

(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, August 1, 2022 in the Council Chambers, City Hall, 869 Park Ave., Cranston, Rhode Island.

CALL MEETING TO ORDER:

The meeting was called to order at 7:05 P.M. by the Chair.

Present Councilwoman Jessica M. Marino
 Councilman Matthew R. Reilly (left meeting at 7:45 p.m.)
 Councilman Richard D. Campopiano
 Councilwoman Nicole Renzulli, Vice-Chair
 Council Vice-President Robert J. Ferri, Chair

Absent: Councilman John P. Donegan

Also Present: Councilwoman Aniece Germain
 Daniel Parrillo, Director of Personnel
 Christopher Millea, City Solicitor
 David Dimaio, City Council Budget Analyst
 Rosalba Zanni, Acting City Clerk
 Heather Finger, Stenographer

MINUTES OF THE LAST MEETING:

On motion by Councilwoman Renzulli, seconded by Councilman Reilly, 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

- *Discussion on the issue of Park Place Theater and affiliates' agreement with the City of Cranston to use the city parking lot and relevant insurance policies. Councilwoman Marino) (Cont. 7/18/2022).*

Councilwoman Marino stated that this item will be continued to the full City Council meeting for discussion in Executive Session. She also stated that she has spoken to the Solicitor's Office and would like to get some more factual details before we have a more in depth discussion.

- *Opioid Litigation Settlement. (Councilman Donegan) (Cont. 7/18/2022).*

Chair stated that since Councilman Donegan is not present this evening, this item will be continued.

II. CORRESPONDENCE/COMMUNICATIONS

None.

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

Chair stated that the public hearing will be held on everything on the agenda except the Net Metering Contract, which will be held at the end of the meeting.

Armand Metcalf, 19 Hillside Ave., President of Local 1363 Firefighters Union, appeared to speak and asked for support of the Fire contract. He stated that it is a fair contract not only for the Firefighters but also for the City.

A. PUBLIC HEARINGS

B. NEW MATTERS BEFORE THE COMMITTEE

7-22-01 *Ordinance ratifying School Committee's Collective Bargaining Agreement with the Rhode Island Council 94, AFSCME, AFL-CIO, Cranston Public School Employees, Local 2044 (July 1, 2021 – June 30, 2024). Introduced pursuant to Charter Section 11.02.1.*

On motion by Councilwoman Renzulli, seconded by Councilman Reilly, it was voted to recommend approval of this Ordinance.

Under Discussion:

Councilwoman Germain encouraged all members of the City Council present to vote to ratify this Ordinance.

No one appeared to oppose.

Roll call was taken on motion to recommend approval of this Ordinance and motion passed unanimously.

7-22-02 *Ordinance ratifying the IAFF (International Association of Fire Fighters) Contract, Local 1363 (July 1, 2022 – June 30, 2025). Sponsored by Mayor Hopkins.*

On motion by Councilwoman Renzulli, seconded by Councilwoman Marino, it was voted to recommend approval of this Ordinance.

Under Discussion:

Councilwoman Marino thanked the Administration, Director Parrillo, the Union and Chief Warren and anyone else who was involved in negotiating this contract. It is a fair contract with the percentage and the organization element. She asked Director Parrillo to address this contract.

Director Parrillo appeared to speak and thanked the Union. He stated that they were very willing to talk for a long period of time. This is a fiscally fair contract from the City's perspective. It gives the City a lot of managerial rights, a new Assistant Chief, who is going to be out of the Union and will be handling things that the Chief does now, such as keeping track of Overtime, Sick Time, Policy Rules and Regs.

Councilwoman Renzulli asked how the reorganization is going to help monitor Overtime and give savings. Director Parrillo stated that, from the City's perspective, that reorganization establishes the second Assistant Chief who is going to be tasked with staying on top of the Overtime and finding out if there are any trends.

No one appeared to oppose.

Roll call was taken on motion to recommend approval of this Ordinance and motion passed unanimously.

