

(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 Monday, October 26, 2020 via Zoom Webinar.

CALL MEETING TO ORDER:

The meeting was called to order at 6:00 P.M. by the Chair.

Present Councilmember Aniece Germain
 Councilmember John P. Donegan
 Councilmember Edward J. Brady
 Councilmember Christopher G. Paplauskas
 Councilmember Kenneth J. Hopkins, Vice-Chair
 Council Vice-President Michael W. Favicchio, Chair

Also Present: Councilmember Steven A. Stycos
 Councilmember Lammis J. Vargas
 Daniel Parrillo, Director of Administration
 John Verdecchia, Assistant City Solicitor
 Evan Kirshenbaum, City Council Legal Counsel
 David Dimaio, City Council Budget Analyst
 Leanne Zarrella, City Clerk
 Rosalba Zanni, Assistant City Clerk/Clerk of Committees
 Ron Ronzio, Stenographer

MINUTES OF THE LAST MEETING:

On motion by Councilmember Brady, seconded by Councilmember Hopkins, 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/COMMUNICATIONS

OLD BUSINESS:

- *Review of Online Records Project (Council Vice-President Favicchio)*

Chair stated that after speaking to the Clerk, he called and spoke to a representative from Granicus and impressed on them the urgency to get this done. It looks like we are close and they promised him that by December 1st or sooner. He asked that this item be left on the agenda.

5-20-03 Ordinance in amendment of Title 3 of the Code of the City of Cranston, 2005, entitled “Revenue and Finance” (Bid Discounts for Local Businesses, Minority Business Enterprises and Women Business Enterprises). Sponsored by Councilmember Donegan. CONT. from 7/6/2020 & 9/14/2020.

On motion by Councilmember Donegan, seconded by Councilmember Germain, it was voted to recommend approval of this Ordinance.

Under Discussion:

Councilmember Donegan stated that there are two different Ordinances before this Committee this evening that have to do with the same issue. In speaking to the Administration, he thinks that they would rather go with the other, which is based on existing State Law. He stated that, although this Ordinance is different, it does have the opportunity to be more effective.

Director Parrillo stated that, at this time, what the Administration would like to do is set up a foundation with the other Ordinance. He stated that he thinks the State-guided Ordinance is a good foundation and the Administration would like to establish that one first.

Councilmember Brady suggested tabling this Ordinance in case the second Ordinance does not go through we would still have this one on the table to discuss.

Councilmember Donegan stated that he is not sure at this point what we would benefit by tabling this again.

Councilmember Donegan motioned to amend this Ordinance by changing \$50,000 to \$10,000 in line #110. Councilmember Brady seconded the motion.

Under Discussion:

Councilmember Hopkins asked Councilmember Donegan if he would be in favor of continuing this Ordinance. He would like to see more discussion on this so it does not fail this evening. Councilmember Donegan stated that he would be in favor of a continuance.

Councilmember Germain stated that this is important for the minority and if we want to strengthen our City, then we need to look out for our businessman and businesswoman. We need to look at more data.

Councilmember Donegan stated that the amendment made last month are not reflected in the link and this should be re-advertised for next month. Chair questioned if this is a substantial amendment that would require re-advertising. Solicitor stated that he does not have the amendment before him.

Councilmember Donegan stated that he would like a vote taken on the amendment this evening and re-advertise to include amendments from last month for next month’s meeting. Roll call passed on a vote of 4-1 with one abstention. The following being recorded as voting “aye”: Councilmembers Germain, Donegan, Paplauskas and Hopkins -5. The following being recorded as voting “nay”: Council Vice-President Favicchio -1. Councilmember Brady abstained.

On motion by Councilmember Brady, seconded by Councilmember Donegan, it was voted to continue this Ordinance. Motion passed unanimously.

8-20-02 Ordinance in amendment of Chapter 3.08 of the Code of the City of Cranston, 2005, entitled “Contracts and Purchases” (Creating the Minority Owned Business Enterprise, Women Minority Owned Business Enterprise and Veteran Owned Business Enterprise). Sponsored by Councilmembers Vargas, Donegan and Germain. CONT. 9/14/2020.

On motion by Councilmember Brady, seconded by Councilmember Paplauskas, it was voted to recommend approval of this Ordinance.

Under Discussion:

Councilmember Vargas stated that because there are a lot of items that she would have to make amendments to, she will be separating the BBE from MBE and WBE and proposing a Veterans after it. She will be withdrawing the entire Ordinance and re-submitting new ones next month.

Ordinance was withdrawn by sponsor.

PUBLIC HEARINGS/NEW BUSINESS:

- **Real Estate Tax Abatements**

On motion by Councilmember Paplauskas, seconded by Councilmember Brady, it was voted to approve the above list of Abatements. Motion passed unanimously.

