

(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 7, 2022
(BUDGET HEARINGS)

A special meeting of the Finance Committee was held on Thursday, April 7, 2022 in the Council Chambers, City Hall, 869 Park Ave., Cranston, Rhode Island.

CALL MEETING TO ORDER:

The meeting was called to order at 6:50 P.M. by the Chair.

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

Absent: Councilman Matthew R. Reilly

Also Present: Councilwoman Aniece Germain
 Councilwoman Lammis J. Vargas
 John Verdecchia, Assistant City Solicitor
 Michael Igoe, City Controller
 David DiMaio, City Council Budget Analyst
 Rosalba Zanni, Acting City Clerk

FINANCE DEPARTMENT

Mr. Igoe appeared to speak.

Mr. Dimaio stated that currently, the Revenue actual, which is just interest, is running at about 46% and that is due to the reduction in interest rates for the investments and the Expenditures for the department is currently running at 56%, but he believes that is a little low only due to the fact that contributions to the Claims are done sporadically. In the current request, interest has been reduced or the interest that will be earned by \$50,000, which would come in line with what the current rates are. Currently in the Finance Budget, the Finance Director’s position is budgeted at \$139,000.

No one appeared to speak from the public.

ACCOUNTS & CONTROL

Mr. Igoe appeared to speak and stated that this office is involved in paying all the bills for the City as well as producing payroll and monthly and annual financial reports. They also do all payroll tax filings, work on both the Audit and the Budget. This budget has gone up primarily just due to the 3% contractual raises of the bargaining unit.

Mr. Dimaio stated that currently, the Expenditures are running at about 77.65%, which is running just about on-budget.

No one appeared to speak from the public.

ASSESSMENT

No discussion took place.

No one appeared to speak from the public.

CONTRACT & PURCHASE

Mark Marchesi, Purchasing Agent, appeared to speak and stated that this office processes all the purchase orders for the City, approvals, handling Board of Contract and Purchase meeting with all the different departments requesting to go to bid or to ask for waivers, process purchase orders that go to Accounts and Control to pay the bills after. He also takes care of all the School Department's bonding and bills that come through the City. He also takes care of fixed assets for the City. He handles all the purchasing for all twenty-six departments for the City and also some of the quasi agencies if they need any help with anything.

Council President Paplauskas asked how many people work in this department. Mr. Marchesi stated that besides himself, there is his Purchasing Clerk. He also indicated that he helped out the City Council when they had to do the updates with the Zoom and all the cameras in the Chambers. Council President Paplauskas stated that before Tom Lima was hired to help with the day to day audio visual, Mr. Marchesi was the point guy to make sure that we had the cameras and everything was working in the Chambers and he worked with the vendors to make sure that we were all set and he really appreciates all that work.

Mr. Dimaio stated that the current Expenditures are running about 76.58%, which is just about on-point. There is a shortfall on the scrap sales and he asked Mr. Marchesi if he could address this. Mr. Marchesi stated that we will be going out to bid for that, usually that is done mid-May, early June, and we try to get all that stuff done and we should hit our mark this year again.

No one appeared to speak from the public.

TREASURY & TAX COLLECTION

Mr. Igoe appeared to speak and stated that Mr. Capuano is online if there are any questions.

David Capuano, City Treasurer, appeared via Zoom.

Mr. Igoe stated that this office is basically in charge of collecting all the taxes for the City, including Sewer tax, property tax for residential and commercial properties, tangible tax and Motor Vehicle tax. They are also in charge of taking all the deposits from the different departments. They are also in charge of analyzing our outstanding taxes and at the end of the year they do what is called a tax sale of any delinquent taxes due. Our collection rates have been outstanding over the past few years. We are in the high 90's. We have also implemented steps to improve the collection process. We have an online bill pay system now, which is called Invoice Cloud and many people during the pandemic which they could not come into City Hall, were utilizing this feature so that our collection stayed steady. This system has really been beneficial to the department and the City. It eliminates the lines that form in the hallway during the Quarter. We also have a drop box collection, which is something that we use with Citizens Bank.

Mr. Capuano stated that back in 2016-2017 he brought in Invoice Cloud and implemented this, he feels it has been such a help for the City, for the taxpayers and win win across the board.

Council President Paplauskas stated that with the Invoice Cloud System, you can see the reflection in Overtime.

Councilwoman Marino stated that with respect to Revenues, Legal Fees that is appropriated for \$200,000, but it is not anywhere near that amount. Is that anticipated? **Mr. Igoe** stated that that is part of our tax sale process and that won't happen until May.

No one appeared to speak from the public.

REVENUES

Council President Paplauskas asked when we expect to hear from the State to see what our Pilot Money will be. **Mr. Igoe** stated that they have not passed the budget yet. We usually receive the preliminary numbers usually in May sometimes unless they do not agree on the budget then it won't be until June or July. Council President Paplauskas asked if they make the Pilot Money payments timely or is it the same time every year. **Mr. Igoe** stated that it is. They have a schedule and we usually receive the Pilot Money in August.

