

(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, September 12, 2022 in the Council Chambers, City Hall, 869 Park Ave., Cranston, Rhode Island.

CALL MEETING TO ORDER:

The meeting was called to order at 8:10 P.M. by the Chair.

Present Councilwoman Jessica M. Marino
 Councilman Matthew R. Reilly
 Councilman Richard D. Campopiano
 Councilman John P. Donegan
 Councilwoman Nicole Renzulli, Vice-Chair
 Council Vice-President Robert J. Ferri, Chair
 Council President Christopher G. Paplauskas

Also Present: Councilwoman Aniece Germain
 Anthony Moretti, Chief of Staff
 Daniel Parrillo, Director of Personnel
 John Verdecchia, Asst. City Solicitor
 Stephen Angell, City Council Legal Counsel
 David Dimaio, City Council Budget Analyst
 Rosalba Zanni, Acting City Clerk
 Heather Finger, Stenographer

MINUTES OF THE LAST MEETING:

On motion by Council President Paplauskas, seconded by Councilwoman Marino, it was voted to dispense with the minutes of the last meeting and they stand approved as recorded. Motion passed unanimously.

I. COMMITTEE BUSINESS MATTERS CARRIED OVER

- *Opioid Litigation Settlement. (Councilman Donegan) (Cont. 7/18/2022 & 8/1/2022).*

Councilman Donegan asked that this item be removed from the agenda.

II. CORRESPONDENCE/COMMUNICATIONS

None.

III. PUBLIC HEARINGS* and/or NEW MATTERS BEFORE THE COMMITTEE

A. PUBLIC HEARINGS

Fire Chief James Warren appeared to speak in favor of the Advice and Consent of the Mayor's appointment of Richard Mancini as Assistant Fire Chief. He stated that Mr. Mancini has been very active so far. He has sat in on a few group meetings and indicated that the department is moving forward with a lot of things. They have started changes with their Battalion. They split the City into two Battalions on September 1st. They are moving to buy some new computer programs to improve their record keeping and make it easier for their Fire and Rescue to do reports. Mr. Mancini is also going to be on a committee that will review the department's Rules and Regulations that have not been updated since 1996 and need to be done. He asked for the City Council's consent of Assistant Chief Mancini.

Douglas Doe, 178 Lippitt Ave., appeared to speak regarding the Net Metering Contract. He mentioned last month that the Net Metering Contract of 11/2020, did not require Natick Ave. It is listed as a potential site. Unfortunately, the Administration signed an amendment in April that ties the effective operation date to a resolution of the Natick Ave. Court case, which does not make any sense at all. He questioned why the City would tie itself to one spot. Coventry and North Smithfield have multiple projects available so he questioned why we are stuck waiting for Natick to go through the Court system. The Administration stated last month that this contract would save the City \$800,000 to \$900,000 a year. That is \$70,000 a month we are not saving right now. People lost their jobs this year and we did not have money. He questioned how many jobs that \$70,000 would have saved every month. He also stated that he filed a public records request for a copy of the consultant's report. The City paid \$4,000 for it and he would be interested in reading it. The company that came in third did a report for Smithfield and they produced a very professional detailed informative report. He thought we would get the same back from the City. He did not. He received a memo prepared by City Officials summarizing various aspects so he e-mailed the Attorney General's Office and the City responded with two spreadsheets. That is it, just two spreadsheets for \$4,000. No more information. That does not make any sense. There must be somewhere in the City a spreadsheet showing the projected costs and benefits of this contract. This company signed this contract without an RFP, so there must be one. They would not have signed this contract without a projected cost for the next 25 years. This potentially is a \$50-\$67 million contract. Someone must have that information and the residents deserve to see it and hear how much we are going to be paying Revery for the next 25-30 years. He also addressed the comments made in the past criticizing the Natick residents for the delay. All the Natick Ave. residents did was go to Court to protect their rights that exist under the City's Zoning Ordinance and the Court agreed that their rights were violated. He questioned how anyone can blame them for protecting their rights. The failure of this falls directly on Revery. They made promises and made a contract based on assumptions, not facts, not reality. They just assured Natick would fly through the Commission. They just assured it would be built. They have other sites in production right now in construction. He questioned why we are not looking at those and when is the city going to stop giving Revery everything they want and demands. We should be demanding from Revery Net Metering credits from another

source. We should be saving that \$70,000 right now not two or three years in the future, whenever that Court case gets wrapped up. He asked that the Council please dig into this and get the facts and figures that are needed to find out why this Administration has tied this to Natick when there are other options available.