- ***Real Estate Tax Abatements***

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

- ***Tangible Tax Abatements***

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

- ***Interest Waiver Approvals***

On motion by Councilman Reilly, seconded by Councilwoman Renzulli, it was voted to recommend approval of this list of Tax Interest Waiver Approvals as recommended by the City Treasurer.

Explanation from the Solicitor's Office on the status of the Net Metering Contract between the City and Revity Energy. (Dates, Participants, Benefits to the City, Discount Rate etc.) (Council Vice-President Ferri).

Chair opened public hearings on this matter.

Councilwoman Marino stated that she is recusing from any discussion on this topic as she is a litigant to a pending litigation with respect to the Natick Solar Project, which is part of an offshoot of the Net Metering Contract.

Robert Murray, Esq., 21 Garden City Dr., appeared to speak and stated that he has spoken on this issue on several occasions, most recently at the June Council meeting. With him this evening is Ralph Palumbo of Revity Energy and they all stand on their remarks of June 27th as well as a letter that he has sent to Solicitor Millea on July 4th and believes he copied the City Council Legal Counsel. They are present this evening as a resource to answer any questions. The bottom line is there is a Net Metering Agreement in effect with Revity Energy. The City will get a full 25 year benefit of that contract. He knows that there is some interest in the Natick Ave. Solar Project and that matter will be under discussion tomorrow evening at the Planning Commission. There was an Order of the Superior Court remanding a portion to allow some public comment on information that was shared with the Commission after the public hearing was closed in January of 2019. They recognize that there has been a delay in getting the Natick Ave Project built. He is still confident it will be built, but Revity has been working with the City to look at alternatives to help get the City some savings sooner than the Natick Ave. Project. As recently as last week, they gave the City an alternative for another Revity project that they could tap as a resource for the City of Cranston and those discussions are ongoing right now so bottom line is on behalf of Mr. Palumbo, they understand there is a great interest in the City getting the benefits of this agreement. They have a binding contract with the City that they will fulfill on their end and asked that the City work with them, but they want to try to help the City sooner than the actual operation date for Natick Ave.

Douglas Doe, 178 Lippitt Ave., appeared to speak and stated that he mailed a public records request to the City and he has four basic questions: 1) please provide an unredacted copy of Revity Energy's 2020 February 4th response to the Net Metering RFP. He noted that they are about the only company that redacted almost their entire response; 2) please provide the amount projected payments to Revity Energy over the contract; 3) please provide the amount of projected savings over the delay of the contract; and 4) please provide the unredacted copy of the report prepared by the City's RFP consultant. The Finance Committee should request the same and number 2 and 3 should be in our Revity's RFP response. In effect, we are going to help build Natick if Natick goes forward. Revity's financial projections should be disclosed and should be public records. The Net Metering consultants' reports for Coventry and Smithfield are available online, which include Revity and cost savings spreadsheets. There is nothing in the November contract that requires the use of Natick. He questioned why we are stuck with Natick since everyone knows it was going to violate City policy going forward and Revity apparently has a few other projects going forward. There is no need for Natick to fulfill this contract at all. If they are offering Smithfield four projects in 2022, why are we not the first in line? Why are we stuck waiting for Natick and for a neighborhood that does not want anything to do with it after what he saw what happened to Lippitt?

Chair stated that he has some comments he would like to make to the Solicitor and then he has a few questions. He is not an expert in Net Metering contracts nor is he a lawyer or an expert on contracts. He understands that this is a very complicated matter, but we have constituents that are concerned and believe that we are not getting a fair shake for a contract that we signed with the previous Administration and it has been amended since then. He would like an explanation as to what the status is with the contract. He is not looking for anything that is not public information. Also, he would like to know what we are benefiting from it and should we be benefiting more and are we losing money based on the fact that we are not receiving a Net Metering Contract benefit right now?

