

*(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 – MAY 9, 2020**  
**(BUDGET HEARINGS)**

A special meeting of the Finance Committee was held on Saturday, May 9, 2020 via web-ex.

**CALL MEETING TO ORDER:**

The meeting was called to order at 9:00 AM. by the Chair.

Present                    Councilmember Paul J. McAuley  
                                 Councilmember John P. Donegan  
                                 Councilmember Edward J. Brady  
                                 Councilmember Christopher G. Paplauskas  
                                 Councilmember Kenneth J. Hopkins  
,                                Council Vice-President Michael W. Favicchio, Chair  
                                 Council President Michael J Farina

Also Present:            Councilmember Lammis J. Vargas  
                                 Councilmember Steven A. Stycos  
                                 Daniel Parrillo, Director of Administration  
                                 John Psilopoulos, Deputy Director of Administration  
                                 John Verdecchia, Assistant City Solicitor  
                                 Stephen Marsella, Assistant City Solicitor  
                                 Robert Strom, Finance Director  
                                 David DiMaio, City Council Budget Analyst  
                                 Rosalba Zanni, Acting City Clerk

**Chair** clarified that the budget hearings started later this year because of the unprecedented crisis. He stated that Section 6.09 of the City Charter states that the City Council must adopt the budget by May 15<sup>th</sup> otherwise the Mayor’s proposed budget becomes effective as submitted. Because of the crisis, there are some exceptions to that. The Solicitor researched this and his opinion is because of the State’s Emergency Declaration, it allows Cranston follow suit. With the schedule that we have for the budget hearings, he feels we are ok. Also, by the end of this month or early June, the City has to send the tax bills out.

**Chair** stated that Director Strom had indicated to him that, in order to make it easier for him to answer questions during the hearings, he has decided to have City Department Heads go into his office to present their department’s budget.

**Chair** stated that in regards to public access, there is unprecedented access to the public because of the crisis and due to the way we are holding our meetings via web-ex, there are a lot of people who are home unemployed and so they have access to these meetings and are able to listen in. He also stated that he thinks we have been as transparent as we can possibly be with the public under the circumstances.

## **PERSONNEL**

**Director Strom** appeared to speak and stated that he e-mailed the Revenue and Expenditure reports to the Committee for the departments listed for hearing today and will be emailing the reports for all the other departments as those meetings are held.

**Director Strom** stated that the only major change is reduction in part-time help because we only have one part-time employee.

**Susan Ayrassian**, Personnel Director, was present to speak.

**Director Strom** stated that Ms. Ayrassian has done a good job maintaining her budget figure levels.

**Council President Farina** questioned why the department expenses have increased. Director Ayrassian stated that last year's budget went over budget in that line item. That line item covers such things as testing materials and the other reason is she would like to have funds available for training. Council President Farina asked if there are any plans for having some of the tests done virtually. Director Ayrassian stated that we need to remain mindful of the Civil Service Rules and contracts.

**Council President Farina** asked Director Strom to check with the Administration to see if they could work with the unions on an addendum to the contracts allowing members to take online tests.

**Council President Farina** questioned why the Assistant's position shows as vacant in the proposed budget. Director Parrillo stated that the Administration is potentially trying to eliminate that position as a full-time position and try to condense it into a part-time position July 1<sup>st</sup>.

**Councilmember Stycos** asked what the savings would be if that position was changed to a part-time position in July. Council President Farina indicated that it would be approximately \$40,000. Director Strom stated that the position of the Assistant to the Director is budgeted in the budget at \$36,193.

No one appeared speak from the public.

**FINANCE DEPARTMENT (ACCOUNTS & CONTROL, ASSESSMENT, CONTRACT & PURCHASE, TREASURY & TAX COLLECTION); INFORMATION TECHNOLOGY REVENUES**

**Director Strom** appeared to speak and stated that year to date, this department has been running pretty well and they are at 75% through May 7<sup>th</sup>. He stated that in the Finance Department, there was a little increase in Unemployment; Overtime in Controls, which was not budgeted, is all COVID related, which is reimbursable at 75%; in Assessors, the only increase is due to the Revaluation that we are starting to conduct; Purchasing budget is under budget; IT is under budget at this point; Treasury and Collections is also under budget. As to the Expenditures side, he stated that in Finance, it has decreased due to the contribution to the Claims Department; Purchasing - is level funded; IT - there was a reduction due to the Director retiring and Elaine Scungio has taken over the duties of the IT Director at a differential; Treasury – the Treasurer has resumed the position of Revenue Collection along with his position as Treasurer due to the retirement of the former Revenue Agent.

