

(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 FINANCE COMMITTEE

Special meeting of the Finance Committee was held on Thursday, June 16, 2022 in the Council Chambers, City Hall, Cranston, Rhode Island.

CALL MEETING TO ORDER:

The meeting was called to order at 6:40 P.M. by the Chair.

Present Councilwoman Jessica M. Marino
 Councilman John P. Donegan
 Councilman Richard D. Campopiano (appeared at 6:55 p.m.)
 Councilman Matthew R. Reilly
 Councilwoman Nicole Renzulli, Vice-Chair
 Council Vice-President Robert J. Ferri, Chair
 Council President Christopher G. Paplauskas

Also Present: Councilwoman Lammis J. Vargas
 Councilwoman Aniece Germain
 Anthony Moretti, Chief of Staff
 Michael Igoe, Acting Finance Director
 John Verdecchia, Assistant City Solicitor
 Stephen Angell, City Council Legal Counsel
 David Dimaio, City Council Budget Analyst
 Rosalba Zanni, Acting City Clerk

PUBLIC HEARINGS

Nick Lima, Registrar and Director of Elections for the Canvassing Authority, appeared to speak regarding the four bond questions. He explained the process for these to get on the ballot in November. He reviewed the four bond questions with the Solicitor's Office and they are all in the proper form to appear on the ballot.

Sara Lee, 1330 Narragansett Blvd., appeared to speak on behalf of the Cranston Neighborhood Tree Planting Program and encouraged the Council to appropriate more funds in the budget for the Tree Planting Program. Currently \$10,000 is funded for this and it only plants 26 trees when in 2015 it used to pay for 38 trees. 100% of the funds go to the RI Tree Council for the trees and they do not get any themselves. They are a volunteer group that are just promoting trees and they have done so well that they have a waiting list, so there is demand for these trees.

Warren Heyman 70 Arnold Ave., appeared to speak and agreed with the statements made by Ms. Lee and he stated that the Tree Planting Program is a great program.

Heather Thibodeau, 137 Blackamore Ave., appeared to speak regarding the Tree Planting Program and stated that she is a volunteer for this program.

Lisa Gibb, 45 Rhodes Ave., appeared to speak via Zoom to speak regarding the Tree Planting Program and stated that it is a great program and hopes the City Council supports the \$5,000 increase.

A. NEW MATTERS BEFORE THE COMMITTEE

Councilman Reilly addressed the following four Bond Question Ordinances and deferred to the Administration. He indicated that there were a few scrivener errors which he believes the Administration wanted to address.

Mr. Igoe stated that before the Committee this evening there are four Ordinances for consideration to be put on the ballot in November. The first Ordinance is for \$3 million for public buildings. In Section 2 of the Ordinance, there is reference to General Laws, which is incorrect on the original submitted to the Council. It was referenced as 45-12-1 and it should have been 45-12-2. That same typo was made on all four of the Ordinances presented tonight. Also, on the last page of the Ordinance, the actual date should be June 27, 2022 and the question mark (?) has been removed. The only other change on the first Ordinance was at the end of Section 1, the words “the project” were added at the end of the Section in reference to the description in Section 4. On the second Ordinance, the same type of changes. Section 2, 45-12-1 was changed to 45-12-2. On the last page, the question mark (?) was taken out after June 27, 2022. On the Ordinance for the Recreation Bond, there was a change in the description where it had said “playground” in the titles, it was changed to “recreation facilities”. In Section 1, the words “the project” were added. In Section 2, 45-12-1 was changed to 45-12-2 and on last page, the question mark (?) was taken out. On the final Ordinance for \$1 million, 45-12-1 was changed to 45-12-2 and on last page, the question mark (?) was removed after the date of June 27, 2022. Also, the words “Highway Department” was removed from description and substituted with “Roads, Sidewalks and Other Infrastructure Improvements”.

Director Lima stated that the question marks (?) at the end of all four Ordinances should be there, that is the form of the question on the ballot.

- **6-22-01S Ordinance authorizing Loan Order for the City of Cranston to finance the acquisition, construction, improvement, renovation, repair and alteration of public buildings by the issuance of not more than \$3,000,000 Bonds and Notes therefor. Sponsored by Councilman Reilly.**

On motion by Councilwoman Renzulli, seconded by Council President Paplauskas, it was voted to recommend approval of this Ordinance.

Under Discussion:

Council President Paplauskas asked Mr. Igoe to explain the process for these Bond questions after approved by the City Council.

