

**City of East Providence Budget Commission**  
**City Hall**  
**145 Taunton Avenue**  
**East Providence, RI 02914**  
**(401) 435-7500**

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**Meeting Minutes May 10, 2012**  
**Working Session from 3:00pm to 4:00pm**  
**Public Meeting Agenda from 4:00pm to 5:00pm**  
**Room 306, City Hall**

Members: Michael O’Keefe – present  
Stephen Bannon – present  
Diane Brennan – present  
City Manager, Peter Graczykowski – present  
Mayor Bruce Rogers – present

Other Attendees: Christy Healey, Budget Commission Fiscal Advisor  
David Eaton, Budget Commission Fiscal Advisor  
Heather Martino, Interim Human Resource Director  
Edward Daft, School District Superintendent  
Members of the Public

The meeting commenced at 3:07 pm. Michael O’Keefe began by referencing the copy of the Moody’s Report, which was included in the meeting handouts. The report by Moody’s was credit positive, and concluded the city’s financial condition is stable. Therefore the city has been taken off credit watch. The next meeting with Moody’s should take place within the next four months following the completion of the fiscal year 2013 budget. The Standard and Poor’s credit update should be issued within two to three weeks.

Agenda Item #1 Budget Projects/Timelines: Christy Healey presented the changes to the Work Plan. An update for the fiscal year change initiative is still on track for the May 17<sup>th</sup> Budget Commission meeting. The first readings on the FY 2012 tax levy and budget have been added to the plan.

Agenda Item #2 was the BPR and Cash Flow: Ms. Healey had no updates or changes to either document.

Agenda Item #3 was a review of payments and procurements. The Budget Commission approved the city payments over \$25,000 (see addendum #1) and under \$25,000, with Mayor Rogers abstaining the payments to Colbea, as it his employer. Mayor Rogers asked about Verizon Wireless expenses and if the number of cell phones had been addressed. Peter Graczykowski stated that land line expenses were included in the payment but 12 cell phones

have been eliminated from the plan to date and the contracts have been renegotiated. The Budget Commission also approved the School District's under \$25,000 payments.

Agenda Item #4 was a standing agenda item for EPSD request to fill positions. Edward Daft informed the Commission that there were no requests at this time.

Agenda Item #5 was the initial discussion of the East Bay Energy Consortium Resolution. This item was recommended by the Planning Director to be delayed and acted on a later date as the legislation is being amended at this time. The Budget Commission postponed this item until legislation has been finalized.

Agenda Item #6 was request to provide stipends to several Finance Department staff. Mr. Graczykowski discussed the summary, background and explanation of the stipends. The Controller and the Treasurer retired in November and December of 2011, respectively. Many of their duties were reassigned to unionized staff within the Finance Office. The Finance Director recommended providing stipends to four of the staff. Mr. Graczykowski reported that the employees are currently performing the additional duties within their 35 hour work schedule. [Staff note: Mr. Graczykowski subsequently determined that this was incorrect and that the work was in addition to their regular 35 hour schedule]. Mr. O'Keefe stated that the stipends were previously approved in concept, and the Finance Director had been asked to negotiate the terms of the agreement with the unions. However, the dollar amounts of the stipends had not been approved. Mr. Graczykowski noted that the Finance Director's initial request for stipends was made on November 11, 2011, prior the Fiscal Overseer or the Budget Commission, and he had approved them. However, the approval paths became unclear once the state became involved. The Commission discussed some confusion in the explanation and the timing of approval for the stipends. Mr. O'Keefe made a motion to pay the stipends as a commitment had already been made to the staff and Stephen Bannon seconded it. The Commission approved the stipends. Mr. O'Keefe also noted that that in a similar instance, an entity had requested permission to hire temporary staff, which was granted, and then the entity hired four more staff than authorized. The employees have already worked, so they are due to be paid. Further information was required to address this situation.

Agenda Item #7 was a final request for approval to enter into an agreement with the RI Medicaid Assistant program contract. The contract stipulates that the EPSD will abide by all rules and regulation for reporting and processing of Medicaid claims. This was approved unanimously.

Agenda Item #8 was the initial reading of the proposed ordinance related to the Harbormaster. This will be reviewed again by the Budget Commission next week.

At 4:00pm Michael O'Keefe moved to agenda #12 to be consistent with the 4:00 pm public meeting timetable.

Agenda Item #12 was the first reading of an ordinance making revised appropriations in support of Fiscal Year 2012. Mr. O'Keefe noted that there was an error in Section 4, and \$75,035,178 would need to be changed to \$75,617,286, consistent with the table below the section. Mr. Graczykowski made a motion to amend, seconded by Mr. Bannon. Mr. O'Keefe

opened the floor to public comment. There was no public comment and the Budget Commission unanimously approved the first reading of the amended ordinance.