Robert Murray, Esq., 21 Garden City Dr., appeared to represent Revity Energy LLC and corrected one mistake by Mr. Doe. He stated that under the RFP process that the Board of Contract and Purchase went through and Council Vice-President Ferri was a member, one of the requirements was that the successful bidder or vendor that was selected had to pay the Courts and the City's consultant, so that did not cost the City anything. Revity Energy paid. He addressed Council Vice-President Ferri's agenda item request regarding the Net Metering Contract between the City and Revity Energy and stated that the comments or questions posted on the agenda demonstrate perhaps confusion of the legal status of the virtual Net Metering Contract and the lack of understanding on this complex topic. His client, Revity Energy, has a valid and binding 25-year multimillion dollar contract with the City. He reminded everyone that Revity has invested millions of dollars in material relying on its agreement with the City and under this Net Metering arrangement. His client has always acted in good faith. Suggestions like negotiating a replacement of the contract, he assumes with another vendor or solar developer, would be costly for the City. Mayor Hopkins and his Administration has been working with his client quietly, respectfully and effectively to see what they could do to accelerate savings in addition to the anticipated savings contemplated under the Net Metering Contract. They have already amended the Net Metering Contract to accommodate approximately half of the City's electric load onto another Revity project that is under construction and expected to go online in 2023. This will occur before the expected completion and operation of the Natick Ave. solar project. Natick Ave. will eventually accommodate savings for the balance of the City's electric costs. To assist the Administration, in April, Revity agreed to a limited waiver of its exclusivity of its contract to see if other potential partners may be able to provide some financial assistance in the interim months, but in the meantime, the Mayor requested and his client is working towards, benefiting Cranston by working with other Revity active off-takers to allocate accumulated and future excess credits that can be used for Cranston's benefits. Once fully documented and approved, we will see Cranston receiving the savings contemplated by the original Net Metering Contract. Specifically, at the Mayor's urging, we are working with another Rhode Island community and Revity's project entity lender to document the necessary paperwork to achieve those savings for Cranston. He asked that everyone appreciate that these complex matters do take some time to document and implement, but as the Mayor has urged them, they are trying to get that done for the City. He reiterated that while the delays in Natick Ave. have been beyond their control, Cranston will receive the full 25 year Net Metering credit discount value, the expected building permit fees and Real Estate and Tangible Personal Property Tax expected from Natick Ave. all in addition to the anticipated interim financial benefits outlined above. He asked that every understand that notwithstanding delays contrary to some thought, the City was not going to see the actual savings until this year. in the end, the City will still get the full value and benefit of the Net Metering Agreement. He believes that the Finance Department is wrapping up the savings proposal made possible by Revity in the City of Providence. The City is being allocated approximately \$450,000 of Net Metering credits and will receive a financial benefit electric bill savings of approximately

\$112,500. Reivity made those arrangements for several customers including Cranston without any compensation for Reivity. He also gave an update on the Natick Ave. solar project. He stated that while it is true a Superior Court Judge remanded the Master Plan approval back to the Planning Commission, we expect to reaffirm the total approval of the project.

Chair interrupted and stated that we are not discussing the project at this time. We are just talking about the Net Metering Contract. Attorney Murray stated that he understands, but he thinks there has been considerable public comment in the last few days and he would just like to be given the opportunity to read just two sentences. If the Chair does not want to hear the facts, that is his discretion as Chair. Chair stated that we are not discussing the Natick solar project at this time. We are only discussing the Net Metering. Attorney Murray stated that he will accept, for the record, the Chair's refusal to allow him to finish his remarks. Chair stated to Attorney Murray that he can finish the rest of his remarks if they are not about the solar project.