- **Motor Vehicle Tax Abatements**

On motion by Councilmember Germain, seconded by Council Vice-President Favicchio, it was voted to approve the above list of Abatements. Motion passed unanimously.

- **Tangible Tax Abatements**

On motion by Councilmember Donegan, seconded by Councilmember Paplauskas, it was voted to approve the above list of Abatements. Motion passed unanimously.

- **Tax Interest Waiver Approvals**

On motion by Councilmember Donegan, seconded by Councilmember Paplauskas, it was voted to approve the above list of Tax Interest Waiver Approvals. Motion passed unanimously.

9-20-07 Ordinance in amendment of Title 3.16 of the Code of the City of Cranston, 2005, entitled “Property Tax Classification” (Change of Tax Value for Commercial Renewable Energy Systems). Sponsored by Councilmember Stycos.

On motion by Councilmember Donegan, seconded by Councilmember Vargas, it was voted to recommend approval of this Ordinance.

Under Discussion:

Councilmember Stycos stated that this Ordinance would adjust the new rate by the same percentage of the commercial tax rate and this would be for the next budget and not this current budget.

Chair stated that the Ordinance states effective date of 2017. Councilmember Stycos stated that this should be corrected.

Councilmember Brady asked if this would affect our RFP and what other neighboring towns are charging. Councilmember Stycos stated the he does not know how it would affect our RFP, if it would at all. As to the second question, the only rates he had were from Massachusetts and they range from \$5 pr. kw being the lowest, to \$25 per kw.

Councilmember Brady agreed that the \$2 is too low, but he would like more discussion with Director Strom. Councilmember Stycos stated that he thinks we should have that information and those are good questions.

Robert Murray, Esq., 21 Garden City Dr., appeared to speak and stated that he represents Revity Energy and he is very concerned about this Ordinance. The effect of this Ordinance would increase by five times or 400% the formula Cranston is currently using. He does not agree with this premise and tax treatment should be fair to everyone. We should not be singling out a certain property or type of classification of taxpayer. He also stated that the effective date is very unclear.

Nick Nybo, Esq., 1 Citizens Plaza, Floor 8, Providence, appeared to speak and stated that he is speaking on behalf of interest of Revity Energy, solar developer in Cranston, and stated that he agrees with many points made by Attorney Murray. There are legitimate concerns about the retroactive nature of this tax Ordinance. He also stated that it is critical that when this Ordinance comes back before this Committee, it is retroactive versus prospective application is carefully carved out.

Motion and second to recommend approval of this Ordinance were withdrawn.

On motion by Councilmember Brady, seconded by Councilmember Germain, it was voted to continue this Ordinance. Motion passed on a vote of 5-1. The following being recorded as voting "aye": Councilmembers Germain, Donegan, Brady, Hopkins and Council Vice-President Favicchio -5. The following being recorded as voting "nay": Councilmember Paplauskas -1.

9-20-08 Ordinance in amendment of Title 3 of Chapter 3.16 of the Code of the City of Cranston, 2005, entitled "Property Tax Exemption" (Tangible Property Exemption). Sponsored by Council Vice-President Favicchio.

On motion by Councilmember Brady, seconded by Councilmember Paplauskas, it was voted to recommend approval of this Ordinance.

Under Discussion:

Chair handed gavel to Vice-Chair.

Chair stated that he had an Ordinance passed approximately five years ago which created the current \$5,000 exemption for tangible property and small businesses. He was hoping to increase that to \$10,000 incrementally, but then COVID hit. He would like to see the City support small businesses and that is something for the next City Council.

Councilmember Donegan stated that he would like to get an idea of what the cost is going to be, but he thinks this is a good idea.

Councilmember Stycos asked if the intention is just for the coming year or is it going to be permanent. Chair stated that he would like to see it be permanent. He would be happy to withdraw it or continue it because we may need more data.

Director Parrillo stated that in line #27, he questioned if the date should be 2021. Chair stated that it would have to be 2022.

On motion by Council Vice-President Favicchio, seconded by Councilmember Paplauskas, it was voted to continue this Ordinance. Motion passed unanimously.

Gavel was handed back to the Chair.

Resolution urging Mayor Fung to fund \$4.1 million from Cranston's Cumulative Surplus to the Cranston Public Schools. *Sponsored by Council President Farina.*

On motion by Councilmember Brady, seconded by Councilmember Paplauskas, it was voted to continue this Resolution since Council President Farina is not present this evening.

Under Discussion:

Councilmember Stycos stated that when he made a motion to forward this to this Committee, he was hoping the School Department would be present to tell us what their financial status was and answer questions of what money they needed. He asked the Clerk to invite the School Department to attend the next meeting. Clerk stated that the School Department was on the last call of this Committee meeting. She will notify them again.

The meeting adjourned at 7:40 p.m.

Respectfully submitted,

/s/ Rosalba Zanni
Assistant City Clerk/Clerk of Committees