

(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, January 9, 2023 in the Council Chambers, City Hall, Cranston, Rhode Island.

CALL MEETING TO ORDER:

The meeting was called to order at 7:00 P.M. by the Chair.

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

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

MINUTES OF THE LAST MEETING:

On motion by Councilman Paplauskas, seconded by Councilman Ferri, 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

None.

II. CORRESPONDENCE/COMMUNICATIONS

None.

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

None.

A. PUBLIC HEARINGS

B. NEW MATTERS BEFORE THE COMMITTEE

- *Real Estate Tax Abatements*

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

- *Motor Vehicle Tax Abatements*

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

- *Tax Assessment Board of Review assessed December 31, 2021*

Informational Only. No action needed.

- *Tax Interest Waiver Approvals*

On motion by Council Vice-President Vargas, seconded by Councilwoman Germain, it was voted to recommend approval of the Tax Interest Waiver Approvals as recommended by the City Treasurer.

Under Discussion:

Councilman Donegan stated that Councilwoman Renzulli brought this up in the last term. There are numerous interest waivers on the list that are above the \$250, which he believes the City Code does state that it should not be higher than \$250. He asked Attorney Angell for clarification.

Attorney Angell stated that as he reads the Code, it is pretty clear that it is \$250.

Councilman Donegan asked if the Council has the authority to deny because during his first term, he believes the Council was essentially told that this is effectively a rubber stamp. Attorney Angell stated that if that were the case, why in the world would that be on here for approval?

Councilwoman Renzulli stated that when she had voted 'no' on anything over \$250, Mr. Zidelis did explain something to her about this so if he wanted to come forward with some kind of explanation, maybe it would be helpful, but she still understands it the same way Attorney Angell said.

Director Zidelis stated that he is speaking from recollection, but he thought the \$250 was on the Treasurer's interest waivers and he cannot recall a limitation and he will have to get back to the City Council on what gets brought forth to the City Council. Without a definitive answer, he would recommend holding these, if that is not a problem.

Councilman Donegan agreed with Director Zidelis that these should be continued to next month until we have further clarification.

On motion by Councilwoman Germain, seconded by Councilman Paplauskas, it was voted to continue this list of Tax Interest Waiver Approvals. Motion passed unanimously.

- ***Tax Interest Waiver Denial***

On motion by Councilman Paplauskas, seconded by Councilwoman Germain, it was voted to recommend approval of this list of Tax Interest Waiver Denials. Motion passed unanimously.

Councilman Ferri:

- ***Audit Update from the Administration on the Agenda.***

Director Zidelis stated that we are still pushing ahead for the date set by the Council. Relative to the effect of the schedule of financial assistance from the federal government, what the Auditors are looking for is a road map to show that they can crosswalk the federal awards to our financial schedules.

Mr. DiMaio stated that his concern is if we do not have it by the scheduled meeting, are we going to have them to post for the next meeting or to have special meeting? Attorney Angell stated that the City of Cranston was granted an extension. They followed the Statute to get the extension. As a point of interest, State Law trumps the Charter. Certainly, it would be up to the Administration to extend that, if necessary, but it does not sound like that is going to be the case.

Councilman Donegan asked if the Auditing Firm is aware of the January 23rd meeting. Director Zidelis stated, yes, they are.

Councilman Campopiano:

- *Update from Director Ed Collins and CFO Joe Balducci on where we stand on the building of Garden City, Gladstone, upgrades to West and where we are as far as the \$147,000,000 bond.*

Ed Collins, Chief of Facilities Management and Capital Projects for School Department, appeared to speak and stated that right now we have five projects going on, three major ones and two smaller ones.

- Replace the roof over the East gym foyer and replace the windows and did some modifications to the inside. Original budget was approximately \$350,000 and that project is 90% done. That project will probably finish \$20-25,000 onto what was budgeted.
- Cranston West fire upgrades and main foyer renovations. Starting budget for that was approximately \$3.5 million. That project will run probably approximately \$100-150,000 over. Reason for that was we had to get off to a quick start in the Summer for the project. Last part of that project was to replace the heating system and we have to upgrade the electrical service.

As to the schools, in 2019, a budget was created for the five-year plan to go to Bond in 2020. Back then, schools were being built for \$460-500 per square foot. Since then, all construction costs have gone up 30-40%.

1. Garden City School was originally \$41-42 million. The budget now is \$53 million. \$6 million of that is being covered by the School Department Asset Funds. When you look at that School for the full \$53 million and the \$89,000 sq. ft., that school is going to be built for \$600 per sq. ft. That project is well within budget. We are still holding a contingency of approximately \$700,000 and it will be complete and open in September of 2023.

2. Eden Park – they did a Pathfinder project that was \$10 million, which the State got reimbursed 67% of them so we had Phase 2 and Phase 3 to complete. The cost of Phase 2 is roughly approximately \$10 million, which was the addition of the new gym, the modifications to the cafeteria, some ADA upgrades inside the area and some modifications to the Office. Phase 3, we are just in schematic design and we are doing initial estimates on that. We are carrying the number of \$12 million, but he does not think it is going to be \$12 million. That project is roughly sitting close to approximately 30% over what it was original budgeted.
3. Gladstone – originally budgeted in 2019 at \$57 million and now is looking at \$83 million.

Councilman Paplauskas thanked Councilmen Campopiano and Ferri for serving on the School Buildings Committee and bringing this to the table today. He asked Mr. Collins where the \$26 million difference in the School for Gladstone is going to come from. Mr. Collins stated that when you add up those projects, it comes up to approximately \$70 million. Take out the \$6 million that the School Department gave, you bare at \$163 million. The bond was for \$147 million. There is a difference of approximately \$16-17 million. They met with the Mayor and his Administrative team Friday and expressed to them the concern of what needs to happen. Gilbane who builds a lot of the Schools in the State, was also present and explained what other communities are doing to cover that cost being creative with the Bond money that we are using and he is confident that the City will come through and find a way for that to happen. Councilman Paplauskas stated that it is important that we get these projects done, but it is also important that we protect the taxpayer the best we can.

Councilman Donegan asked Mr. Collins what kind of savings, from an energy standpoint, he thinks the City will see from what the buildings we are operating at previously. Mr. Collins stated that they are going from bare baseboard-heated schools to fully air conditioning climate control, so it is a balance. He can't really say they are going to save a bunch of money, they are going to become much more efficient with the system they have, but they have upped their design to actually address that specifically about dealing with particles or

vocs that are floating throughout that are in the microns in the air. The other thing that they do is they are part of a net metering solar farm that is in Johnston and when these schools come up, they will go back out and put them on a net metering too where they hope to get between 60 to 30% of the energy bills as a cause avoidance. He would not say savings cost avoidance.

- **Adjournment**

The meeting adjourned at 7:30 p.m.

/s/ Rosalba Zanni
Acting City Clerk