

(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, June 5, 2023 in the Council Chambers, City Hall, Cranston, Rhode Island.

I. CALL TO ORDER:

The meeting was called to order at 7:40 P.M. by the Chair.

II. ROLL CALL:

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

Absent: Council Vice-President Lammis J. Vargas, Vice-Chair

Also Present: Councilwoman Nicole Renzulli
 Anthony Moretti, Chief of Staff
 Christopher Millea, City Solicitor
 John Verdecchia, Assistant City Solicitor
 Tom Zidelis, Finance Director
 David DiMaio, City Council Budget Analyst
 Stephen Angell, City Council Legal Counsel
 Rosalba Zanni, Assistant City Clerk/Clerk of Committees
 Heather Finger, Stenographer

III. APPROVAL OF MINUTES:

- A. Minutes of the April 4, 2023 Special Budget Meeting
- B. Minutes of the April 6, 2023 Special Budget Meeting
- C. Minutes of the April 10, 2023 Special Budget Meeting
- D. Minutes of the April 11, 2023 Special Budget Meeting
- E. Minutes of the April 18, 2023 Special Budget Meeting
- F. Minutes of the April 20, 2023 Special Budget Meeting

- G. Minutes of the May 11, 2023 Regular Meeting
- H. Minutes of the May 11, 2023 Executive Session
- I. Minutes of the May 22, 2023 Special Meeting

Chair stated that there is a slight change or update in the process for Executive Session minutes and asked one of the Solicitors to address it and give details.

Solicitor Verdecchia stated that this is more of a housekeeping matter. Prior to approving minutes, going forward, the Clerk will prepare minutes of prior Session before sealing them to be reviewed and approved by the Committee, even though this has not always been a practice in the past.

Attorney Angell stated that Solicitor Verdecchia is correct. You should know what you are approving before you seal them. The tricky part is because they are Executive Session, they do not become a public document. The method the Committee Members receive them, if it is email, you cannot share that email with anyone. You need to destroy the attachment. It is not even to be discussed among the Committee Members. Any amendments, you would make the amendments on the floor or go back into Executive Session to do so.

Solicitor stated that, obviously, if it is a piece of paper type of communication, it needs to be shredded or destroyed.

Councilman Paplauskas stated that he was not present for the May 11th meeting and was not privy to those minutes nor has he read the minutes. He asked legal opinion on whether he should abstain from voting on those minutes. Attorney Angell stated that there is no requirement that you abstain, but if he were not at a meeting and he was being asked to sign off on the meeting minutes, he would abstain from the vote on that particular set of minutes.

On motion by Councilman Ferri, seconded by Councilman Campopiano, it was voted to take vote on all the above minutes as a block except for the May 11th meeting. Motion passed unanimously.

On motion by Councilman Ferri, seconded by Councilwoman Germain, it was voted to approve all the above minutes as a block except for the May 11th meeting. Motion passed unanimously.

IV. COMMITTEE BUSINESS MATTERS CARRIED OVER:

Councilman Donegan: *(Cont. from 4/3/2023 & 5/11/2023) (No Votes will be taken)*

- ***Exploration of Liability policy for the City***

Director Zidelis stated that they still have information that has to be provided to the company that is going to provide us a quote.

Chair asked that this item be continued to the July meeting.

- *Legal vendor report*

Chair stated that he discussed this with Solicitor Millea and he will provide him with the report in the morning.

Council Vice-President Vargas: *(Cont. from 5/11/2023) (No Votes will be taken)*

- *Update on Comprehensive Plan Account*

Chair stated that Council Vice-President Vargas is not present and asked for a continuance unless someone is present from the Administration that would like to give an update this evening.

Council President Marino asked Administration if they would like to give an update.

Director Zidelis stated that RFP is out and responses are due by end of business tomorrow.

Chair asked that this item be continued to next month's meeting.

2-23-07 *Ordinance in amendment of Title 3 of the Code of the City of Cranston, 2005, entitled "Revenue and Finance, Chapter 3.97.030 – Fifteen (15) Years Economic Development Tax Incentive Program for Property located at 661 Park Avenue and 271 Doric Avenue (Tax Stabilization Agreement). Sponsored by Councilman Ferri. Co-sponsored by Councilwoman Renzulli. (Cont. from 3/6/2023, 4/3/2023 & 5/11/2023).*

Solicitor Millea stated that based on conversations that have occurred today between himself, Attorney Angell, Solicitor Verdecchia and Attorney Mancini, on behalf of the developer, they are asking that this matter be continued to the July meeting for status.

On motion by Councilwoman Germain, seconded by Councilman Campopiano, it was voted to continue this Ordinance to the July meeting. Motion passed unanimously.

V. CORRESPONDENCE/COMMUNICATIONS:

None.

VI. PUBLIC COMMENT:

None.

VII. NEW MATTERS BEFORE THE COMMITTEE:

A. Ordinances

None.

B. Resolutions

Resolution to participate in the RI Infrastructure Bank's Community Septic System Loan Program. Sponsored by Council President Marino.

On motion by Councilwoman Germain, seconded by Councilman Paplauskas, it was voted to recommend approval of this Resolution.