Solicitor Millea stated that he can only attest to one of the three things Chairman Ferri stated. He is a lawyer, he is not an expert in contract and he is learning very much about solar, so this is a learning process for himself as well. What he can offer to and echo the sentiments of Mr. Murray, who has spoken to not only this Committee, but also to the Council in full on this. In 2020, the City of Cranston entered into a contract with Revity and the City would be getting 32½ % reduction sort of speak. That contract was signed and it is an exclusive contract with the City. From his understanding, that was put out under a request for proposal even though he is not sure that was necessary. That was done so and Revity was awarded the contract. As to the question of where we stand, the City is losing approximately \$800,000 to \$900,000 per annum because this is tied up in litigation. It is costing the City money to defend the litigation and it is costing the City because the Natick Solar Farm is not yet built at this point. Mr. Murray, on behalf of his client, Revity, has approached the City and is working with the Administration to try and help short-circuit some of what we are discussing here because it looks like Natick may be tied up in litigation for a while. He does not want to speak too much about the Natick Project for a number of reasons, 1) he believes it should be in closed session because it is pending litigation; and 2) more importantly, that matter is before an Auxiliary Board tomorrow that would eventually have to answer to this Council and give a recommendation. There are some meetings coming up between the Administration and we are going to discuss what we can possibly take over all the electricity in the City and cover what we have separate and apart from the School Committee.

Chair stated that this discussion this evening is not about the Natick Solar Project, it is about the Net Metering Contract Agreement that we have with Revity. He asked when that Agreement was supposed to start that we were supposed to get this 32½ % discount. Solicitor stated when the facilities are built. Chair asked Solicitor if he is stating that the Net Metering Contract is tied directly into the Natick Solar Project and only the Natick Solar Project. Solicitor stated that it can be tied into the other projects, which is what we have been in discussions with Revity about, but it is tied to directly to the Natick Solar. Chair asked why we have not looked into this sooner seeing that this has been held up for years and why we are waiting until now to try and get another 32½% discount and not something sooner. Solicitor stated that the only thing he can offer is that we are in a contract and both sides are working within the four walls of that contract. What was already agreed to prior to Mayor Hopkins's Administration and through the Agreement with Revity, the City is working its best to negotiate, but in fairness to everyone involved, it was never anticipated at the time of this contract, that Natick Solar Farm would not be built at this point in time. He thinks it was always projected that it would be built some three years later. Unfortunately, due to litigation and some things that are out of control of both parties, both sides of the litigation, this has not been answered in full and in fact, it is coming back to the City based on a ruling in Superior Court last week.

Chair asked if the Net Metering Contract is tied into the Natick solar Project. Solicitor stated that it is. Chair questioned if we had no other choice and if we could not seek other Net Metering Agreements. Solicitor stated that we did enter into an amended Agreement in April of this year in which Revity Energy has offered to try and mitigate what is going on right now based on the length of time it is taking to litigate the Natick Solar Farm issue so Revity and the City and the Administration spoke. We entered into an Agreement. We amended it to allow us to at least search for different avenues and Revity has recently, as he stated, approached the City again with an alternative that is currently being discussed. Chair asked on what date can we cancel this contract? Solicitor stated that that is a hefty question because the contract is 40 pages long. There are a number of ways the contact can be cancelled. One being by major, which means an act of God, one being by bankruptcy and the third being by obviously the production and mitigation that production and right now Revity is doing its best to try and mitigate what we are facing right now. Chair asked Solicitor, in his opinion, has the City lost money based on the fact that we have not sought another Net Metering Contract? Solicitor stated that he can't speak to that, but he can say that the City has clearly lost money by the fact that Natick is not built and we are not up and running. By the fact that that Solar Farm is not up and running right now, the City is losing money every day. Chair asked if we have had any other potential offers on Net Metering Contracts during this period of time. Solicitor stated, yes. Chair asked why we have not sought any of those. Solicitor stated that the City has an exclusive contract with Revity, which was signed in November of 2020, to provide solar credits to the City of Cranston. Since April, when the contract was amended, the answer is no. Chair stated that the way the City's finances are, he questioned why we wouldn't want to get onboard with another company that wants to give us a Net Metering Contract. Solicitor stated that, again, that gets into potential litigation issues that he would rather discuss in closed session. He would be happy to provide the contract that the City has with Revity that was signed by the prior Administration and he would be happy to provide it to Mr. Angell and he could advise the Council as to what he sees in the contract. He is telling the Council what we are doing at this point in time. The Administration has some meetings set up in the next few days regarding this issue. Chair asked when the Council can expect an update on that. Solicitor stated that he would honestly say it is not going to be a couple of weeks out. This is something that does last. He totally understands the point the Chair is making and he totally respects that, but the City is part parcel to litigation that is tied up in Superior Court and is now not only tied up in Superior Court, it is back before this City and it is back before a Commission that now has to give a recommendation, have a public hearing tomorrow and then have a formal vote in the month of September, so he does not think it is prudent to comment on the project at this point in time based on the fact knowing that there is going to be public comment tomorrow at a hearing before City Officials and then a vote and recommendations that are going to eventually have to come before this Council.