**Councilmember Vargas** questioned how Overtime is utilized for Accounting and Control and why the increase. Director Strom stated that the main reason is the City's Controller often times comes into the office on weekends and nights to prepare for the budget and other requests. Also, there is a 3.25% increase in the Teamsters contract, which would generate higher Overtime amount.

**Council President Farina** asked how Severance was calculated. Director Strom stated that it is just an estimate. He stated that due to the change in Administration next year, there may be new Directors coming in and Severance would be for the current Directors who would be leaving.

**Councilmember Stycos** asked for clarification in the changes in the IT Department. Director Parrillo stated that former Director Aguiar retired and the Administration gave a raise to Elaine Scungio as the second person in charge. Mr. Aguiar's position will not be filled and based on Ms. Scungio's increase in responsibilities, the Administration increased part-time help. He also indicated that the City is working on possibly disaster recovery for IT. Councilmember McAuley asked if some of those recovery be COVID related. Director Parrillo stated that the Administration is going to try to recover the costs due to COVID.

**Chair** asked what areas are hard hit by shutdown due to COVID as to Revenues. Director Strom stated that through March 31<sup>st</sup>, we were ahead of our collection rate from last year. He does not have the numbers yet, but in collections, through May 7<sup>th</sup>, we are at 96.25% collected. That does not include three weeks in May and June, our Tax Sale, the 60-day rule of July and August. He stated that, to him, 98.9% is a fair figure going forward. He will have a better idea after May 31<sup>st</sup>.

**Councilmember Donegan** stated that he looked at FY 2010-2019 and collection rate dropped when unemployment rate increased. He just does not see the collection rate being at 98.9%. Chair stated that he does not know if we will be affected as much because people are now receiving \$600 more than they were collecting in a normal unemployment situation. Councilmember Donegan stated that he does not see that \$600 going to taxes. He sees it going towards food and utilities. Director Strom stated that he has not seen it being an issue to date. Our Revenues are still coming in strong.

**Council President Farina** asked Director Strom if anyone from the City has contacted anyone at the State, any of the Committees at the State House as to what will happen to State Meal Tax or projections to get some feedback on the Mayor's projections and Revenues. Director Strom stated that the League of Cities and Towns has been lobbying to have monies equal to last year at least.

**Chair** asked if the collection rate includes the Meals Tax. Director Strom stated no, that is a separate line item.

**Mr. DiMaio** asked if whether we would want to contact Municipal Revenue and Finances since they still have a few more meetings and suggested we try to obtain a report to see what they are seeing in the State of Rhode Island. Chair stated, absolutely. Director Parrillo stated that the Mayor, Director Strom and Mr. Igoe have attended every meeting and utilized every resource to get to the number they got to.

**Councilmember Stycos** asked if State Aid was level funded. Director Strom stated yes, from last year, but in some cases it was lowered to be more conservative.

**Councilmember Stycos** questioned if the \$4.6 million in School Aid is unrealistic at this point, since the State Aid proposed by the Governor was proposed before this pandemic. Chair stated that this is something that can be discussed during the School Budget hearing. Director Strom stated that the amount was based on the date that was provided to him.

**Council President Farina** asked that Mr. DiMaio contact the Office of Budgetary Standards at the State House to ask about State Aid and School funding and updates on what the State is going to do as a whole so we can make correct decisions.

**Director Strom** stated that he has been dealing with Municipal Affairs and League of Cities and Towns and as of yesterday, there were no definitive answers as to reduction or increase. They will give the City a final answer on Monday.

**Councilmember Hopkins** stated that Mr. DiMaio can follow up on that, but he does not think there will be a definite answer until the General Assembly gets back in session and the State may have answer we are looking for.

No one appeared speak from the public.

## **COMMUNITY DEVELOPMENT**

**Director Strom** appeared to speak and stated that Acting Director Susi is present to answer any questions the Committee may have.