Mr. Igoe addressed Revenues as a whole and stated that the biggest increase would be with the tax, 2.85% increase that is proposed for residential and commercial properties. We also lost money because the Motor Vehicle tax rate has dropped from \$40 to \$20. The State Aid we get from the tax excise phase out line item is increased because of the same reason. It is supposed to be an offset. The Motor Vehicle decrease is supposed to be offset by the State as part of the State Aid.

- City Clerk is up with RE, but there is also a corresponding Expense that goes with that, because it is only a portion of these funds that we collect that the City gets to keep and a portion goes to the State. Mr. Dimaio stated that the Clerk's Office is running at a 92% collection based on the budget allocated for 2022. If they consistently go at that rate, they will be at approximately \$4.6 million annualized.
- Municipal Court's proposed budget based on current year's activity, there is an assumption that the monies collected will increase as well. Mr. Dimaio stated that they are currently running at 72% of what was budgeted for 2022.
- City Registrar went up a little and he believes it is due to mailings.
- City Plan – decreased. Last year they had expected to receive a Grant for their Comprehensive Plan and they think that that money will not materialize again next year.
- Inspections – also a decrease. Mr. DiMaio stated that they are currently running at 105.78% above budget. Councilman Donegan indicated to line item #111-42160 'Building Permits' and stated that last year's budget was \$805,000 and the proposed budget for FY 2023 is down just under \$20,000, but today we received 110% of FY 2022. He asked what the reason is behind that if we are three quarters in and we are not at 110%, but we are reducing projections for next year by 2.5%. Mr. Igoe stated that he believes Director Rodio is on Zoom and he may be able to answer that question. Mr. Rodio stated that this year coming up to the end of the fourth quarter, we have a banner year with building permits. He just did not think we could sustain that moving forward for those values so he dropped it a little bit from the \$805,000 by a couple of percent as well as the mechanical and electrical permits as well. Mr. Igoe stated that when preparing the budget, there was an estimate that we did not have at the time the budget was being prepared so the Senior Center Department of Senior Services RSVP #1606-47150, we had left it at -0- and after talking with Director, that number should be \$75,000. Councilwoman Renzulli asked what they are running at right now. Mr. Igoe stated that right now, we have received \$48,000 for the year. this is a Federal Grant, which we have received \$55,000.

No one appeared to speak from the public.

INFORMATION TECHNOLOGY

Elaine Scungio appeared via Zoom and stated that the IT Department oversees the installation and maintenance of computers and City network.

Council President Paplauskas thanked Ms. Scungio for getting the new wi-fi in the Chambers. He stated that it is working great and there are no issues so far.

Councilwoman Marino indicated to the 'Professional Services' line item in the proposed budget, which is budgeted for \$104,000 and that was not previously allocated in prior budgets. She questioned what that is for. Ms. Scungio stated that the City's IT support person retired and the City has chosen to hire an onsite Engineer from our vendor and it has proven very beneficial to our department in the City. The City has saved money because if we had to hire someone with his skill set and knowledge, it would be out of reach. Councilwoman Marino asked what the salary was for the prior position.

Ms. Scungio stated that she does not have those figures, but former Finance Director Strom had indicated that the City did save money. Councilwoman Marino stated that Director Parrillo indicated it may have been approximately \$70,000, but she assumes that is before any benefits. Mr. Igoe stated that the salary was \$66,436.

Councilwoman Vargas stated that since we are outsourcing, she asked in what ways we are outsourcing when we are talking about professional services and if it is the maintenance of the server and is it just a person that comes in. Ms. Scungio stated that the Engineer works five days a week and basically he waits on the needs of the City. He handles such things as printers that go down, if there is software that needs to be installed, if computers have to be deployed. Councilwoman Vargas asked where we are in terms of the spending for technology upgrade. Mr. Igoe stated that this is overbudget.

We had original budgeted \$50,000. We spent \$45,000 and there is a \$15,000 encumbrance still outstanding. Computer maintenance and fees was budgeted at \$350,000 and there is an encumbrance outstanding of \$203,000, actual spent was \$95,646 leaving remaining balance of \$50,945. Councilwoman Vargas asked what we are doing to make sure our system is not breaching and our cybersecurity is actually in place and what Microsoft service are we actually currently using right now. Ms. Scungio stated that we just increased our Microsoft 0365 licenses to business premium, which brought the City up to 2019 and all our servers have been upgraded to the current version except for the Finance server, which the next FY starting July we will be going to starting on that server. As far as the cybersecurity, we just enabled multi-factor and we are going to start training for the City employees.

No one appeared to speak from the public.