Councilman Reilly asked legal to weigh in as to whether or not one is relevant to the other. Attorney Angell stated that the agenda item speaks to the contract itself and specific questions about that process that is what the agenda item speaks to.

Drake Patten, 684 Natick Ave., appeared to speak and addressed the Net Metering Contract and stated that the original contract between the City and Reivity Energy was in no way irrevocably tied to the Natick Ave. solar project. A project that remains in litigation and one that has not been and may never be built. The Contract offered alternative site options with which to provide the Net Metering benefit to save money on our municipal energy costs. A broader exemption was also included at the time. The City had other opportunities to save the citizens money. It is unclear why this did not happen. Only the Administration can answer this. To date, they have not done so. Instead, at the last meeting, the City Solicitor seemed to double down on the false narrative that the Net Metering Contract was tied solely to Natick Ave. solar. Perhaps that is not surprising since by his own admission, the City Solicitor stated that he 'doesn't really understand contracts'. Still, he went on to falsely suggest that the City's failure to maximize taxpayer benefit with this contract was the fault of the citizens who are in litigation over the Natick solar project. Again, falsely tying the Net Metering Contract to the Natick solar project. This falsehood was then furthered by Councilman Reilly who stated outright that the City's substantial financial loss was the fault of those same citizens. His accusations verge on slander and they are unconscionable. It is also a curious and foolish accusation since those citizens and their case has been upheld in Superior Court where a Judge ruled that citizens' rights had indeed been violated by the City's own process. The City must now start overhearing the project from the beginning. So, rather than slandering taxpaying voters for their exercising their legal rights, perhaps Councilman Reilly should turn his ire on the City's leadership.

Councilman Reilly stated that this is not on the agenda.

Chair asked that Ms. Patten stay with the issue of the Net Metering Contract.

B. NEW MATTERS BEFORE THE COMMITTEE

Resolution Supporting the City's Participation in the Climate Resilience Building Program. Sponsored by Council President Paplauskas.

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

Under Discussion:

Council President Paplauskas stated that if this passes, it allows the City to apply for climate resiliency funds and grants through the RI Infrastructure Bank. He stated that we need to pass this and also send the Hazard Mitigation Plan and that would qualify us to apply for those grants. He urged passage because it would just open another door for funding for the City.

Roll call was taken on motion to recommend approval of this Resolution and motion passed unanimously.

Advice and Consent of Mayor's appointment of Richard Mancini as Assistant Fire Chief.

On motion by councilwoman Marino, seconded by Council President Paplauskas, it was voted to recommend approval of the Advice and Consent of the Mayor's appointment of Richard Mancini as Assistant Fire Chief.

Under Discussion:

Director Parrillo stated that on behalf of Mayor Hopkins, he presented Deputy Chief Richard Mancini to be the new Administrative Assistant Chief for the Cranston Fire Department. This is a very important position for the Mayor to get in the latest contract negotiations. He thinks it is going to make a real difference going forward. Deputy Chief Mancini has 34 year of experience and has served in every capacity there is in the Fire Department and the Administration thinks it is vital his appointment goes forward in order to really change the future of the Cranston Fire Department. He is present this evening if there are any questions for him, but he thinks his career speaks for itself.

Roll call was taken on motion to recommend approval of the Advice and Consent of the Mayor's appointment of Richard Mancini as Assistant Fire Chief. Motion passed unanimously.

- ***Real Estate Tax Abatements***

On motion by Councilman Donegan, seconded by Council President Paplauskas, it was voted to recommend of this list of Tax Abatements as recommended by the City Assessor. Motion passed unanimously.

- ***Motor Vehicle Tax Abatements***

On motion by Councilman Campopiano, seconded by Council President Paplauskas, it was voted to recommend of this list of Tax Abatements as recommended by the City Assessor. Motion passed unanimously.