**Stephanie Susi**, Acting Director, appeared to speak and stated that the figures are as of March 2<sup>nd</sup>. The Grant they will be receiving is \$98,198. She stated that this Department will be doing the following projects: Hope Alzheimer's Center for \$35,000 consisting of necessary entry doors and windows replaced and surveillance cameras in the exterior; replace ceiling in the Adult Day Care Center at the Senior Center; \$173,000 for City-Wide street paving and streets are selected by Public Director Mason per a system he has.

**Councilmember Paplauskas** questioned reduction in part-time help. Director Susi stated that one of the part-time employee who was a former employee and had retired and went back part-time, but has since decided to retire and gave up that position.

**Councilmember Donegan** asked if there is anything that can be done to increase rental assistance. Director Susi stated that that is all public service organization. They can only fund 15% of all grant for public service organization. If more funding was added there, she questioned where the reduction would be for other public services, such as food bank and Senior Services Adult Day Care.

**Councilmember Stycos** questioned what the \$8,000 to the YMCA is for. Director Susi stated that this year and last year, they funded a program for after school teenage youth. This amount covers salary for the person that administers that program to the youth.

**Councilmember Vargas** asked if this department has anything coming in that could be used as a grant relative to COVID. Director Susi stated, yes, there is a grant supplemental in the amount of \$646,417. They are also in the process of amending their action plan to get this grant. She is sure by June, they will have a better handle on this.

No one appeared speak from the public.

## **BUILDING INSPECTIONS**

**Director Strom** appeared to speak and stated that Building Official Rodio is present to answer any questions.

**Director Strom** stated that expenditures are considerably under budget. This department is at 69% at this time and the expenditures next year are down and revenue up by \$10,000.

**Councilmember Donegan** asked Director Rodio why the increase by \$25,000 on the Revenue side for building permits. Director Strom stated that based on his discussion with Director Rodio yesterday, they are very busy and having a hard time keeping up with activity. Director Rodio stated that even though the virus has hit the country, as of now, it has not slowed the activity in this department. They have some big projects coming into the City despite this pandemic, such as solar field at Pontiac Ave. area, Top Golf among others.

**Councilmember Vargas** addressed the America's Disability Act in the revenue section and questioned how we determine how much is coming in and where is that coming from. Director Rodio stated that, basically, it is a wash. What they take in in fees goes out to the State.

**Councilmember Stycos** asked if being down 1 ½ staff member is causing problems in the department. Director Rodio stated that if they maintain the pace that they have been in the past year, yes. Director Parrillo stated that the 1 ½ position has not been filled so we do not see any real downgrade or effect from last year.

**Chair** asked if online permit has caused any negative or positive impact. Director Rodio stated that he does not believe it has caused any negative impact. It makes it easier without paperwork, but they are getting more permit activity.

**Councilmember McAuley** stated that such issues as Yardworks and Northeast Trees has been discussed at numerous meetings of the City Council and he asked if Director Rodio would be willing to attend the Council meetings when these issues are discussed in the future. Director Parrillo stated that he can discuss that with the Mayor, although he is not sure that they could be discussed in open session especially if it is in suit, but it could be looked into.

**Councilmember Vargas** asked how long it takes from the time the permit is applied for until it is actually issued. Director Rodio stated that the application is filed and approved, provided all the information needed is provided, then it goes for payment and placard is printed for the constituent to display on their property. When inspection is ready to be done, the constituent would call the office and make an appointment. Usually, within three days, inspection is made.

No one appeared speak from the public.

### **SENIOR SERVICES**

**Director Strom** appeared to speak and stated that Expenses for all divisions are under budget, it is at 77%. Usually, it is at 82% this time of the year. Social Services is a little over budget. For next year, in Revenues, all of the Grants went up approximately \$5,000.

**Jeffrey Barone**, Director, appeared to speak and stated that they have three Grants. Back a few months ago, he met with CDBG and was told that all of those Grants would increase by \$5,000.

**Councilmember Stycos** stated that there is a fund that volunteers make things and raise money. He asked for an explanation of that. Director Barone stated that there is a Smile Doll Program, which is a group of women who make dolls and those dolls are donated to Hasbro or different places where you see a group of children. They also have a three day bazaar at the Center and some of the dolls are sold there. Councilmember Stycos asked how it's decided how that money is to be distributed. Director Barone stated that that particular program is in the Program Account and all the expenses incurred for the Smile Doll Program come out of that account. Councilmember Stycos asked who decides how that money is spent. Director Barone stated that he has final say, but there is a criteria they go by. Councilmember Stycos asked how much is in that account. Director Strom stated approximately \$4,400.

