

(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, February 5, 2024 in the Council Chambers, City Hall, Cranston, Rhode Island.

I. CALL MEETING TO ORDER:

The meeting was called to order at 7:40 P.M. by Council President Marino.

Council President Marino stated that Councilman Donegan had a family matter to attend to and Council Vice-President Vargas had a work matter to attend to and both will not be present this evening and she would be willing to Chair the meeting if there are no objections.

On motion by Councilman Wall, seconded by Councilman Ferri, it was voted to have Council President Marino Chair the meeting. Motion passed unanimously.

II. ROLL CALL:

Present: Councilman Robert J. Ferri
Councilman Daniel Wall
Councilman Richard D. Campopiano
Councilman Christopher G. Paplauskas
Council President Jessica M. Marino

Absent: Councilwoman Aniece Germain
Council Vice-President Lammis J. Vargas, Vice-Chair
Councilman John P. Donegan, Chair

Also Present: Councilwoman Nicole Renzulli
Christopher Millea, City Solicitor
John Verdecchia, Assistant City Solicitor
Stephen Angell, City Council Legal Counsel (appeared via Zoom)
Thomas Zidelis, Director of Finance
David DiMaio, City Council Budget Analyst
Rosalba Zanni, Assistant City Clerk/Clerk of Committees
Heather Finger, Stenographer

III. APPROVAL OF MINUTES *(Vote may be taken)*

A. Minutes of the January 8, 2024 regular meeting

On motion by Councilman Ferri, seconded by Councilman Wall, it was voted to approve the minutes of the January 8, 2024 regular meeting. Motion passed unanimously.

IV. COMMITTEE BUSINESS MATTERS CARRIED OVER

Councilman Donegan:

- *Exploration of Liability Policy for the City (Cont. from 8/7/2023, 10/2/2023, 11/6/2023, 12/6/2023 & 1/8/2024)*

Director Zidelis asked for one last final continuation. They are trying to solicit somewhat analogous to putting out a bid. Three quotes. One of the carriers came back last week and requested which Commissions we wanted covered under the blanket so we are going through all the Boards and Commissions. The carrier is also asking for some last-minute items. Well before the submission of the Budget, we will have the two proposals and estimated costs prior to the deliberation of the Budget.

On motion by Councilman Ferri, seconded by Councilman Wall, it was voted to continue this item. Motion passed unanimously.

12-23-01 *ORDINANCE In Amendment of Title 3 of the Code of the City of Cranston, 2005, entitled "Revenue and Finance", Chapter 3.110 – Ten (10) Year Tax Stabilization for Property Located at Oaklawn Avenue (Plat 17-3, Lot 670) (Oaklawn Avenue Tax Stabilization). Sponsored by Council President Marino. (Cont. from 1/8/2024)*

Council President Marino stated that applicant has requested a continuance of this Ordinance.

On motion by Councilman Ferri, seconded by Councilman Wall, it was voted to continue this Ordinance. Motion passed unanimously.

12-23-02 *ORDINANCE In Amendment of Title 3 of the Code of the City of Cranston, 2005, entitled "Revenue and Finance", Chapter 3.111 – Ten (10) Year Tax Stabilization for Property Located at 320 Scituate Avenue (Scituate Avenue Tax Stabilization). Sponsored by Council President Marino. (Cont. from 1/8/2024)*

Council President Marino stated that applicant has requested a continuance of this Ordinance.

On motion by Councilman Ferri, seconded by Councilman Wall, it was voted to continue this Ordinance. Motion passed unanimously.

V. CORRESPONDENCE/COMMUNICATIONS

None.

VI. PUBLIC COMMENT

None.

VII. NEW MATTERS BEFORE THE COMMITTEE

A. Ordinances

None.

B. Resolutions

RESOLUTION Related to a Federal Grant to the City of Cranston valued at 7.2 Million Dollars. Sponsored by Councilwoman Renzulli and Councilman Donegan.

On motion by Councilman Wall, seconded by Councilman Campopiano, it was voted to recommend approval of the above Resolution.