Under Discussion:

Council President Marino thanked the Administration for working on the necessary requirements for the City to avail itself for this program and best serve the public by joining with other cities and towns that do this with the RI Infrastructure Bank.

Councilman Paplauskas stated that he thinks this is great and is happy to see that we are doing this. He asked if the City would be responsible if a resident borrows money and they default on the payment. Director Zidelis stated that the City will be the borrower of the loan. In the event there is a default, a lien will be placed on the property in the amount of the loan.

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

Resolution Support for Grant Funding of CLCF Youth Sports. Sponsored by Council President Marino. Co-sponsored by Councilmen Ferri, Donegan, Campopiano, Paplauskas and Councilwoman Renzulli.

Councilwoman Germain asked to be added as co-sponsor.

On motion by Councilman Ferri, seconded by Councilman Paplauskas, it was voted to recommend approval of this Resolution. Motion passed unanimously.

C. Real Estate Tax Abatements

Real Estate Tax Abatements

On motion by Councilman Ferri, seconded by Councilman Paplauskas, it was voted to recommend approval of this Resolution. Motion passed unanimously.

D. Tax Interest Waiver Approvals

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

E. Tax Interest Waiver Denials

None.

Councilman Donegan:

- ***School Building Construction Update***

Edward Collins, School Department Director of Facilities, appeared to speak and stated that in 2018-2019, the School Department and the City collectively put together a five-year plan, which consisted of five major projects, which totaled \$147 million, which was approved by the voters. Due to the economy and Covid, the costs have escalated to 30-40%.

Director Collins gave the following updates of each project:

- Cranston High School East
 - Replaced roof, windows and interior upgrades in the gym and foyer
 - Cost was a little under \$600,000
 - That is complete and closing out docs now
- Cranston High School West
 - Did fire alarm upgrades, install sprinkler system in the Auditorium and the gym
 - Redesigned the front foyer to secure entry
 - Started replacing heating system by changing the service
 - Will be closing that out in approximately a month
 - Cost for this project is \$3.7 million, of that with reimbursement, the City would be responsible for \$1.1 million for that project
- Garden City
 - Will be open for school year 2023-2024
 - Total cost for this project is \$54 million, of that, \$6 million was covered by School Department ESSER Fund and the City's obligation after reimbursement will be \$15 million
- Gladstone
 - Estimated budget of \$8.3 million
 - Still in the process of doing value engineering and carrying a heavy larger than normal escalation in the contingency of approximately \$8 million
 - This building will take a little more than two years to build
 - The City's share of that will be \$28 million and the State would take care of the rest
- Eden Park
 - In 2020, we completed Phase I and it was \$10 million and the City got reimbursed 67% of that. Phase II, which was the gym, ADA work and start of the outside work, the price was \$14 million, of which the City will be accountable for \$5 million of that
 - Due to the escalation of all the projects, they had to change the MOA and had to move money from the other projects into the three major ones to complete them. They are short money to do Phase III and was put on hold. The difference in the funding is \$16 million

Councilman Paplauskas asked Director Zidelis to confirm the numbers Director Collins stated. Director Zidelis stated that everything Director Zidelis stated is accurate.

Councilman Paplauskas asked Director Zidelis if he is sure we have the money for Gladstone School. Director Collins stated that out of the \$130 that the City is going to get, that still leaves \$79 million for Gladstone, which they are running \$3 or \$4 short of that. They are comfortable they can do it.

Chair asked what the timeline is on Gladstone. Director Collins stated, maybe twenty-four months.

Councilwoman Germain asked we can take reimbursement from other projects and put them towards Phase III for Eden Park. Director Zidelis stated, no, because RIDE reimburses you over the course of twenty years of the Bond. In terms of having the cash on hand, the push advance Eden Park Phase III, we do not have appropriation to sign a contract and pay bills.

Chair acknowledged Mr. Balducci and Superintendent Nota-Masse and asked if they would like to speak.

Superintendent Jeannine Nota-Masse appeared to speak and stated that when they look at the pay as you go as an advancement, that was calculated on \$147 million. Eden Park has to be finished. They are trying to make it work within the confines of what they have. You can't leave Eden Park with a foundation and a third of the building undone.

Director Moretti stated that the language in the Bond agreements is \$147 million of approvals less any Grants. It is opinion of our attorneys that pay as you go is considered a Grant so we are advised that it is \$147 million minus the cash advance or Grants, that gets you to \$130 million. The Mayor wants Eden Park done, but he believes it would be a legal default if we proceed. Eden Park, under the Bond authority, cannot be done.

Council President Marino stated that she would like confirmation that when we are being reimbursed by RIDE for these projects, that that money goes directly towards the borrowing and not going somewhere else. She asked if that is inf act happening. Director Zidelis stated that you will see that when prospective Budgets are coming out because you will see that reimbursement comes to us in the form of housing aid be increased, the debt service will be the actual debt service that we will be paying.

Chair asked that this item be continued to September for update.

IX. ADJOURNMENT:

The meeting adjourned at 8:45 p.m.

Rosalba Zanni
Assistant City Clerk/Clerk of Committees