

*(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).*

## **SPECIAL MEETING – CITY COUNCIL**

**-DECEMBER 29, 2022-**

A Special meeting of the City Council was called held on Thursday, December 29, 2022 in the Council Chambers, City Hall, Cranston, Rhode Island.

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

Roll call showed the following members present: Councilwomen Marino, Renzulli, Councilmen Campopiano, Reilly (appeared at 6:05 p.m.), Council Vice-President Ferri and Council President Paplauskas -6.

Absent: Councilwomen Vargas, Germain and Councilman Donegan -3.

Also Present: Anthony Moretti, Chief of Staff; Thomas Zidelis, Director of Finance; David DiMaio, City Council Budget Analyst.

**-DECEMBER 29, 2022-**



**CALL OF SPECIAL MEETING  
OF THE CITY COUNCIL**

**THURSDAY, DECEMBER 29, 2022 @ 6:00 p.m.**

Special Meeting of the Cranston City Council will be held **in the Cranston City Council Chambers, Cranston City Hall, 869 Park Ave., Cranston, RI 02910**, in accordance with Section 3.07 of the Home Rule Charter and Section 2.04.060 of the City Code for the purpose of considering the following items listed on the docket.

Remote participation is also available using the login information provided below as posted on the City's website at [www.cranstonri.gov](http://www.cranstonri.gov) and the Secretary of State's website at [www.sos.ri.gov](http://www.sos.ri.gov)

**Technology problems should be reported immediately to:**  
**CranstonCityCouncilMedia@gmail.com**

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/89912290642?pwd=ZHdydTRoQ2hUWkpHRkxndlFFV2Jxdz09>

Passcode: 703624

Or One tap mobile :

US: +13092053325,,89912290642#,,, \*703624# or +13126266799,,89912290642#,,, \*703624#

Or Telephone:

Dial (for higher quality, dial a number based on your current location):

US: +1 309 205 3325 or +1 312 626 6799 or +1 646 558 8656 or +1 646 931 3860 or +1 301 715 8592 or +1 305 224 1968 or +1 346 248 7799 or +1 360 209 5623 or +1 386 347 5053 or +1 507 473 4847 or +1 564 217 2000 or +1 669 444 9171 or +1 669 900 9128 or +1 689 278 1000 or +1 719 359 4580 or +1 253 205 0468 or +1 253 215 8782 or 877 853 5247 (Toll Free) or 888 788 0099 (Toll Free) or 833 548 0276 (Toll Free) or 833 548 0282 (Toll Free)

Webinar ID: 899 1229 0642

Passcode: 703624

International numbers available: <https://us02web.zoom.us/j/89912290642?pwd=ZHdydTRoQ2hUWkpHRkxndlFFV2Jxdz09>

Those participating by telephone who wish to speak during the public hearing are asked to press \*9 to "raise hand" to be recognized by the Council President. Those participating via the web may utilize the "raise hand" button.

***YouTube Livestream***

The meeting will be live streamed on YouTube. Click the link below to view the meeting. You will only be able to watch the proceedings.

<https://www.youtube.com/channel/UCtE9vwA1B1PQHuftrNPcZjg>.

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In Accordance with Section 3.07 of the Home Rule Charter and Section 2.04.060 of the City Code, I hereby call a special workshop meeting of the City Council to be held on **Thursday, December 29, 2022 at 6:00 p.m.**

at which meeting the following matters will be heard:

**Agenda and Docketed Matters Before the Council**

- **Call to order** (*No votes taken*)
- **Approval of Audit for FY 2022.** (*Vote will be taken*)

**-DECEMBER 29, 2022-**

I hereby request the City Clerk to notify all Council members of the Call of the special meeting.

Executed at Cranston, Rhode Island, this 20<sup>th</sup> day of December, 2022

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**/s/ Christopher G. Paplauskas, Council President**

**-DECEMBER 29, 2022-**

**CERTIFICATION**

I hereby certify that a true copy of the attached Notice of a Special meeting of the City Council to be held on, Thursday, December 29, 2022 at 6:00 pm in the Council Chambers, City Hall, 869 Park Ave., Cranston, RI and via Zoom Webinar, was delivered via regular mail and electronic mail on the 20<sup>th</sup> day of December, 2022 to the addresses listed below.