Agenda Item #13 was the review and approval of minutes from May 3, 2012. These minutes were approved unanimously.

Agenda Item #9 was the final reading of an ordinance on the Phase-out of the Property Tax Pre-Payment Discount by FY 2015. Mr. O'Keefe opened the floor to public comment. There was no public comment and the final passage was unanimously approved.

Agenda Item #10 was the final reading of the Resolution to Phase-out the Homestead Exemption by FY 2026. Mayor Rogers asked about the additional documentation that will be needed to be eligible for tax exemption. Mr. Graczykowski stated that an audit will take place to review the current and future exemptions for tax payers. The audit will be similar to that undertaken by the City of Providence where homestead exemptions were cross checked with motor vehicle registrations. Mr. O'Keefe opened the floor to public comment. There was no public comment. Mayor Rogers made a motion to approve, seconded by Peter Graczykowski. The Commission unanimously approved the resolution.

Agenda Item #11 was the second reading of an ordinance Ordering the Assessment and Collection of Property Tax on the Ratable Real Estate, Tangible, Personal Property, and an Excise Tax on Registered Motor Vehicles and Trailers. Michael O'Keefe opened the floor for public comment. The only comment was related to the rates and what items were changing. Michael O'Keefe informed the tax payer that the residential rate will be decreasing by \$.05, the commercial/industrial rate will decrease \$.08, the tangible rate will drop \$.13 and the motor vehicle rate will remain the same. There was an advertisement in today's East Providence Post for the next public meeting on May 17<sup>th</sup> at 4:00pm. The second reading was unanimously approved.

Agenda Item #14 was the scheduling of the next agenda for the upcoming meeting. Michael O'Keefe proposed having the Budget Commission meet bi-weekly after May 17<sup>th</sup>. Mr. Daft and Mr. Graczykowski informed the Commission that they could accommodate that schedule. The Commission unanimously agreed to start bi-weekly meetings after May 17<sup>th</sup>. Regarding the final CDBG budget plan, the Commission agreed to delegate the allocation of the \$61,000 for public service to the planning department, so the item would not need to be on a future Commission agenda.

Other upcoming agenda items included: performance based compensation for School Department staff; final adoption of tax levy; final adoption of budget; change order for the wastewater project; reverse E-911 emergency notification system; review of proposed charter changes; update on RFP on ERP; East Bay Energy Consortium; EPSD food vendor contract; harbormaster ordinance; ACS contract renewal; and EPSD filling of positions. Michael O'Keefe made a motion to delegate two work compensation claims to the City Council. This has been approved by the Director of Revenue and the Budget Commission approved it unanimously. Mr. O'Keefe also asked to get a legal interpretation from the Department of Revenue of the RIGL 45-9-6 on hiring, firing and disciplinary action.

Under other Commission items, the Commission unanimously approved a resolution of the City of East Providence Budget Commission Under RIGL Section 45-9-1 adopting the 2012 Experience Study and the revised Pension Valuation for the City of East Providence.

Also under other Commission items, the Commission unanimously approved a resolution for rescinding the resolution of the City Council granting tax exempt status to the Rhode Island Philharmonic Orchestra and Music School. Mayor Rogers commented on the City Council resolution and indicated that there was more information provided at this Budget Commission meeting than at the City Council meeting. There was one public comment made in front of the Budget Commission expressing the concerns about taking away the tax exempt status of a different entity. Mr. Graczykowski noted that he is in the progress of PILOT agreement negotiations with the RI Philharmonic. The Budget Commission approved this unanimously. The Commission next discussed a tax credit agreement between the City of East Providence and the Parmatech-Proform Corporation. The City received \$138,495.99 in excess and erroneous tax payments by the Corporation. The Budget Commission unanimously approved a settlement where the Corporation would receive a tax credit in the amount of the overpayment. The last item was a RI DEM grant for a playground at the Orlo School. There were no expenses for the City. The Budget Commission approved this unanimously.

The Public Meeting and Working Session adjourned at 4:51 pm.

EPBC/de,ceh

Approved by the East Providence Budget Commission on May 17, 2012.

**VOUCHERS OVER \$25,000 FOR APPROVAL BY THE EAST PROVIDENCE BUDGET COMMISSION**

#	ENTITY	VOUCHER	AMOUNT	FUND SOURCE	DESCRIPTION	COMMISSION ACTION		
						APPROVED	DENIED	MORE INFO
1	City	Enviro-Safe Disposal	\$60,000.00	Fire Dept. Grant	Renovations to Stations 1 & 4	x		
2	City							
3	City							
4	City							
5	City							
6								
7	City							
8	City							
9	City							
10	City							
11	City							
12	City							
13	City							
14	City							

**Total**

\$60,000.00

May 10, 2012 Meeting

10-May-12

Approval Date