

(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 12, 2020
(BUDGET HEARINGS)

A special meeting of the Finance Committee was held on Tuesday, May 12, 2020 via web-ex.

CALL MEETING TO ORDER:

The meeting was called to order at 6:30 P.M. 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
 Christopher Orton, Assistant City Solicitor
 Robert Strom, Finance Director
 David DiMaio, City Council Budget Analyst
 Evan Kirshenbaum, City Council Legal Counsel
 Rosalba Zanni, Acting City Clerk

Chair stated that the May 14, 2020 notice for budget adoption was posted out of abundance of caution. Attorney Kirshenbaum was to review the Charter and report back with his findings to make sure we would not be violating the City Charter and asked Attorney Kirshenbaum to speak regarding his decision.

Attorney Kirshenbaum stated that he did review the Charter and it states that on or before March 1st, the departments have to submit to the Finance Director their budget request for the following fiscal year. Following that, the Charter requires the Mayor to submit a budget to the City Council not later than the first day of April each year. The problem is that did not happen this year due to the pandemic. The budget schedule gives us until May 20th to finalize the budget. In his opinion, there is no lea way to that. The Administration had asked the State for opinion on whether we could extend the budget adoption date and the Governor has left it up to the cities and towns. The Charter also states that the City Council has to commence budget hearings within a certain amount of time budget has to be and adopted by a certain amount of time otherwise the Mayor’s budget becomes the budget of the City. The Administration scheduled the budget adoption for May 20th. He does not see the Charter giving the Mayor the unilateral position for him to do so.

Chair asked if there is any provision in the Charter that addresses emergencies. Attorney Kirshenbaum stated, not when it comes to the budget. It does address emergency appropriations, but not budget process. Chair asked Attorney Kirshenbaum to discuss with the Solicitor and the Mayor to see what we can do about the hearings and check with the State. Attorney Kirshenbaum asked if there is a consensus among the City Council of how much more time is needed to complete the budget process. He also stated that he has been asked by the City Council Members of what the rush is. Why not wait a month and see what the State comes up with?

Councilmember McAuley stated that he spoke to his Democratic colleagues and they are more than willing to go with the original schedule. They are totally against the Thursday meeting.

Director Strom stated that the concern he has is Municipal Affairs already has our budget for proposed tax rate change and we have advertised this for May 20th based on the schedule that was provided. He indicated that you can always amend the budget. He feels it is very important that we adhere to the schedule that is on hand.

Councilmember Paplauskas stated that he does not feel comfortable voting for something so quickly without hearing from the departments.

Councilmember Stycos agreed to move ahead with the hearings and the Thursday hearings be cancelled.

Council President Farina agreed with going ahead with the hearings, but the fear is that the Charter trumps our meeting schedule.

Councilmember Donegan stated that the Mayor presented his budget twenty-nine days after it was due so maybe twenty-nine day extension would be reasonable.

Councilmember Hopkins stated that he does not think there is a court in the country that will rule against us if we adopted the budget five days late, especially due to this pandemic.

Director Strom stated that based on the schedule, the Administration feels comfortable with the May 20th date for the adoption.

Chair stated that his only concern with the May 20th date for the adoption is there may not be enough time since the amendment hearing is the same evening. We may need an extra day or two after the amendment hearing. Council President Farina agreed.

Council President Farina asked that the Clerk cancel the Thursday hearing and we will continue with the schedule. He also stated that we can still keep May 20th for adoption and add a second meeting for possibly May 22nd.

SCHOOL DEPARTMENT

Superintendent Jeanine Nota-Masse appeared to speak and stated that the budget for the School Department was designed with kids and programs first. Also included in this budget are contractual obligations and raises for staff and faculty. The problem with this budget is we do not know if the assumptions made in this budget will come to fruition because we do not know what is coming from the State. The State funding is a huge portion of our budget. In the pandemic that we are in, she is worried about the State funding. She also stated that this budget is solid, but they are making an assumption of \$4.1 million with the State.

Council President Farina stated that if we pass this budget next week and we still do not know what the State Aid is, then the expenses would become Maintenance of Effort and the City would have to fill the gap. He questioned if this is correct. **Joseph Balducci**, School Chief Financial Officer, stated, yes.