Council President Christopher G. Paplauskas  
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[chrispaplauskas@gmail.com](mailto:chrispaplauskas@gmail.com)

Councilwoman Jessica M. Marino  
799 Natick Ave.  
Cranston, RI 02920  
[marinoforcranston@gmail.com](mailto:marinoforcranston@gmail.com)

Council Vice-President Robert J. Ferri  
2426 Cranston St.  
Cranston, RI 02920  
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Councilman Matthew R. Reilly  
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[mreillyesq@gmail.com](mailto:mreillyesq@gmail.com)

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/s/ Rosalba Zanni  
Acting City Clerk

## -DECEMBER 29, 2022-

- **Approval of Audit for FY 2022.** *(Vote will be taken)*

**Council President Paplauskas** stated that it is his understanding that the Audit is still in process. He asked Director Zidelis for an update.

**Councilwoman Renzulli** asked if there is an Attorney present this evening. Council President Paplauskas stated that there is supposed to be an Attorney, but he does not see one present. If there are no objections from the members of the Council, we will continue. He stated that he will try to get someone on the phone to Zoom-in, but left it at the Council's pleasure. No one objected.

**Director Zidelis** stated that although the vast majority of the schedules, that are a compilation of financial statements, have been done. Drafts have been sent over to review. The final document, the annual comprehensive final report, is not an addition which can be released. There are some issues relative to the effect of the schedule of financial assistance, the SAFA, which the Auditors, in their opinion, since they signed the letter, is holding up the issuance of the Audit. Anticipating that, we have requested an extension of the Auditor General's Office, a 30-day continuance for the submission of the City's financial report as required by law. An initial granting of that extension has been given by the Auditor General.

**Council Vice-President Ferri** stated that as everyone received a very lengthy e-mail letter that he received from Jim Wilkinson this week, he had asked him for a simple explanation as to why he could not be here tonight to give the Council the Audit and what proceeded was a two-page letter that he forward to everyone. He asked Director Zidelis and Director Moretti to address that letter and explain to him exactly why the Auditor is not standing at the podium right now. He feels he owes the Council and the Audit Committee the answer to that question as Chair of the Finance and Chair of the Audit Committee.

**Director Zidelis** stated that the direct answer is a completed schedule of federal assistance. It is a report called the 8<sup>th</sup> 133, which is, if everyone recalls when the Auditor was here for the Audit Committee, said that is the second report that gets issued the second Audit, which has the March 31<sup>st</sup> deadline. That initial schedule is not completed as an adjunct, but it runs with the financial report. That is what, in Mr. Wilkinson's opinion, is the root cause of why the final schedule, the final Audit Report, is not done. In his experience, he has had Audits released before the complete A133 Audit has been completed, but as Mr. Wilkinson stated in his letter, that was before things like COVID money and ARPA so he recognized his position and due to the fact that those funds do flow through the General Fund, he does recognize the position he is taking.

**Council Vice-President Ferri** stated that he understands that there are a lot of extenuating circumstances that brought us to this point, but by looking at the 2020 and 2021 Audits, he discovered a few things which were done by two different companies. In 2020, the Audit was done by Bloom Shapiro and in 2021 it was done by Marcum, who is doing this Audit and both Audits had the same findings, which was pointed out to the City in reference to the schedule of federal financial assistance, which now includes COVID Funds. To keep it simple, both Auditors found that the City did not provide a complete and accurate schedule of expenditures of federal awards and the city responded in 2020 stating that because of COVID, the departments had limited access to provide the financial directive with all Grant reimbursements and receipts for his review and reconciliation. The process was delayed and required additional time. Going forward, efforts are being made to resolve this finding. So, it was kind of a serious thing, but it really was not. In 2021, the same finding happened, but it involved approximately \$8

million of COVID money which had to be accounted for. In 2021, the City responded with a letter to Marcum stating that the corrective action plan letter was sent on August 29<sup>th</sup> to Marcum stating that in summary, the City would devote efforts and resources to enable the City to present accurately and timely the federal expenditure activity. So, the same problem the same promise and here we sit tonight for a third time with , as he sees it, is the same exact problem. He is not pointing the finger at Director Zidelis, who has been on the job for seven weeks, he is not pointing the finger at anyone. He just does not understand why we are sitting here and it is the same thing that was pointed out two years in a row that is causing the Audit not to be ready.