- ***Tangible Tax Abatements***

On motion by Councilwoman Marino, seconded by Council President Paplauskas, it was voted to recommend of this list of Tax Abatements as recommended by the City Assessor. Motion passed unanimously.

- ***Tax Interest Waiver Approvals***

On motion by Councilwoman Marino, seconded by Council President Paplauskas, it was voted to recommend of this list of Tax Interest Waiver Approvals as recommended by the City Treasurer. Motion passed unanimously.

- ***Tax Interest Waiver Denials***

On motion by Councilman Donegan, seconded by Council President Paplauskas, it was voted to recommend of this list of Tax Interest Waiver Denials as recommended by the City Treasurer. Motion passed unanimously.

Council Vice-President Ferri:

- ***Update from the administration on the status of the Net Metering Contract between the City and Revity Energy. Is the City negotiating a replacement contract? Dates, Participants, Benefits to the City, Discount Rate etc.***

Councilwoman Marino recused from any discussion, even though there is no vote and even though the Natick Solar project and litigations is not directly tied to the topic, sometimes it could potentially get there and she is one of numerous appellants with that pending litigation. So, out of abundance of caution, she will recuse from any discussion.

Chair stated that he has three questions of the Administration directly in reference to Net Metering. He asked if we currently negotiating another Net Metering Contract to replace the Net Metering Contract that Revity was not able to deliver? Solicitor stated that, respectfully, any discussion about other contracts or purported negotiations, terms and things like that, should be discussed in Executive Session as opposed to out in Open Session. That comes directly under the Open Meetings Act. He deferred to Attorney Angell. Attorney Angell stated that as an exception to the Open Meetings Act, providing for Closed Session, any prospective economic advantage to the City, would need to be discussed in private. Chair questioned whether the Committee is able to discuss the Net Metering Contract at this meeting. Solicitor stated that the way it is phrased and the way it is contained on the agenda as a question, it seems to really ask and require the revealing of potential negotiations that the City is in. Chair rephrased his question: Are we seeking another Net Metering Contract for the City to save money? Director Moretti stated that as everyone knows, the Net Metering Contract was signed under the prior Administration, so we are following the Legal advice of our Solicitor's Department. We are using no subjectivity so per their advice, we are informed that Revity bid on a valid bid proposal and they won the bid and were granted that. They proceeded through the Planning process and

received many approvals, but through a legal challenge, just recently, the Courts have ruled this basically send it back and repeating the process to gain Planning approval. We have been informed that it is an exclusive agreement and, at this time, if we were to enter into any other agreements without their consent. Solicitor interrupted and stated that we should not be discussing this in Open Session, but we are going far afield of what he believes is in the legal interests of the City. At this point, we need to do this in Executive Session. Chair stated that he will discontinue his questioning on the matter, reluctantly.

- *Update on the cost of the Gazebo Park Project in Knightsville. What is the total estimated cost of the park?*
- *Update on the cost of the Knightsville Revitalization Project. Including costs of planning up to date and total estimate of the Revitalization.*

Chair asked what the total cost of the Gazebo Park project is. Director Moretti stated \$1,407,000. There will be a bidding process that will be finally approved by BOCAP at the next meeting, but at the prior meeting, the bid envelopes were opened and the lowest bidder was Tower Construction for that amount he stated earlier.

Chair thanked Council President Paplauskas for all the work that he did to bring this to a reality. He has roots in Knightsville and he is not against the project, but as he knocks on doors and travels through the City, there are many issues that people want resolved immediately and he would hope that the Administration would take a look at this \$1.4 million project and make some attempt to scale it back so we can use some of those funds to do the things that people are asking us to do today like more rodent control, do something about speeding, improve the sidewalks, playgrounds, street paving and the pool.

Councilman Reilly addressed legal and stated that this is not part of the agenda.
Director

Director Moretti stated that he is not prepared to answer all these questions.