COMMUNITY DEVELOPMENT

Tim Sanzi, Director, appeared to speak via Zoom and stated that this department manages the Community Development Block Grant, which is an annual supplement in the City as an Entitlement City and we are allowed to manage an annual supplement or allotment from HUD each year. we provide a great deal of funding for programs that provide exceptional services to a myriad of practices within the City and do that with a lot of pride and with a lot of personal attention and customer services to the people who need it. The budget that was submitted for FY 2023 is an estimate. On average, the last ten years the City of Cranston has been awarded approximately \$1 million. We have not been officially awarded this yet. Congress passed and enacted legislation and allotments late so HUD is presently trying to develop what our City and all the other municipalities are going to receive for this year so he estimated the \$1 million and the \$116,000 for a program income, which is an estimate that they have had for each year and program income side comes from our loan portfolio that they carry based on the housing rehab loans they generate monthly income on that.

No one appeared to speak from the public.

BUILDING INSPECTIONS

Director Rodio appeared to speak via Zoom and stated that the Office's role for the City is to enforce the State adopted building codes, electrical codes, plumbing codes, mechanical and fuel class codes as well as the property maintenance code. That is for new construction, renovation for existing structures, such as pools, decks, vinyl siding, roof and windows. They also enforce the City's Zoning Ordinance as well as they are Secretary to the Zoning Board of Review.

Mr. Dimaio stated that the current Revenue side is running at 106% of budget and the Expenses currently is running at 73%.

Councilman Donegan stated that on the Revenue side, 'Solar Permits' line item #42176 FY 2022 is budgeted at \$60,000 and the proposed budget is \$110,000. To date, we have already received over \$200,000 and three quarters in we are at 361% of what was budgeted for the last year. He asked if there is any reason why it is so drastically high this year and if Mr. Rodio thinks that the increase in projections for FY 2023 of \$50,00 is too low. Director Rodio stated that Solar or the PV Cells have come such a long way in the past few years. There are so many permits issued to solar this year. It has grown like exponentially. He can't explain it, but everyone is putting solar on their roof. He thinks this is going to continue to grow as long as the Government is pushing for more renewable resources.

Councilman Donegan indicated to the Part-Time line item #51200 FY 2022 budget of \$35,000, the budget proposal is a reduction of \$10,000. To date we are at about 35% of actuals through the first three quarters. Looking back the previous years, Part-Time Help is at \$59,000, \$88,000, \$43,000 and 2021 it was at \$47,000. He questioned this and if Mr. Rodio thinks that reducing that budget might run a risk of potentially leading to going overbudget. Mr. Rodio stated that in his three years with the City, there was part-time help, an architect who was doing their plan review and he was there for a couple of years so that brought the numbers up. Since then, they have hired a full-time position for a Plan Reviewer/Inspector who has taken on that role, but the salary is nowhere near that \$80,000. Councilman Donegan commended the Mayor for adding a Minimum Housing Inspections position. He thinks that that is desperately needed.

Council President Paplauskas asked Mr. Rodio if he thinks adding another Inspector, if he foresees it being a Revenue generator. Mr. Rodio stated that he does not think it will generate Revenues, but it would be a great asset to the citizens of the City if we can process permits quicker and od inspections quicker and get to complaints quicker.

No one appeared to speak from the public.

SENIOR SERVICES

Stephen Craddock, Director of Senior Services, appeared to speak and stated that this department is divided into seven different departments so there are seven different budgets. There is Administration as oversight, Programs, which manages all the different exercise programs, Music Programs, Adult Day Care, which takes care of Cranston residents that are mildly cognitive impaired, Social Services, which provides help to seniors that have any issues such as rent or housing or any other problems that come up, Trans Van, which provides rides for the residents to Senior Center or any appointments they may have, Nutrition, which cooks for our residents, but a number of other Senior Centers we act as a caterer for and RSVP Program.

Mr. Dimaio stated that on the Expense side, Administration is running about 71%, Services and Programs running at about 71.8%, Adult Day Care is running at about 69%, Social Services is running at about 83%, Trans Van is running at about 69%, Nutrition is running at about 62% and RSVP is running at about 67%. On the Revenue side, Programs running at about 61.8%, Adult Day Care is running at about 49.4%, Social Services is running at about 150%, Trans Van is running at about 30%, Nutrition is running at about 32.55% and RSVP is running at about 87%.

No one appeared to speak from the public.

CRANSTON COMMUNITY ACTION PROGRAM (CCAP)

No one appeared to represent this department.

Council President Paplauskas stated that he does not know if Joanne McGunagle, Director, knows about tonight's meeting.

Mr. Igoe stated that this budget is level-funded.

No one appeared to speak from the public.

The meeting adjourned at 9:15 P.M.

Respectfully submitted,

/s/ Rosalba Zanni
Acting City Clerk