Council President Farina asked when the School Department thinks they will get more clarity from RIDE and would a few days or weeks make a difference? Superintendent Nota-Masse stated that every School District is in the same dire budget woes that we are in and we have not received any indication as to when we would find anything out. At this point, it is contingent on the General Assembly going back into session. A few weeks would not make a difference.

Council President Farina stated that the biggest concern of his is the State Aid formula.

Councilmember Donegan asked how much more it would cost for universal lunch or breakfast for students in schools. Superintendent Nota-Masse stated that we already have free universal breakfast at all schools. Director Balducci stated that if we gave free lunch across the board, we would see approximately \$800,000 to \$1 million of Revenue coming into the District. Councilmember Donegan stated that he is not asking for this, it was just for information.

Councilmember McAuley asked Director Balducci if the School Department came under budget for 2020 Fiscal Year. Director Balducci stated that Fiscal Year 2020 has not concluded yet. They will experience a surplus, but do not know that amount yet. Director Strom stated that through April, they had a \$1.3 million surplus.

Councilmember Vargas questioned the line item for supplies for Chester Barrows. Director Balducci stated that that would be for such items as utilities supplies. He wanted to leave enough funds there for heat, electricity, etc. since the building will be utilized and is still being used.

Chair asked if there are any unfilled positions. Director Balducci stated, not that he is aware of.

Chair stated that if there were draconian efforts or cuts from the State, he questioned where those cuts would be made. Superintendent Nota-Masse stated that the COVID situation has basically blown up the budget. She does not know what schools are going to look like if and when they reopen and everything needs to be considered.

School Committee Member Vincent Turchetta appeared to speak and stated that he appreciates the consideration of all the Council Members.

Councilmember Hopkins stated that now more than ever, it is imperative that we are partners with our State Representatives because we will need their help.

School Committee Chairman Daniel Wall appeared to speak and commended Superintendent Nota-Masse, Director Balducci and the School Administration on preparing this budget. In this budget, there are contractual raises, staff raises, which were approved by the School Committee and City Council for total of \$3,254,488. Also included in this budget is mandatory Statewide transportation cost of \$263,000. Another item included in this budget is increases in Charter Schools and Pathway costs in the amount of \$402,634. All these add up to \$3,920,122. He asked that the City Council give all it can as much as it can. This support is greatly needed.

Public Speakers:

Municipal Court Chief Judge Matthew Smith appeared to speak and stated that he agreed that it has to be an all hands on deck. He agrees with the statement made to contact everyone in the Legislature for their help. He questioned if the Administration and City Council is prepared if this gets level funded and there are cuts. He questioned if the Rainy Day Fund is an option or do you do a supplemental tax. He stated that he is asking these questions not as a Municipal Court Judge, but as a concerned citizens.

Attorney Kirshenbaum asked Judge Smith if he has seen any decline in Revenue because of COVID. Judge Smith stated that the short answer is, yes. He thinks it is obvious. People are not driving as much and the Police are not issuing as many tickets. He is hoping he can make up for some of the losses in June before the end of the Fiscal Year.

School Committee Member Domenic Fusco appeared to speak and asked that the Council do everything it can to fund the schools and to contact our Cranston Delegation in the Legislature.

Marcia Fowler appeared to speak and stated that if in the fall, distance learning continues, and there is a significant savings, she questioned what happens to those savings. Director Balducci stated that the savings will have to be repurposed for such items as chrome books. If we do go back in September, what will bus transportation look like and what is a classroom going to look like. Those are all things we have to think about.

Chair stated that the next meeting will be Friday during the day and then continue on Saturday 10-4 and in the meantime, Attorney Kirshenbaum is to find out how much time we can get for an extension to adopt the budget.

Director Strom stated that he wants to make the City Council and School Department aware that 85½ % of the School budget is salary. He also stated that there is discussion about any surplus could be put in next year's budget. This would defray any shortfalls.

The meeting adjourned at 8:20 P.M.

Respectfully submitted,

/s/ Rosalba Zanni
Acting City Clerk