Under Discussion:

Councilwoman Renzulli stated that the Administration stated that they needed something tangible to show the support of the Council for the multi-purpose community learning center in order for part of the process that they needed to do the Grant with RI Pandemic Recovery Office. This Resolution supports taking this Grant of \$7.2 million and building the community center and the construction of the facility is funded by the Grant.

Council President Marino stated that she will not be in favor of this Resolution because of lack of details. We do not have enough information right now with respect to what we are actually committing to. She does not want to commit us expending a certain amount of money even though it is free money. It is not free money. It is not free money to construct, it is free money to go forward and operate it and we have not had any in-depth discussions as to what this is going to look like and what the costs are going to be going forward operationally. This money is just for the buildout and not for the day-to-day operations. If we are going to be looking to take free money to build something, we have to make sure we have the money going forward in the years to come to support it. She is open to doing that, but without those details, she can't be in support of this this evening. Her recommendation would be to continue it to next month so that we can give the Administration an opportunity to give us those details so that we know what this is going to look like, what the purpose of the facility is, who is going to operate it and what the costs are going to be. That is being fiscally responsible.

Councilman Ferri agreed with Council President Marino and stated that from the beginning when this came forward, his main concern then and now still is, is how are we going to afford it to go forth as a we build this building and where is the money going to come from to fund it? He is always in favor of it going to existing venues that already have the existing funding. If he sees a detailed plan that we can afford, he will be in favor of it, but as it sits right now, we still never received the details of how we are going to afford to go forward with this once the building is built.

Councilman Paplauskas asked Director Zidelis if he is under any time constraints where this Resolution is needed to move forward with application. Director Zidelis stated that he does not know if the Administration needs this as part of the Grant application. He would assume so if they are asking for it, but he is not privy to that specific. Councilman Paplauskas stated that not knowing if this is needed because of time, he asked if it would be better to send this on to the full Council. It can always be continued back to the Committee at the full Council for the same reasons. Council President Marino stated that she would prefer not forwarding it to the full Council because the core essential important elements to the tunes of millions of dollars going forward is at stake and it is not something that should be hashed out at the Council meeting, it should be hashed out at the Finance meeting. She does not want to see it die, which is why she thinks it is better to continue it within Finance and have that discussion there.

Councilwoman Renzulli stated that this is not binding us to anything. It is just saying we are in favor of building a community center. She also agrees with Council President Marino and would like details of how much this is going to cost. If they needed this, as she and Councilman Donegan were told, in order to go forward with the application, her only fear is if we do not pass it or at least bring it to the full Council it would give the Administration an opportunity to bring the things Council President Marino expressed that we need, which she agrees we need to know that.

Solicitor Verdecchia stated that this comes down to the difference between a Resolution and an Ordinance. An Ordinance being a law, whereas, a Resolution is an expression of desire intent. This is non-binding on anyone.

Council President Marino stated that Councilman Donegan did not express to her the urgency to pass this this evening due to a pending deadline relative to the Grant. Also, the way the Resolution reads is that we will commit to this. She may not be in favor of a community center if it is not going to be able to be operated in a way that it is not financially burdensome to the City. Most importantly, if the Administration cannot tell the Council when the deadline is for the Grant application, that is on them. If it is that important that they are pending a deadline, a simple e-mail indicating the deadline and a Resolution is needed from the Council in order to do what they have to do. That has not been communicated and yet she is supposed to commit, as a Council person, to investing this kind of money with an unknown, in an Administration that can't even give her a deadline to an application. She is not approving this this evening to move to full Council. She would not like to see this Resolution die. Her preference would be that it be continued for one month.

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

On motion by Councilman Paplauskas, seconded by Councilman Ferri, it was voted to continue this Resolution. Motion passed on a vote of 4-1. The following being recorded as voting "aye": Councilmen Ferri, Wall, Campopiano and Council President Marino -4. The following being recorded as voting "nay": Councilman Paplauskas -1.