Mr. Igoe stated that after the Finance Committee approves them, it would go before the full City Council, then it goes to the voters, then the Administration has to come back to the City Council for authorization to borrow these monies at some point in the future that we just got authorization from the voters. At that point, it is approved and gives Administration authorization, then it has to go to City Planning to go through to the Budget and then at that point funds can be borrowed and expended. This is just for if at some point in the future the City wanted to do a project, we have voters' approval to go out to start the process.

Councilman Donegan asked if there are any specific projects in mind for bonding out for this right now. Director Moretti stated that depending on the use of the ARPA funds. A few thoughts would have been closing the Police Range could be a consideration. Certainly, there is some unplanned improvements that are necessary that would come up, such as roofs that may need immediate attention.

Roll call was taken on motion to recommend approval of this Ordinance and motion passed on a vote of 5-2. The following being recorded as voting "aye": Councilwoman Renzulli, Councilmen Reilly, Donegan, Campopiano and Council President Paplauskas – 5. The following being recorded as voting "nay": Councilwoman Marino and Council Vice-President Ferri -2.

- **6-22-02S Ordinance authorizing Loan Order for the City of Cranston to finance the acquisition of fire equipment for the City's Fire Department by the issuance of not more than \$2,000,000 Bonds and Notes therefor. Sponsored by Councilman Reilly.**

On motion by Councilwoman Renzulli, seconded by Councilman Donegan, it was voted to recommend approval of this Ordinance.

Under Discussion:

Chair asked what this money would be for. Director Moretti stated that there is no immediate need, no immediate attention to purchase fire equipment or apparatus, but time to time, the Chief does recommend the purchase of engines. He can assure that any spending of any acquisition purchases, the intent is not to spend this money only on a necessary basis and going through the property approval process.

Chair stated that in the event that this were not to pass and a year from now the Chief came before the City Council and stated that he had to purchase a new truck, would the Rainy Day Fund be allowed to be used to pay for that fire truck? Director Moretti stated that he believes no, but he deferred to the attorneys, unless the funds have been authorized by the voters.

Attorney Angell stated that it is unlikely that that would happen, but if it did, you only have so much money to spend, you have so much bonding capacity that has been authorized. You have to live with that within the limits of what has been authorized. You could use the Rainy Day Fund money, but you would have to replenish it in the next budget cycle. It is only for rare emergency purposes and this Council would have to hear from Public Safety as to whether or not other engines could be pressed into service and used or there would be coverage. You would have to exhaust all possibilities for it to be an emergency.

Roll call was taken on motion to recommend approval of this Ordinance and motion passed on a vote of 6-1. The following being recorded as voting “aye”: Councilwomen Renzulli, Marino, Councilmen Reilly, Donegan, Campopiano and Council President Paplauskas – 6. The following being recorded as voting “nay”: Council Vice-President Ferri -1.

- **6-22-03S Ordinance authorizing Loan Order for the City of Cranston to finance the acquisition, construction, improvement, renovation, repair, alteration and equipping of playground and athletic fields in the City of Cranston by the issuance of not more than \$3,500,000 Bonds and Notes therefor. *Sponsored by Councilman Reilly.***

On motion by Councilwoman Renzulli, seconded by Councilwoman Marino, it was voted to recommend approval of this Ordinance.

Under Discussion:

Councilman Donegan stated that he would assume that the intent and sentiment behind this bond would be improvement of public athletic facilities, recreational areas. He asked if this would also be applicable to general Open Space, improvement and public park improvement and not just athletic and recreation. Director Moretti stated, no, it would not apply. A separate category would be Open Space. The thought process for this was that they believe, hopefully, we will have some options for the Budlong Pool. Hopefully, we will receive federal funding with via federal grants by another opportunity and hopefully would be considered by the City Council of using funds from ARPA, but this is a thought that as a backdrop to a potential use for something like the modernization of the Budlong Pool. Councilman Donegan stated that if this is intended for the Budlong Pool and this is approved in November, he asked if that would mean that the Budlong Pool won't be worked on until after next budget. Director Moretti stated that at this time, we do not have funding for the Budlong Pool. It is going to require substantial capital. There is no Capital Budget money approved for that, there is no Operating Fund budget approved for it. We are now in June and, hopefully, later on this year we will receive word on the grant that we will hopefully receive and the use of those funds we would probably see as a priority.