Chair stated that he is just making a suggestion. He is not asking a question. He would like to know if this Administration would consider scaling back the project to do some of the things that the people are asking us to do now. Director Moretti stated that the Administration will have the proper balance for all the things the Chair mentioned. The City will go on and will get it all done in the proper way. You just do not stop City government and stop everything and just say 'no'. There is a proper balance to this. We have \$550,000 of grants dedicated to this project. This project will cost approximately \$900,000. He thinks there are a lot of people that look forward to this project. Funds have been previously approved on the infrastructure and particularly Council approved approximately \$500,000 for the Gazebo Park. The answer to the Chair's question is, yes, the Mayor has considered what the appropriate level of investment should be for the community and for the City of Cranston.

Council President Paplauskas stated that this project in Knightsville started back in 2018 when the Council passed a Resolution in 2019, which was sponsored by himself, then Council President Farina and former Council Vice-President Favicchio, Councilwoman Vargas, former Councilman Brady, former Councilmen McAuley, Stycos and Hopkins and

overwhelmingly passed. If he recalls correctly, there was an amendment made by former Councilman Stycos to the original Resolution to add the following language: ‘with or without City funding’ and that passed unanimously as well. It is going to be beautiful. It is going to be a place where we can all enjoy, we are going to make a neighborhood more walkable. He knows money is tight and the Administration will certainly make the appropriate cuts if they have to to certain aspects of the park. We are also still working on grant funding so there is more to come and, hopefully, it is seen through and it will be beautiful for everyone to use.

Chair asked what the estimated cost of the project is, not including the Gazebo. Director Moretti stated that we do not know that at this time. It is being worked on so we have no estimate at this time.

Chair asked if any money has been spent to date planning that project. Director Moretti stated, yes, \$320,000 for engineering and architectural work for the park and the revitalization.

Councilwoman Marino:

- *Update on the status and/or results of the standard federal audit of CDBG*

Director Moretti stated that the audit has been concluded and there are no findings, which in the accounting terms, is a good thing that there are no findings.

- *Discussion/status on issue of Park Theater and affiliates' agreement with the City of Cranston to use the city parking lot and relevant insurance policies.*

Councilwoman Marino stated that she has had discussions with the Solicitor’s Office and Solicitor Verdecchia has updated her and he has additional information and can address that. She also stated that the concern is just to make sure that the City of Cranston is afforded liability protection given the shared use of the parking lot and the varying businesses at the Park Theatre. She asked Solicitor Verdecchia to address this.

Solicitor stated that he did have two conversations today with Schectman and Shepley, who they are the insurance carriers for the Park Theatre and they had sent him a Certificate of Insurance, which they amended to include both entities, both the business as well as the Realty Company and the City as well as the School Department are also additional insurers. He is very satisfied with the insurance certificate. He thinks we are covered to the greatest extent legally as possible. He just wants to make a slight amendment to the original lease just to clarify one of the parties. He just wants to update it and he does not anticipate any kind of a problem with that.

- *Status of Cranston’s participation in the Rhode Island Community Septic Loan Program and Sewer Tie- in Program*

Director Moretti asked if this item could be deferred to the Public Works Committee.

Councilwoman Vargas:

- *City of Cranston Lien Tracking System*

Chair indicated that since Councilwoman Vargas is not present this evening, this item will be continued.

Councilman Donegan:

- *Status of Splash Pad at Bain Track*

Director Moretti stated that Parks and Recreation Director Tessaglia has an injury and has been out on medical leave for a while and he had asked him to answer to this. He has not followed up with him in the past two weeks and, unfortunately, we are waiting on back order supply chain issues, which are causing the problem. He will get in touch with Director Tessaglia and try to get an ETA on this.

Councilman Donegan asked what has been purchased to date. Director Moretti stated that he does not have that answer, but will get the information from Director Tessaglia. Councilman Donegan asked if any money has been spent yet. Director Moretti stated, no, he thinks just any design money. Councilman Donegan asked if there will be an update available for the next Council meeting. Director Moretti stated, certainly.

- **Adjournment**

The meeting adjourned at 9:05 p.m.

/s/ Rosalba Zanni
Acting City Clerk