C. Real Estate Tax Abatements

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

D. Motor Vehicle Tax Abatements

On motion by Councilman Ferri, seconded by Councilman Wall, it was voted to recommend approval of this list of Tax Abatements as recommended by the City Assessor. Motion passed unanimously.

E. Tax Interest Waiver Approvals

On motion by Councilman Ferri, seconded by Councilman Wall, it was voted to recommend approval of this list of Tax Interest Waiver Approvals. Motion passed unanimously.

F. *Tax Interest Waiver Denials*

None.

ADVICE AND CONSENT on Mayor Hopkins' Appointment of Robert Ryan as Fire Chief.

On motion by Councilman Ferri, seconded by Councilman Wall, it was voted to recommend approval of the Advice and Consent of Mayor Hopkins' appointment of Robert Ryan as Fire Chief.
Under Discussion:

Director Zidelis stated that on behalf of the Mayor, he asked Council's Advice and Consent and presented Chief Ryan's resume.

Roll call was taken on motion to recommend approval of the above Advice and Consent and motion passed unanimously.

Council President Marino:

- ***Legal Expense Reports – for fiscal year 2023 -2024: (1) a complete list of all law firms hired by the city and amounts invoiced; (2) a complete list of resolved and pending lawsuits; (3) the number and general nature of resolved and pending mediations or arbitrations; (4) a complete list of which city departments outside of the legal department have incurred legal expenses, and the reason for the departmental legal expenses, the amount invoiced and the status of those legal expenses."***

Solicitor Millea addressed the above items as follows:

1. He stated that the list of all firms and attorneys hired is provided by his Department at every Council meeting and is updated on a monthly basis by his Assistant in the Law Department. That is a list of everything that goes through his Department.
2. Resolved lawsuits, in his opinion, is best addressed in Executive Session. He is happy to do that either in Finance Committee or at a Council meeting.
3. He would rather discuss this in Executive Session, whether it be at Council meeting or next Finance Committee meeting.
4. He sent an email to every Department Head asking for any outside legal expenses outside of the Law Department. There are a few exceptions, such as in the Tax Collections Department, where there are bills that go out to Rossi Law Office that are collection matters. The City has entered into an agreement with Rossi Law Office, which collects taxes that are delinquent and owed to the City and based on their collection of those taxes, Rossi Law is paid out of the collection. In addition, there are two Bond Counsel Firms that have done work for the City in the last year, Moses and Ryan and Partridge, Snow and Hahn. That was based on a \$9.5 million Bond that was issued on behalf of the City. Moses and Ryan was paid \$35,000 out of that and Partridge, Snow and Hahn was paid \$15,000 out of that. These are fees paid out of the proceeds of the Bond and not out of the Legal Department. Mr. Garcia from the Library has indicated to him that his Department hired and spent \$787 on outside legal counsel, but also has noted to him that he has a line item for approximately \$4,000 for legal expenses. This is all the outstanding bills that he is aware of outside of the Law Department, but he does not anticipate any other legal fees pending.

Council President Marino indicated to the first item of her requests and stated that Solicitor Millea indicated that there is one case in Executive Session. She stated that all she is asking is for the number and he answered that and then the general nature of the matter whether it is personnel category. Solicitor Millea stated that he would be happy to send Council President Marino an e-mail under cover of confidentiality and she can share with the members of the Council of the general nature and what is pending understanding that it is privileged at this point, but he does not want to discuss it in public.

Council President Marino indicated to the second item of her requests and she suggested Solicitor Millea confer with Attorney Angell and Solicitor Verdecchia because she believes pending lawsuits are not protected under Executive Session. It is her understanding that that is because they are publicly filed lawsuits. She is just looking for the name of the lawsuit, case number and whether it is resolved or pending.