**Director Zidelis** stated that prior to his arrival, it was noted that after the fiscal year had closed. Upon his arrival, realizing the importance in the reliance to get Grants on the SAFA. We have already started putting actual procedures in place and one of the procedures is decentralized change where when Grants are awarded, we are going to get notification and as drawdowns occur, we will get notification. Already, we are putting in procedures to take a decentralized process, which we currently have and make it as centralized as we can. He assured Council Vice-President Ferri that issues with Grants with some of our departments, we centralized that in the Finance Department and gave his assurance that in FY 23, we will have those procedures in line with all the departments.

**Council President Paplauskas** asked if the Administration had anything else to add. Director Moretti stated that the question would be how come we are not meeting the December 31<sup>st</sup> deadline? From what he is told, in the past, as part of the Audits that were submitted by the 31<sup>st</sup>, the reconciliation of those schedules were performed after the year end but before the ‘Single Audit’ is done which is the Audit of the Federal Grants. This year, he assumes as part of the program it is the same thing. He was informed by Mr. Zidelis that the difference was on December 14<sup>th</sup> is when he was made aware that Marcum required those schedules completed this year before the Audit report is published. He thinks that that is one of the single things that is different, that there is a new process that was introduced at the middle of this month from what he is told. At this point, it is in the Auditors hands so we cannot promise when the Audit would be completed.

**Council Vice-President Ferri** asked if the Auditor has everything he needs at this point. Director Zidelis stated that he received an e-mail this afternoon about some additional information the Auditor is looking for for the SAFA and probably early next week those answers will be supplied.

**Councilwoman Marino** stated that with respect to the extension, she asked when the request was made. Director Zidelis stated that it was made at 6:20 this evening. Councilwoman Marino asked if it was submitted in writing. Director Zidelis stated, yes, it was a formal letter that was e-mailed. We received an initial review directly from them and we should have the letter tomorrow. Councilwoman Marino stated that as we sit here now and the assurance you were given from the Auditor General was a verbal assurance or was there not one given? Director Zidelis stated that the e-mail response was that the letter granting the extension would be received tomorrow in the e-mail.

**Councilwoman Renzulli** asked if it is not true that single Audits are usually due nine months after the organization’s Fiscal Year end or 30 days after the Audit Report is due and that during COVID OMB gave three different extensions for Fiscal Year end 2020 and 2021. There has been extensions going down the road to get where we are now? Director Zidelis stated that March deadline is nine months from June 30<sup>th</sup>, so, yes, the Single Audit has always had that deadline. Last Fiscal Year because of COVID, they did extend the deadline. Mr. DiMaio clarified that the Single Audit report is separate from the Audit that we get presented.

**Council President Paplauskas** entertained a motion to continue the approval of the Audit for the FY 2022 to the January 23<sup>rd</sup> Council meeting.

On motion by Council Vice-President Ferri, seconded by Councilwoman Marino, it was voted to continue the approval of the Audit for FY 2022 to the January 23<sup>rd</sup> Council meeting. Motion passed unanimously.

**Council President Paplauskas** asked Mr. Balducci, who is present, if he had anything he would like to add on behalf of the School Department on the Audit.

**Joseph Balducci**, Chief Financial Officer of the School Department, appeared to speak and stated that the Cranston Public Schools, like most School Districts in Rhode Island, is centralized as far as how they handle Grants. He appreciates Mr. Zidelis moving in that direction. He thinks that is a noteworthy effort. One other thing as he offers recommendation, they receive what they call Standard Grants, the Title Grants from the Department of Education, the IDA Grant, which is another Grant that comes to the Department of Education, but there are instances where they receive other Federal related Grants that do require approval by the authoritative Board, ie, the School Committee. So, they place those on an agenda for approval at a School Committee meeting. So, that is just one more piece of evidence that gives us assurance that the Grant has come through and has been approved and then basically his office works in conjunction with the Grant Director who oversees that particular Grant to make sure everything is handled properly. This gives another layer of assurance that all Grants are identified and they are monitored.

**Council Vice-President Ferri** asked the Clerk to place “Audit Update” on the next Finance Committee agenda before the Council meeting next month.

The meeting adjourned at 6:45 P.M.

Rosalba Zanni  
Acting City Clerk