**Councilmember Paplauskas** questioned the increase in Part-Time Help in the Nutrition Senior Adult Day Care. Director Strom stated that part-time help increased for a number of reasons: part-time wages are up and the City Council approved increase in January of \$12.75; based on hourly rate.

**Director Barone** stated that since last August or September, we had three part-time people out of five part-time people out of work and in December, a fourth person went out. That left the department with two people. He had to bring in two people as additional help.

No one appeared speak from the public.

The Committee recessed for lunch at 12:20 p.m.

The Committee reconvened at 1:00 p.m.

## CRANSTON COMMUNITY ACTION PROGRAM (CCAP)

**Director Strom** appeared to speak and stated that this department has been level funded for next year.

**Joanne McGunagle**, Director, appeared to speak via telephone and stated that requests made this year are same as in the past: Child Care; Case Management; Head Start; Working Cities, three year program. Director Strom stated that this current year is the third year and he questioned Director McGunagle if she is requesting it again. Director McGunagle stated that they put it in again this year hoping the City will fund it again. Director Strom stated that the City has funded it again as a token of support. Director McGunagle stated that as to the Rental Assistance, she does not think the City has to fund it because CCAP received \$75,000 from RI Housing for that because of the Pandemic and are planning to receive more funding from CDBG, but if the City is willing to continue funding the \$10,000, that would be great, but she wanted to be honest with the City Council and other sources for rental assistance is CCAP.

No one appeared speak from the public.

## PARKS AND RECREATION

**Director Strom** appeared to speak and stated that Revenues are down this year because of the pandemic and we are at \$200,000 in the budget between now and June 30<sup>th</sup>, which is not going to happen because of the cut in programs. He stated that Expenses this year are running in line. For next year, Expenses are down approximately \$100,000 and Revenues are down approximately \$140,000. That is due to the fact if and when the pool will be re-opened and summer programs is up in the air.

**Chair** questioned what is going to be done with the pool. **Anthony Liberatore**, Parks and Recreation Director, appeared to speak and stated that it would be his suggestion that the City not open the pool. The capacity is 350 people at one time and realistically, it would be impossible to abide by the social distancing guidelines. The same thing with the Summer Program, but these would be the Mayor's call.

**Director Strom** stated that we did not want to zero out these programs because we would like to restore some programs when and if it is safe for the City and the children, but we did adjust them considerably.

**Councilmember McAuley** questioned if the City could be reimbursed for loss of Revenue. Director Strom stated that any loss of Revenue is not reimbursable by FEMA or COVID, only Expenses are.

**Councilmember Hopkins** asked if any thoughts has been given in holding any virtual programs so kids can be active at home. Director Liberatore stated that he has had conversations with the Director of Administration, his Program Director and CCAP Director and it is a very difficult thing to do because every child would have to qualify under CDBC guidelines, but we are working on it and have had discussions.

**Councilmember Stycos** asked Director Liberatore to address the Capital requests. Director Liberatore stated that in the 2020-2021 FY, he has requested acoustical tiles in the gym at the Youth Center; LED lighting at the Youth Center, which would save the City approximately 47% per year and he also wanted to add logos at the Cranston Stadium signifying the Cranston High School East Thunderbolts.

**Councilmember Stycos** stated that since we are not going to see sports games for most of the summer, he asked what the staff would do and would there be work for them. Director Liberatore stated that his men have work every day. There are 154 locations and not all to do on field plays, there is plenty of work for them. The fields still need to be maintained even if they are not being utilized.

**Councilmember Vargas** asked what the “Uniforms” line item consists of. Director Liberatore stated that that is a contractual issue, which employees receive money one time per year to purchase boots, shirts or whatever else they may need.

**Councilmember Vargas** asked if the City is still hiring seasonal part-time employees. Director Liberatore stated that applications are online with a footnote that it does not secure them a job. It would only secure them a job if the Playground Program is open.

**Councilmember Stycos** stated that a few years ago, the City loaned the Cranston Western Little League funds for lights. He asked if they have paid or are they paying the loan and where is that money in the budget? Director Liberatore stated that the loan was for \$108,000 and it was over a ten-year period. To date, they owe the City \$38,000 and they are ahead of schedule.

**Chair** asked if any recreational areas have been open to the public. Director Liberatore stated that, per the Mayor and the Governor, mainly, the Mayor, he was ordered to open up walk tracks and tennis courts for today’s use.

