

(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 – APRIL 6, 2023
(BUDGET HEARINGS)

A special meeting of the Finance Committee was held on Thursday, April 6, 2023 in the Council Chambers, City Hall, 869 Park Ave., Cranston, Rhode Island.

CALL MEETING TO ORDER:

The meeting was called to order at 6:10 P.M. by the Chair.

Present Councilman Robert J. Ferri
 Councilman Christopher G. Paplauskas
 Councilman John P. Donegan, Chair
 Council President Jessica M. Marino

Absent: Councilwoman Aniece Germain
 Councilman Richard D. Campopiano
 Council Vice-President Lammis J. Vargas

Also Present: Councilwoman Nicole Renzulli
 Councilman Matthew R. Reilly
 Anthony Moretti, Chief of Staff
 Tom Zidelis, Finance Director
 Lauren Iannelli, Assistant City Solicitor
 David DiMaio, City Council Budget Analyst
 Tracy Nelson, City Clerk
 Rosalba Zanni, Assistant City Clerk/Clerk of Committees

FINANCE DEPARTMENT

Chair indicated to Finance-Expenditure side and stated that some of the questions he has are over a few hundred dollars and some are under a few thousand dollars. Line item #52000 Supplies, is running at \$300 for the year. is that the same thing with Departmental Expenses? Director Zidelis stated that they attempted to reduce both based on trends. One issue that he has is not knowing what will come in between what expenses we absorb in the fourth quarter. We tried to be conservative with both.

Chair indicated to the Revenue Side, line item #49140 Interest Income, and stated that the submission by the Mayor is \$1,995, an increase of \$1.8 million and it is running at \$1.9 million for this year? Director Zidelis stated that taking into consideration what you are seeing is potentially two more interest rates increase coming down the pike. That coupled with more enhanced cashflow management, that they implemented this year, he is pretty confident that we are going to hit the number estimated in this year's Budget with those activities he just described.

Council President Marino asked if the contribution to Insurance Risk of \$1,000,200 is the expenditure associated with Claims. Director Zidelis stated, yes, that is a transfer out of the Finance Budget down to Claims, which is \$7,500. Council President Marino asked if any part of that is used for hiring of legal services of any kind. Director Zidelis stated, yes, it is. Council President Marino indicated to Group #112 and asked if any other expenditure item listed in this grouping that would also include any legal services be paid. Director Zidelis stated, no.

No one from the public appeared to speak.

ACCOUNTS & CONTROL

Chair stated that line item #51101 Overtime, is reduced down to \$22,000. It is running at \$16,000 for this current Fiscal Year. He asked Director Zidelis if he thinks there is any chance that it could go lower than \$22,000 next year or is that just to be in line with historical average? Director Zidelis stated that it is in line, it is backfilling Overtime when people go on vacation and we are trying to get payroll out or vendors paid out.

Council President Marino indicated to line item #51100 Salary Schedule and asked if the increase is based on contractual obligations through agreements. Director Zidelis stated that that is correct.

Councilwoman Renzulli questioned the Differential line item. Director Zidelis stated that this is for someone doing two jobs or functions of another job.

Mr. DiMaio indicated to payroll tax calculation and stated that based on the formula, it does not seem that payroll taxes have been included for the Overtime portion based on attached schedule behind it. Director Zidelis stated that he will look into that.

No one from the public appeared to speak.

ASSESSMENT

Councilman Paplauskas questioned reduction of \$50,000 from last year's Budget in line item #51100 Salary Schedule. Director Zidelis stated that there is one less employee within this department than there was with the submission of the FY 2032. Councilman Paplauskas questioned line item #52004 Department Expenses and as to the \$55,000 reduction from the FY 2023 Budget to what was submitted from \$75,000 to \$20,000. Director Zidelis stated that we are seeing a realignment of costs in that department and more is being borne in the State revaluation line than in the departmental expenses.

Ken Mallette, City Assessor, appeared to speak via Zoom.

Chair indicated to the Overtime line item and stated that the proposed Budget leaves that line item at -0-. For the current FY, annualized Overtime is running at approximately \$9,600. Why is that? Director Zidelis stated that for this FY, when the individual left, that left a hole where people are plugging it. As we look towards next year's Budget, we will be realigning functions. There could be a chance that internally, depending on how much workload is absorbed by the Assessor's Office, transfers within their line item could be made just to meet Overtime, which we did this year.