Councilman Reilly stated that, but for the litigation, he asked if Revity would have been in compliant with the contract and would they have been paying. Solicitor stated that his guess, again, is that Natick Solar Farm, but for litigation, would be up and running and approximately in year one of the contract, it would be estimated between \$800,000 and \$900,000 that the City would be saving in electricity/solar savings. Councilman Reilly stated that, to refresh everyone's recollection, prior to the litigation, the project went through Planning, it went through the

Council and approved. He asked if that is correct. Solicitor stated, yes, it is. He also stated that his understanding is that it went before the City, the Master Plan went before the City, it went before the Committee, the Committee gave it a 7-2 positive recommendation and the Preliminary Plan went back before the same Committee and voted 8-1 and was granted. That all happened, he believes in the Fall of 2020, prior to Mayor Hopkins taking office.

Chair stated that he wants to make sure we keep this discussion on the Net Metering Contract.

Councilman Reilly stated that it would mean to him that the City has acted in good faith, Reivity has acted in good faith, but both parties have been stopped due to this litigation by this group. He asked if that is correct. Solicitor stated that he would clearly echo that comment. There is good faith on both sides. Councilman Reilly stated that it would seem to him that we should not be defying our contracts that we have entered in good faith. At this time, he thinks we have to stand by our contract, but for one group that is putting it to litigation, he thinks that would be the group that would be costing the City \$600,000 to \$800,000 a year. Solicitor stated that he agrees with what Councilman Reilly is stating, but this is the contract and it deals with the City and Reivity and to take it down to its basic components, it deals with Reivity providing solar credits, providing solar credits from parcel from Natick. That is where it would come from and that was the basis of this agreement.

Councilwoman Renzulli stated that Reivity had waived the exclusivity of their contract. She asked if that is permanent or was that for a certain period of months. Solicitor stated that it is permanent to the contract, but it is also subject to their approval. They have not waived their full approval of having exclusivity. Councilwoman Renzulli asked if Reivity has made payments to the City for the Wetsfield. Solicitor stated that separate and apart from the solar contract, there was a provision which Reivity provided a voluntary contribution.

Councilwoman Germain asked that when the litigation started, does the City pay for that as well? Solicitor stated, yes. We have Counsel handling the matter on behalf of the City. Reivity has its own Counsel, the Plaintiffs in the Action have their own Attorney and the City is a party to it, so it is costing the City monthly and annually money during this litigation process. Councilwoman Germain asked if there is a number of what that cost is. Solicitor stated that he would have to look that up, but from the top of his head, in the last Fiscal Year, approximately \$22,000 to \$25,000 was expended on the litigation for the City.

Chair stated that he spent a lot of time looking at the contract and a lot of time on the phone speaking with people. He is almost certain that that Net Metering Contract is not tied directly into that Reivity project from what he sees. He is hoping that that 30 pages has been studied so someone in the City can make a decision whether or not we should be able to have another 32½ % discount as soon as possible because the citizens of this City deserve that.

- **Adjournment**

The meeting adjourned at 7:55 p.m.

/s/ Rosalba Zanni
Acting City Clerk