Councilwoman Renzulli asked if it is correct that if that funding comes through the federal government or this Council elects to choose to use ARPA funding, we do not have to go through the Capital Budget process to start work on the Budlong Pool. Director Moretti stated that he believes we would just proceed and because those uses are authorized differently, with the Council's approval, he believes we can go forward. Councilwoman Renzulli asked if it would be possible to start the work on the pool with one set of funding and then if more funding is needed, it could be taken from this Recreation Bond going forward. Director Moretti stated that it is a slippery slope to approve and begin a project that you do not know if there is contingent financing to come. Typically, we prefer to make sure the funding is secure to begin the project and make sure the funding is secure to begin the project and not be caught short of funds and have a facility that is a work in process without a financial solution.

Attorney Angell indicated that the Budlong Pool is not on the agenda this evening and the Committee needs to stick with discussion on the Bond Ordinances.

Chair stated that looking at this bond, he asked how much of that \$3.5 million and the other three, would cost the City if we approved them, bonded them out, borrowed the money and had to pay them back. Mr. Igoe stated that there is no way at this time to try to develop that number with the interest rates fluctuating the way they are. When we actually go out to borrow, we know exactly what it cost us and we have a schedule that shows each borrowing and the repayment of that schedule.

Roll call was taken on motion to recommend approval of this Ordinance and motion passed on a vote of 5-2. The following being recorded as voting “aye”: Councilwoman Renzulli, Councilmen Reilly, Donegan, Campopiano and Council President Paplauskas – 5. The following being recorded as voting “nay”: Councilwoman Marino and Council Vice-President Ferri -2.

- **6-22-04S Ordinance authorizing Loan Order for the City of Cranston to finance the construction, improvement, renovation, repair and alteration of City infrastructure by the Highway Department by the issuance of not more than \$4,000,000 Bonds and Notes therefor. Sponsored by Councilman Reilly**

On motion by Councilwoman Renzulli, seconded by Councilman Donegan, it was voted to recommend approval of this Ordinance.

Under Discussion:

Councilman Donegan asked if this is for street paving. Director Moretti stated, yes, street paving, sidewalks and general infrastructure.

Councilwoman Germain asked if sewer issues would fall under this Bond. Director Moretti stated that sewer has its own Bond Fund so this would not be for sewer projects. Councilwoman Germain asked if there is any Bond money available for sewers. Mr. Igoe stated that currently, we have \$4.5 million available that we can go out to borrow that has already been previously approved by the Council if we had to go out for a sewer project. Councilwoman Germain asked when this was approved. Mr. Igoe stated 2006 and the amount approved for was \$8.5 million and we borrowed \$4 million since 2006.

Councilwoman Marino asked if we have anything remaining for infrastructure bonds to borrow and how much cash is on hand. Mr. Igoe stated that in the Highway Bond Fund, we have \$6 million available to borrow that has been authorized. There is currently \$2.7 million cash on hand, but there is also some outstanding invoices that will be going against that for current paving and heavy duty vehicles that they have purchased. Councilwoman Marino asked how much we are spending per year on infrastructure. Mr. Igoe stated that he believes it is between \$2 and \$4 million depending on the season. Councilwoman Marino asked when the last request went before the voters for Bond and for how much. Mr. Igoe stated 2021 and it was for \$10 million and of that, \$6 million we still have not borrowed yet.

Chair stated that with this Bond, as with the others, he thinks we need to take a clear path to avoid borrowing this kind of money. He would be against voting for the \$4 million on this bond as he voted against the others because he does not know if anyone else is getting the phone calls and emails he is getting from people that work in the City where people’s jobs are at stake and here we sit trying to borrow another \$12.5 million. He does not, at this time, feel that he could vote in favor of either of these Bonds.

Roll call was taken on motion to recommend approval of this Ordinance and motion passed on a vote of 6-1. The following being recorded as voting “aye”: Councilwomen Renzulli, Marino, Councilmen Reilly, Donegan, Campopiano and Council President Paplauskas – 6. The following being recorded as voting “nay”: Council Vice-President Ferri -1.

- **Additional Funding for Rhode Island Tree Council. Council President Paplauskas. Referred from 6/6/2022 Finance Committee.**
- **Funding for one cross alert system for bike path. Council President Paplauskas. Referred from 6/6/2022 Finance Committee.**

Council President Paplauskas stated that there is some additional funding left in “Orders of the Council” from last year’s budget. He brought up the idea a few months ago of possibly spending \$5,000 for the RI Tree Council and the remainder of the \$14,000 for one cross alert system for the bike path to make the bike path a little more safer at a busy intersection. If there are no objections, we can move forward with that and the cross alert system would have to go out to bid. No one objected.

- **Adjournment**

The meeting adjourned at 6:35 p.m.

/s/ Rosalba Zanni
Acting City Clerk