No one appeared to speak from the public.

CONTRACT & PURCHASE

Chair indicated to line item #42186 Revenue, Scrap Sales, and questioned significant increase. Director Zidelis stated that currently we have bid solicitation of sale of 41 Heath Ave. Sales price is placed in this category. Minimum bid price is \$250,000 or what equates to four building lots there.

Mr. DiMaio asked if the building that is going to be demolished has any mediation issues. Director Zidelis stated that there probably will be some. We are not sure of the extent.

Chair asked when that bidding process will be complete. Director Zidelis stated that he is scheduled to open the bid in front of the City Council at the April 24th meeting in the absence of the Purchasing Agent. Also indicated that it is a requirement that those proceeds have to be utilized for Capital purposes.

Chair questioned increase in line item #52007 Expense Advertising. Director Zidelis stated that we have to oversee bidding and with bidding comes advertising. Certain things are coming up for renewals in terms of contracts.

No one appeared to speak from the public.

TREASURY & TAX COLLECTION

Chair questioned that Revenue side, line item #42196 Legal, proposal is reduction of \$20,000 at \$180,000 and current FY 2023 is running very low. Director Zidelis stated that their activity is both in terms of postage, personal services, fees and revenues are in the fourth quarter.

Council President Marino questioned which line item would include legal services where we hire lawyers or firms. Director Zidelis stated line item #52016 professional services.

Chair stated that tax sale redemption, line item #42197, proposal is \$7,000 and the five year average is \$12,000 and FY 2023 annualized is at \$14,000. She questioned where we could potentially save a few thousand dollars. Director Zidelis stated that he can go back and double check and report back on how that projection was done if the Committee wishes. Chair stated, yes, that would be great.

Mr. DiMaio stated that cash overages, prior Budget was \$500, and questioned that that is running extremely high. Director Zidelis stated that that is through Tax Collections Office, so that is overpayment coming in.

No one appeared to speak from the public.

REVENUES

Chair indicated to line item #41509 distressed communities and asked if the tax increase in this Budget and potentially re-evaluation, have an impact on the formula at the State level that could bring us back to the distressed community. Director Zidelis stated that the revenue loss has been sustained generally and you can't just equate it to one factor. He personally is going to project that the value of the City of Cranston will increase. In terms of us qualifying again for distressed communities, he personally does not believe we will, but that is his personal opinion.

Chair indicated to line item #49135 Covid19 Stimulus and stated that that is being reduced significantly. Last year there was a significant one-time transfer that was made of \$7,000. This year it is approximately \$4.7 million. He asked if the use of that will create a structural deficit and if once the City does not have the Rescue Plan Act funds at its disposal, how will we make up for that Revenue? Director Zidelis stated that the Mayor and Administration gave him specific instructions, minimize that tax increase as he is developing the budget while he is simultaneously weaning of this realizing it goes away. ARPA funds have to be completely expended by December of 2026, obligated in 2024 and spent in 2026. The residual \$4 million, his target is to be off that with the FY 2025 Budget. That line item being at -0-. The Administration already has the entire Finance team and entire City and numerous City Departments trying to maintain services in an efficient and cost effective manner. In term of structural imbalance going to -0- without any alternative, Revenue source or reduction is a challenge, but that is a challenge which we are striving for. That is the direction he got from the Administration as we immediately start thinking about the development of the FY 2025 Budget and beyond.

No one appeared to speak from the public.

ANIMAL CONTROL

No discussion was held or questions were asked.

No one appeared to speak from the public.

INFORMATION TECHNOLOGY

Director Zidelis stated that the IT Director is on vacation and he will try to the best of his ability to answer any questions.

Council President Marino asked what encompasses professional services. Director Zidelis stated that that is a third party service provider, APEX, where they provide a system person that provides extensive support both in terms of hardware and user support through the City.

Council President Marino indicated to line item #51100 Salaries and stated that she assumes the reduction is because of two vacant positions and there is no intention of filling those positions. Director Zidelis stated that that is correct.

