

*(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, September 11, 2023 in the Council Chambers, City Hall, Cranston, Rhode Island.

### **I. CALL TO ORDER:**

The meeting was called to order at 7:45 P.M. by the Chair.

### **II. ROLL CALL:**

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

Also Present:                Councilwoman Nicole Renzulli  
                                    John Verdecchia, Assistant City Solicitor  
                                    Tom Zidelis, Finance Director  
                                    David DiMaio, City Council Budget Analyst  
                                    Rosalba Zanni, Assistant City Clerk/Clerk of Committees  
                                    Heather Finger, Stenographer

### **III. APPROVAL OF MINUTES:**

A. Minutes of the August 7, 2023 Regular Meeting

On motion by Councilman Ferri, seconded by Councilwoman Germain, it was voted to approve the above minutes. Motion passed unanimously.

### **IV. COMMITTEE BUSINESS MATTERS CARRIED OVER**

**Councilman Donegan: (Cont. from 6/5/2023)**

- *School Building Construction Update*

**Ed Collins**, Director of Facilities and Capital Improvement Projects for the School Department, appeared to speak and gave update on the following projects:

- Cranston High School East, which was roof and window replacement – that project is completed. Amount needed to be borrowed or bonded for that was a little under \$600,000. Amount the City has to repay on that is \$154,000. All these projects were reimbursed at 74%.
- Cranston High School West Security and Fire Alarm System - \$3.7 - \$3.8 million, borrowed or bonded of that, the City is responsible for paying back \$976,000. That project is pretty much complete and we are waiting for some bulletproof glass and then it will be complete.
- Eden Park Phase II – total amount needed to be borrowed or bonded was a little over \$14 million. Amount the City had to cover was \$3.5 million. That project is pretty much completed.
- Garden City School – full cost was \$54 million., \$6 million of that was covered by ESSER or COVID money, which left \$48.6 million needed to be borrowed or bonded by the City. Of that, the City is responsible to pay back \$12 million of that.
- Eden Park Phase III – money needed for that is \$14 million. There has been nothing secured or no direct path on how to get that.
- Gladstone – always has been a target price of \$83 million, of which after reimbursement, the City would only be responsible to pay \$21 million. Currently, there is approved money of approximately \$77 million and actual cash on hand is \$79 million. The difference of the \$2 million is just the amount that the School Department has chipped in. That presently filled out a new Stage I that has been approved. They need to go to Stage II at the bare minimum to get a timeline extension of Eden Park. The approval for the extra funds needed for Gladstone to get it up to the \$83 million and there is a deadline with that, which means they need to submit that Stage II by February. The other deadline right now is base rate of reimbursement is 54% and we are able to get another 20% in reimbursement categories. Those are coming off in June of 2024 and there is no guarantee that the Legislation is going to vote them back in, so in June of 2024, we may be back down to 54%. There is a window of opportunity right now for every \$10 million that the City puts towards the Schools, the State is going to cover \$7.4 million of that. That window is going to start closing. The Schools need hundreds of millions of dollars’ worth of work and he is not standing before the Committee asking or thinking that that is going to happen. He is standing before the Committee saying that there is a window right now for the City of Cranston to get reimbursed 74 cents on every dollar it spends.

**Chair** asked Mr. Collins what he needs outside of money. Mr. Collins stated that they need to at least come up with an agreement with this new Stage I and II application. They need to go to RIDE and say that the City is proposing doing another bond for a certain amount of dollars. That amount of dollars is a big question. If he knew that number, they could move forward with that and submit everything, get approved and whether it went on a Referendum in April, he does not know, but that is what they need right now. From his standpoint, he is looking to try to get some funding to continue what they are doing. Where that comes from, he would not have the answer to that. This Committee would have the answer for that. He thinks we really need to take advantage of the reimbursement rate and get the most out of it.

**Director Zidelis** stated that as late as last week, he and Mr. Collins were talking about the math on all the projects. The percentages Mr. Collins is projecting are just the principle not the interest. The City is trying to work cooperatively with the School Department. We are trying to see where we are going to end up on the Gladstone School project. He would envision Schools will be topic on the upcoming CIP and if it is going to move forward, it will require an additional Referendum approved by the voters to fund the Schools.

**Council Vice-President Vargas** stated that, if hypothetically, we were to go out to Referendum solely, would it necessarily have to be solely only for the project on these Schools that we need additional funding or could it be potentially things such as City buildings? Mr. Collins stated that they would take the money that they would need for Eden Park and Gladstone and put that aside and whatever was left over, he would come in front of the City Council with a menu of new selection of projects, costs and priority level and it would be up to the elected officials, yourself, School Committee, Mayor to decide on what projects to get done and what not to.

**Director Zidelis** stated that the direction he is looking for internally is our ability to repay bonds in the timing of the bonds.

asked Director Zidelis if it would be possible, if we were to bond for \$20 million, what would be the subsequent debt service on that in years to come, but also compare that to what our current debt service is, so the City Council can make as well-informed decisions on this going forward. Director Zidelis stated that what he can provide is an estimate of what the net debt, net of RIDE is for the Schools in the context of our existing debt service.