**Councilmember Hopkins** addressed the playground at Glen Hills which was abandoned many years ago and asked Director Liberatore what his thoughts are on possibility of doing a private renovation of that. Director Liberatore stated that the tennis courts need to be renovated at approximately \$65,000 - \$70,000. Councilmember Hopkins questioned if this could be a possible site for a dog park. Director Liberatore stated that it is a possibility, but at a cost.

**Councilmember Paplauskas** asked when the next scheduled date is for a full cleanup of the bike path. Director Liberatore stated that it is done two or three times a week, but we had major problems of dumping.

No one appeared speak from the public.



## **BOARDS & COMMISSIONS**

**Director Strom** stated that all boards and commissions have all been level funded.

**Councilmember Vargas** asked if they have utilized all the funding that was allocated for this Fiscal Year. Director Strom stated, no, they have not. He stated that the Tax Assessment Board of Review still has a balance, the Cranston Conservation Commission has not requested any money to date and the Historic District Commission has used very little of the money the City has allocated to them.

No one appeared speak from the public.

## **CANVASSING**

**Director Strom** appeared to speak and stated that this year this department, at this time, is under budget, but there will be expenditures for the Primary and for next year, we budgeted based on Elections.

**Nicholas Lima**, Registrar, appeared to speak and stated that the Primary will be June 2<sup>nd</sup>, extended due to the pandemic. To date, we have received over 8,000 mail-in ballots for the Primary. One major expense is for the mail ballot for the bond referendums. Another significant cost would be Overtime for the Primary in September, which is the day after Labor Day and being a federal holiday, we have to get into the facilities to set up the day before the Election, which is Labor Day. The City Council did pass a Resolution asking the General Assembly to change the date of the September Primary, but given the timeframe and the pandemic, that is highly unlikely going to happen.

No one appeared speak from the public.

## **CITY COUNCIL**

**Director Strom** appeared to speak and stated that before the former City Clerk retired, she provided him with some information and that is what was placed in the budget. When looking at this budget, everything is on pace. It is a little over in the video streaming, which we expected. The only increase is in Salaries, per the Ordinances which the City Council passed recently increasing the salary of the City Council and the Mayor.

**Councilmember McAuley** stated that it would be terrible for the City Council and the Mayor to accept a raise due to the crisis we are in and suggested postponing it until the future is a little brighter, financially.

**Chair** stated that this could be addressed during the amendment night.

**Councilmember Donegan** questioned the \$24,500 for the Schools. Director Strom stated that he is not sure. That is something the former City Clerk provided to him. He would have to check into this.

**Councilmember Brady** questioned if we could look into whether a stenographer is required by Charter now that we have live streaming. Chair stated that one of the things is if there is an appeal in a ruling, the transcript would be essential. We can have Solicitor Verdecchia look into this for the amendment night.

No one appeared to speak from the public.

### **CITY CLERK**

**Director Strom** appeared to speak and stated that next year's budget is based on activity. This year, from Revenue standpoint, we are \$500,000 over budget. On Expense side, we are over budget by \$256,000.

**Chair** questioned if additional money is needed to make the transition to online recordings or is it in the IT budget or is it in this year's budget. He stated that in order to do online recordings, we need a third party vendor. He does not think that the company currently handling our online documents can handle the online recordings.

**Councilmember Stycos** question salary increase. Director Strom stated that this is due to step increases as well as contractual increases for union members, which constitutes the bulk of the increase.

**Councilmember Stycos** questioned what the incoming City Clerk's salary will be. Director Parrillo stated that there is no step for Directors so whatever that salary was, that is what the incoming City Clerk will come in at. Councilmember Stycos asked that the Administration look at whether that pay should be adjusted. It looks like it could be reduced. Chair stated that there was a Statewide survey done a few years ago regarding Directors' salary and his feeling is Cranston being the second largest city, pays the lowest. Director Parrillo stated that the City Clerk's position was advertised at a certain salary so it would be unfair now to change that salary. Director Strom stated that he will look into that.

No one appeared speak from the public.

### **PROBATE**

**Director Strom** appeared to speak and stated that this is level funded.

No one appeared speak from the public.

The meeting adjourned at 3:00 P.M.

Respectfully submitted,

/s/ Rosalba Zanni  
Acting City Clerk