Mr. DiMaio stated that Technology Upgrades is running overbudget and it was reduced in the current Budget. He asked if we are currently up to standard or at least close to standard. Director Zidelis stated that a lot of attention has been paid to IT since he has been here and even before. This department has limited resources in Personnel and latest focus has been on cybersecurity and updates implementing new procedures and have been aggressive in terms of being state of the art in implementing new procedures throughout the City.

Chair stated Professional Services line item budgeted for next year is \$104,000. This current FY it is at approximately \$83,000 annualized. He asked if there is some sort of contractual increase that is resulting in this. Director Zidelis stated that he thinks there is across the board. This department is the hub of all computer costs with the exception of Police and Fire. This is a year to year increase in our

maintenance and user fees. From the information he was provided by Ms. Scungio, we have a lot of our maintenance payments coming in May and June. We have payments coming due in June and we have contractual increase from year to year between 2023 and 2024. Chair asked Director Zidelis if in his conversations with Ms. Scungio, is there anything specific they are seeking to upgrade this FY which was the last one that she required on the hardware side. The rest of her expenditures, her focus, is predominantly new planned expenses predominantly in the area of cybersecurity.

Councilwoman Renzulli stated that in regards to cybersecurity, the City is supposed to get approximately \$50,000 from Secretary of State cybersecurity concerning elections. She can't find that in the Budget. Director Zidelis stated that he thought we received that this year, but he is not positive. Councilwoman Renzulli stated that when that sort of thing comes in, would it go to the Department that it is for or does it go under cybersecurity for IT? Director Zidelis stated that he will have to look into it and report back. Nick Lima, City Registrar, appeared to speak and stated that those funds were received at previous Fiscal Year and spent by the IT Department because the nature of the election security funds. Those were federal dollars that the Secretary of State transferred to us that we applied for and they have already been implemented and acted into the City's operations and through that program, the City was able to establish a new cybersecurity training program that all City employees have to participate in and get regular training and take certain classes. That is a portion of the fee for that. The remaining portion, he believes, was for upgrades to things like network switches, the actual physical hardware and software. So, this won't be reflected in the upcoming Budget.

No one appeared to speak from the public.

COMMUNITY DEVELOPMENT

Ernie Tommasiello, Director of Community Development, appeared to speak and thanked his staff over the last six to eight months for doing a tremendous job serving the residents of Cranston and bringing him up to date in that Department. Their professionalism is greatly appreciated. He stated that this department is responsible for administering the City Entitlement Grant for the Department of Housing and Urban Development. He has been notified of the Grant for the FY2024 in the amount of \$1,061,374, a slight increase of \$7,294 over last year's Grant of \$1,054,000. They have been busy conducting meetings in accordance to HUD's regulations. They have just completed their public service meetings and their Advisory Committee has made their recommendations for the public service sub-recipients awards for the upcoming year. They have also completed their projections for the other programs which they administer, Grant amount is \$1,061,374 and they have a contingency balance forward of \$364,000, projected program income March to June of this year of \$51,335 and we are projecting program income for 2023-2024 of \$160,000 and that brings us to a total Revenues, which will be available, of \$1,636,811. Projections of allocations in accordance to HUD's rules and regulations, program Admin gets 20% of that fund. So, \$212,274 is allocated there. Public Service projects \$182,000, which are projects they administer, such as heating assistance, scholarship programs and the sub-recipients. Housing projects, which they have to spend a minimum of 70% on is projected to be \$884,500. Programs that include that would be Housing Rehabilitation, Affordable Housing Acquisition Closing Costs and down payments. Contingency account has a balance of \$3,068.

Councilwoman Renzulli stated that when Municipal Court came before the Finance Committee, it was suggested that they partner with this Office for some of the housing issues that they are having go before them. Director Tommasiello stated that he watched that meeting online and the next day, he met with his staff to let them know that we are going to reach out to Municipal Court so that they can forward people to his Office.

No one appeared to speak from the public.

BUILDING INSPECTIONS

David Rodio, Building Official, appeared to speak and stated that since he has been in this Department over the past four years, there has been a tremendous increase in the amount of building permits. The economy has been very good for the past five years. This year, for the first three quarters, they have taken in almost \$1.7 million and with those permits issued, they have issued almost 90% of them and made almost 4,000 inspections on those permits that were issued. He does not think he has asked for more money in this Budget than they asked for last year. It seems to be pretty neutral. Revenue keeps going up and he thinks that they are in a good place and thinks that the rest of this year they are going to do very well. They have a lot of permits that are just waiting for payment.