Council President Marino stated that while she appreciates the monthly list of fees, she knows that we have, and it is public matter, because it was a pending lawsuit and one comes to mind is Attorney Lepizzera had represented the City, but even in the prior FY Budget, she does not recall seeing his firm on that monthly report. In addition to that, being a member of the Bar herself, she knows of one other firm that has done work for the City through the Law Department Claims and yet she has never seen a bill from that Office despite the monthly reports. That gives her concern that there are additional legal expenses that are not being captured and additional firms that we are utilizing, so maybe we can have further discussion as to those missing firms and in the event that there are others. Solicitor Millea stated, certainly.

Councilman Donegan:

- *Status of Community Center to be built on Duckworth St to be paid for by State/Federal grant funding.*

Council President Marino stated that her understanding from earlier discussion is that Director Zidelis does not have that information this evening due to unforeseen circumstances. She asked if that is correct. Director Zidelis stated, yes, that is correct.

- *Possible cost and energy saving projects funded by the 2020 energy bond.*

Director Zidelis stated that this is something that has not been assigned to Finance yet.

- *Procedures for the city council or committee obtaining a fiscal note for ordinances or resolution adoption.*

Solicitor Verdecchia stated that as he indicated at the last meeting, there was a request for a fiscal note and he referenced the Charter and there was a procedure set out. He is not sure exactly what Councilman Donegan is looking for. We actually engaged in that procedure. There was a vote taken to request a fiscal note and he directed that it be forwarded to the Director of Finance. He stated that that is what the Charter outlines. This is a simple straight forward procedure that should be adhered to.

- ***Status of Audit***

Director Zidelis stated that in terms of the output or the end product, there are two things that are going to be forthcoming. One is the Annual Comprehensive Financial Report and the other is what is called the Simple Audit. In terms of the Annual Comprehensive Financial Report, there are two things from him that have been furnished to the Auditors. One is a statement on GASB56 and the second part is the transmittal letter that is as of 2/2024. The actual draft financial statements have gone through the partners review and they are going to be sending us the draft financials. From that, we, in Finance, will compile what is called the Management discussion and analysis based on those. They will be sent back to Marcum to be included in the Annual Comprehensive Financial Report. Once we get the MDNA, it will go out to their internal procedure, a review committee in Marcum.

Council President Marino asked Director Zidelis if he feels we are on track with the current extension or if he predicts or foresees additional issues. Director Zidelis stated that right now, he would like to see what their draft schedules are. He does not think there are any additional issues as he thinks we are potentially on schedule.

VIII. EXECUTIVE SESSION *(vote may be taken to enter executive session)*

Upon a motion, second, and open call by an affirmative vote of a majority of the members present, the City Council will convene in a closed session pursuant to RIGL 42-46-5(a)(2) pertaining to prospective and actual litigation matters as listed below:

Casale Matter (Pending Litigation) *(vote may be taken*)*

On motion by Councilman Ferri, seconded by Councilman Wall, it was voted to go into Executive Session. Motion passed unanimously.

The meeting went into Executive Session at 7:50 p.m.

Present in Executive Session: Councilmen Ferri, Wall, Campopiano, Paplauskas and Council President Jessica M. Marino; Councilwoman Renzulli; Christopher Millea, City Solicitor; John Verdecchia, Assistant City Solicitor; Stephen Angell, City Council Legal Counsel (appeared via zoom); Thomas Zidelis, Director of Finance; David DiMaio, City Council Budget Analyst; Rosalba Zanni, Assistant City Clerk/Clerk of Committees.

IX. RETURN OPEN SESSION *(vote may be taken)*

**Upon return to open session, the Chair will report out any motions made in Executive Session, and may call for a motion to seal the minutes of the Executive Session*

On motion by Councilman Ferri, seconded by Councilman Paplauskas, it was voted to come out of Executive Session. Motion passed unanimously.

The meeting came out of Executive Session at 8:05 p.m.

On motion by Councilman Ferri, seconded by Councilman Wall, it was voted to seal the minutes of Executive Session. Motion passed unanimously.

Council President Marino stated that no votes were taken in Executive Session.

X. ADJOURNMENT

The meeting adjourned at 8:55 p.m.

Rosalba Zanni
Assistant City Clerk/Clerk of Committees