large crowd is expected to attend. Ms. Wall stated that she will seek an alternate location, preferably Cranston High School East.

Mr. Fung questioned the \$3,500 for Audit of City Books. Ms. Wall stated that this is a contract for the second year for the outside auditors.

## **REVENUES**

**Allan Fung** appeared to speak and stated that he is concerned regarding some of the actuals in the Inspections Department for building permits, plumbing permits and inspections permits. He urged the Committee to ask each of the departments questions regarding revenues.

**Robert Clarkin** appeared to speak and asked if the positions of the Council Legal Counsel and the Council Internal Auditor are still needed. Chair stated, absolutely. Mr. Woerner is a valuable resource in finance information and Mr. Quinlan is a valuable resource for legal analysis. Mr. Clarkin stated that year to date revenues are very important. There were no questions asked from the Council. He also indicated that the hearing for the Contract and Purchase Department was skipped.

The meeting adjourned at 9:15 P.M.

Respectfully submitted,

Rosalba Zanni  
Assistant City Clerk/Clerk of Committees