Chair indicated to line item #51001 Overtime and stated that that line item is being doubled to \$10,000. He asked if this increase is to account for part-time position that is going down. Director Rodio stated that Overtime is basically for the Zoning Board meetings. They did have a part-time employee for a month or so.

Chair indicated to line item #52810, American Disabilities Act Expense and stated that the proposed Budget is going up by \$55,000 to \$100,000. The FY 2023 annualized is \$82,000 and the five year average is \$66,000. He questioned the significant leap. Director Zidelis stated that that was an adjustment on the Budget finance side. This account and the corresponding Revenue Account will also increase, so it is a wash. Chair indicated to line item #42160 Building Permits and questioned the increase. Director Zidelis stated that we are seeing a lot of activity and this is projection based just on his time he has been on the Planning Commission above and beyond the activity that they have seen to date.

Council President Marino stated that with respect to the increase in Building Permits, she asked how the Office is handling those with the current staff and with the anticipated increase with the season's opening up, and if Director Rodio feels that the current staff is adequate to handle that or is it going to create a backlog. Director Rodio stated that he has been doing this for thirty years. He has the best staff that he has ever had in thirty years. Only problem is the Inspectors are all over sixty years of age. There is nobody coming up in the ranks, so he predicts in a few years, we are going to be in big trouble if we can't start bringing somebody in and training them properly.

Director Moretti stated that the Administration does feel that this Department is one of those Departments that is stretched with a lot of work, along with many other Departments, but this is one of the most that could use more help if we felt that we had the funds available.

Council President Marino stated that if increasing a position facilitates us to increase the Revenue at a quicker rate in terms of Building Permits not backlogged, then it is a wise investment.

Chair asked how many other departments within the City are we budgeting for a reduction in the Budget? Director Zidelis stated continuation of elimination of positions from the current FY into next in multiple departments. The Treasurer's Office, had a reduction of one position and the position in Inspections and he believes there were a few others. Director Moretti stated that Economic Development Department had a reduction along with Collections, as Director Zidelis stated, also, in the Tax Assessor's Office, IT, which was supplemented by an increase in the consulting, Senior Services, and a number of positions at Highway Department, Building Maintenance and one in Fleet Maintenance.

Councilwoman Renzulli stated that, to be clear, this department was not reduced on purpose. Someone left and they have not filled the position? Director Moretti stated that there was a position who the employee was on long-term disability and that person had not been employed or working for a long long time and that person is no longer with the City and off the payroll.

Councilwoman Renzulli asked Director Rodio if he could do more with that position filled or with a part-time Inspector. Director Rodio stated that they would need additional Building Inspector and Zoning. It is very hard to find people to do that job.

No one appeared to speak from the public.

SENIOR SERVICES

Stephen Craddock, Director of Senior Services, appeared to speak via Zoom.

Chair addressed the Programs Division and stated that he is looking to increase the number of different programs that they have. They are bringing in a new Programs Director. They have a garden for the Adult Day Services and have been working with the Rotary Club. They selected them as their charity this year. They did a bunch of work a few weeks ago and on the 22nd, they will be coming back to finish that. That has been a really excellent project.

Council President Marino indicated to the Adult Day Care Division salary and positions and asked if the vacant Programs Director's position will be filled. Director Craddock stated, yes, that position is why we want to expand our Programs.

Chair questioned why the part-time help line item in the Adult Day Care Division is running low during current FY. Director Craddock stated that CNA's are very challenging positions to fill right now. They have two RN part-time and one of the Director is an RN and two full-time CNA's, but it has been challenging to find part-time CNA's.

Chair stated that the Revenue side of the Adult Day Care Division for the current FY annualized is running at 245 and proposed Budget is 305. He asked if that is realistically good. Director Craddock stated that he believes it is. They have seen an increase in number of clients that they have been generating. Last month, they generated \$32,000 in Revenue, so the trend has been positive.

Chair indicated to Social Services Division and questioned why the number is going down by \$15,000. Director Craddock stated that they lost a Grant this year.

