

(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 MEETING – CITY COUNCIL

-MARCH 14, 2024-

Special meeting of the City Council was held on Thursday, March 14, 2024 in the Council Chambers, City Hall, Cranston, Rhode Island.

I. CALL MEETING TO ORDER:

The meeting was called to order at 9:30 P.M. by the Council President.

II. ROLL CALL:

Roll call showed the following members present: Councilman Ferri, Councilwomen Renzulli, Germain (left meeting at 9:35 p.m.), Councilmen Campopiano, Paplauskas, Wall, Council Vice-President Vargas and Council President Marino -8.

Absent: Councilman Donegan -1.

Also Present: Anthony Moretti, Chief of Staff; Thomas Zidelis, Director of Finance; David DiMaio, City Council Budget Analyst (appeared via Zoom); Rosalba Zanni, Assistant City Clerk/Clerk of Committee.

III. PUBLIC HEARINGS AND PUBLIC COMMENT:

None.

IV. INTRODUCTION OF NEW BUSINESS:

- ***Resolution ordering a special referendum election to be held on June 4, 2024. Sponsored by Council President Marino and Council Vice-President Vargas. To be referred to a Special Finance Committee Meeting on March 25, 2024.***

On motion by Councilman Ferri, seconded by Councilwoman Germain, it was voted to refer the above Resolution to special Finance Committee meeting on March 25, 2024. Motion passed on a vote of 8-0. The following being recorded as voting “aye”: Councilman Ferri, Councilwomen Renzulli, Germain, Councilmen Campopiano, Paplauskas, Wall, Council Vice-President Vargas and Council President Marino -8.

V. NEW BUSINESS NOT REFERRED TO COMMITTEE:

- ***Presentation by Marcum LLP of the Annual Comprehensive Financial Report of the City of Cranston for the Fiscal Year end June 30, 2023 and discussion by the City Council.***

Council President Marino indicated that the Council Auditor is present on Zoom.

James Wilkinson and **Erica Olobri** from Marcum were present to address the Audit.

Ms. Olobri gave a slide presentation on the Audit.

Council President Marino stated that, as stated by the representatives from Marcum, the final component is dealing with the federal guideline compliance and that would be done at the end of the month and they would be willing to come back before the Council. The Council has its monthly meeting on March 25th and she asked Mr. Wilkinson if he would be willing to do it at a date after that. Mr. Wilkinson stated that he believes to be safe, they would schedule it at the next one after that. The deadline is March 31st and they could go right up to the deadline date. Council President stated that they will be contacted with an April date that will work for them.

Council President Marino asked that the overall findings be restated. Mr. Wilkinson stated that these are very brief overview and they will be delineated out in detail with a specific set of recommendations. They will also be discussing that with Management. Council President Marino asked if this is something that the Council will be privy to. Mr. Wilkinson stated, absolutely.

Council President Marino stated that while she sees that the for the Fiscal Year there is a surplus balance of \$4 million, but we in fact, as a City, utilized \$19 million in that year, \$7 million for the one-time expense for the Internal Service Fund and \$12 million towards the actual Operating Budget. Technically, it is not exactly the greatest news because without that ARPA funding going forward we would have to make up \$7 million in Revenue for that operating to break even based on those numbers. She asked if that is fair to say. Mr. Wilkinson stated that that is correct. They are looking at the expiration of those one-time Revenues and looking at multi-year Budget projections and seeing they are going to fall out with that to ensure that to the extent that that ARPA funding was spent on one-time items, First Responders, Infrastructure, those types of things.

Council President Marino stated that last year, the issue about centralizing the reporting to Director Zidelis with respect to federal grants and the federal funds rather being segregated and she recalls that Director Zidelis stated that based on his past experience from working in Worcester, that that was what as done. It was more centralized and he was looking to implement that going forward, but yet, she is not seeing that that has necessarily occurred. She asked where we are with that. Director Zidelis stated that during the course of this Fiscal Year, the Adminsitratin had a meeting with all the departments coming in to him on grants. Hopefully, for this Fiscal Year we will have segregated accounts for all grants so we can see what the actual expenditures in lieu of running them through the General Fund. So, major changes are being put in place for Fiscal Year 2024.

Councilman Ferri stated that we have a surplus of \$4 million balance. It is not necessarily a surplus because we plugged \$19 million of COVID money. So, I tis not necessarily a surplus. Mr. Wilkinson stated that you had an increase in fund balance of \$4.1 million. Councilman Ferri stated that if we did not have the ARPA funds, that would be a negative number. Mr. Wilkinson stated that that is correct and some of those one-time expenses may not have happened either. You can't look at one without the other. Councilman Ferri stated that we should not be going around telling people that we have a \$4 million surplus. Mr. Wilkinson stated that he would characterize it as you are healthier than you were the year before, but there is always work to be done.

Councilwoman Renzulli asked if it is inaccurate to say that we have a \$4 million surplus. She asked if that is an accurate statement. Mr. Wilkinson stated that that is an accurate statement.

Council Vice-President Vargas questioned the School lunch program.

Joseph Balducci, Cranston Schools Chief Financial Officer, appeared to speak and stated that they ran a \$440,000 deficit last year and uncollected lunch debt owed to the School District was \$310,000. That clearly had an impact on how they ran their operations last year, however, they are beginning to turn the tide. As of this past week, their outstanding debt for the current year is approximately \$150,000. One of the things that contributed to the deficit last year is there is something in accounting terms called appreciation of food service fund, which is an enterprise fund and they have been successful in using prior year surplus to renovate their pitching sites, their food service sites at each of the High Schools so they are spending approximately \$800,000 as an example.

Mr. DiMaio appeared to speak via Zoom and stated that as to the ARPA funds, the funding was \$19.4 million in last year's budget. \$7 million of that was a one-time funding which went to the Internal Service Fund. That fund, which had a negative of \$6.7 million last year, now has a positive of \$1 million. The biggest concern would be just going forward is that to monitor what is left in the ARPA funds and what is going to be utilized going forward.

On motion by Councilman Ferri, seconded by Councilman Paplauskas, it was voted to accept the Audit for the record. Motion passed on a vote of 7-0. The following being recorded as voting "aye": Councilman Ferri, Councilwoman Renzulli, Councilmen Campopiano, Paplauskas, Wall, Council Vice-President Vargas and Council President Marino -7.

VIII. ADJOURNMENT

The meeting adjourned at 10:15 p.m.

Rosalba Zanni
Assistant City Clerk/Clerk of Committees