Mr. DiMaio indicated to TransVan and stated that Revenue is currently running annualized approximately \$11,000. He questioned if the vans is not utilized as much as previous years. Director Craddock stated that they have seen a little slow down pre-Covid. Council President Marino questioned Salary Schedule being reduced and there is a vacant position listed. Director Craddock stated that the TransVan Dispatcher retired and someone else will be taking over.

Chair indicated to the Nutrition Division and questioned why proposed Revenue is down by \$700,000. Director Craddock stated that they phased out their catering program. Right now, they are only preparing means for their ADS and for their Cranston Seniors, that is reason for dramatic reduction in Revenue. Chair asked when the phase out started. Director Craddock stated January 1st.

Councilman Ferri indicated to the RSVP Division and asked what RSVP stands for. Director Craddock stated that this stands for Retired Senior Volunteer Program. They get a Grant from HUD that gives them money to go out and recruit volunteers. Council President Marino asked if that Grant has been secured. Director Craddock stated that it has and it is a three year Grant and they are in their second year.

No one appeared to speak from the public.

CRANSTON COMMUNITY ACTION PROGRAM (CCAP)

No discussion was held or questions were asked.

No one appeared to speak from the public.

CANVASSING

Nicholas Lima, City Registrar, appeared to speak and stated that in the last year, his Office inspected 38 sites around the City for ADA compliance at all of our polling locations and we made upgrades to 25 locations around the City in partnership with the School Department, Building Maintenance, Public Works and other entities. Upgrades were new parking areas, new signage, potholes repaired at all the polling sites. Through our General Assembly Delegation, they were able to pass four laws last session that saved the City several thousand dollars in the conduct of not only last year's election, but future elections going forward, which applies Statewide. In 2022, they completed the decennial redistricting process and they sent out the largest mailing in the history of the City to 60,000 residents. It saved the City money because we reduced the total Precincts from 33 down to 29. In 2022, the Office staff processed 22,226 transactions and updates to voter records including over 1,600 new voters, cancelling 1,400 voter records, processing over 5,000 transactions from the DMV and also registering to vote 22 high school students via our three voter registration drives held at Cranston High Schools, which were part of the five drives that were held last year. Office staff also processed hundreds of requests from Elected Officials, the media and political parties, in addition to handling thousands of phone calls and emails from voters in the conduct of the Elections. Looking at the data of the 2022 Elections and compared against Statewide, we have the most efficient polling sites in the entire State. Five of the top ten Precincts in the State of Rhode Island of the 414 polling places are right here in Cranston in terms of turnout. That includes Orchard Farms, Scottish Rite, Hope Highlands, National Guard Armory and Glen Hills. Of those top ten, Cranston has the first, second, third and fourth highest turnout Precincts for in person voting in the entire State. We now have a National profile and that is thanks in part to the filmmakers of the "No Time to Fail" documentary, which has now been seen tens of thousands of times streaming online. It has been seen at film festivals and screenings throughout the Country and looking forward to a screening in Cranston on May 18th at Park Theatre and everyone can see firsthand the work his staff did during Covid in 2020. What we want to do with the funding for the upcoming year is, we have the Presidential Preference Primary in April of 2024. Also, there are five Bills drafted from our Office that are pending in the State House. They testified on several last evening, fifteen in total, they are supporting. These Bills, if passed by the General Assembly, will save the City tens of thousands of dollars in Election Admin costs and he asked the Council and all City residents for their support in getting that legislation lobbied and passed by the General Assembly. This Budget includes funding, in addition for Candidates who will declare in June of 2024 and that requires Overtime from his Office, it includes funding for NCOA, which is updating the of thousands of voter records, it includes support for our cybersecurity efforts that do not charge through the Department of Homeland Security.

Council President Marino thanked Mr. Lima and his Department in doing a top notch job.

Councilman Paplauskas stated to Mr. Lima that he and his Department are doing a great job and asked what time the film will be shown. Mr. Lima stated that he will be sending an email and work with the Administration on the details during the next few weeks.

Chair thanked Mr. Lima and stated that he is proud of all the work he does.

No one appeared to speak from the public.

The meeting adjourned at 8:00 P.M.

Respectfully submitted,

Rosalba Zanni
Assistant City Clerk/Clerk of Committees