**Councilman Donegan: (Cont. from 8/7/2023)**

- ***Exploration of Liability Policy for the City (Cont. from 8/7/2023)***

**Director Zidelis** stated that he does not have the quote at this time. In terms of getting a quote, he is going back with five years' worth of claims experience and five years' worth of legal costs associated with the claims experience and then taking all of our suits that we have on the books right now in trying to estimate going forward. He is taking what our liability has been for claims so we have something to base a quote to.

**Chair** asked Director Zidelis when he thinks he will have an actual quote. Director Zidelis stated at the Committee's next meeting.

**Council Vice-President Vargas** asked, as to the exploration of liability policy for the City, is that just within the City overall or will we also be looking at liability insurance for the IT Department as well and are we insured on that end in terms of the self-insured cover. Director Zidelis stated, no, something as cybersecurity, as an example, we are not, but that is why the IT Department has gone through great lengths in terms of protecting our systems.

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, 6/5/2023, 7/3/2023 & 8/7/2023).*

On motion by Councilman Ferri, seconded by Councilman Paplauskas, it was voted to continue this Ordinance to the November meeting. Motion passed unanimously.

**V. CORRESPONDENCE/COMMUNICATIONS**

None.

**VI. PUBLIC COMMENT**

**Karen Rosenberg**, 46 Bow St., appeared to speak in favor of "Resolution to Save Budlong Pool" and thanked Council members who sponsored this Resolution and urged passage.

**Sam Brusco**, 11 Alhambra Circle, appeared to speak in favor of "Resolution to Save Budlong Pool".

**Tom Wojick**, 11 Hall Place, "Resolution to Save Budlong Pool" and thanked Council members for putting this Resolution forth.

**Ramsey Davis**, 58 Fordson Ave., "Resolution to Save Budlong Pool" and asked if there is a date limit by which time the information has to be resolved. If there is not, he is afraid this may drag on extensively.

**VII. NEW MATTERS BEFORE THE COMMITTEE**

A. Ordinances

*None.*

B. Resolutions

**Resolution to Save Budlong Pool.** Sponsored by Councilman Donegan and Council President Marino. Co-sponsored by Councilman Ferri, Councilwoman Germain and Council Vice-President Vargas.

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

Under Discussion:

**Councilman Ferri** stated that this has been a very emotional process. Everyone needs to step back and take a deep breath. He knows one thing for sure and that is we all can't have what

we want, not the Mayor, not Robert Ferri, not Councilwoman Germain, no one on the Council, all the pool advocates that have worked tirelessly to knock some sense into everyone's heads. We all can't have what we want. We all want one thing, we want a pool. He proposed changes to the Resolution and stated that he does not want it to be Robert Ferri asking this, he wants it to be all eight people in this room and the Mayor and his Administration. He asked that we all cooperate and build a pool that is approximate 12,00 sq. ft., in a rectangular shape with no bells and whistles and it has a low end, a deep end, handicap access, easy access for young children this way everyone gets some of what they want and everyone wins. He is asking everyone in the discussion, including the Mayor, can we agree to this, if so, we can amend the Resolution to state this and give the Mayor the chance to do what everyone wants, build a pool that we can all greed on that could be built for \$4 million and we should be able to build a rectangular pool in a normal pool capacity for the kind of money we have allocated. At the last meeting it was stated that everyone was willing to make the pool bigger and the Mayor stated that he would give us what we wanted if we all agreed to it. So, let's ask the Mayor if he can build a pool that is approximately 12,000 sq. ft., that is rectangular in shape, that has a low end, a deep end, handicap access, access for young children and can we do it as soon as possible? This is what he is asking this body to ask the Mayor to do.

**Chair** stated that the night after the last meeting, he asked the question to members of the Administration as well as Director Zidelis, how much money exactly do we have available? Because we have \$4 million in ARPA funds in the Capital Budget and then there is the \$750,000 Grant. Is that \$750,000 in addition to the \$4 million or is that \$750,000 to reimburse us for part of the \$4 million that we spend? Over the weekend, he was very happy to receive a text from the Mayor and based on that, he stated he was going to increase the pool size to 8,000 sq. ft. and to 6½ ft. depth so he thinks this is a start in terms of his willing to listen to the feedback. Question he asked him is he would feel a lot more comfortable if we knew how big of a pool can we get for that \$4.75 million and if it is closer to the 12,000 or what Councilman Ferri is proposing, then that is what we should go with and he thinks we should max out that money and get as big of a pool as we possibly can get.

**Council Vice-President Vargas** asked how much is left in the ARPA funds. Director Zidelis stated approximately \$4 million for unencumbered additional ARPA funds.

**Chair** stated that at an August 7<sup>th</sup> meeting, he believes the Council was informed that there was approximately \$5.9 million left in unencumbered ARPA funds, but now we are being told it is \$4 million. Director Zidelis stated that it is north of 4 or north of 5 and questioned if that number included the additional Parks work that we were doing. He does not have that number this evening to be sure. Chair stated that he is curious about what that additional Parks work, but he wants to keep this germane to the Budlong Pool so for the next Finance Committee meeting, he asked that the topic of "Remaining ARPA Funds" be placed on the agenda.

**Council President Marino** asked Director Zidelis if he has an answer to the question that was asked of whether or not the \$750,000 is in addition to the \$4 million. Director Zidelis stated that his understanding is the \$750,000 is a different Grant so it would be on top of the ARPA.

**Councilwoman Renzulli** asked, if we were able to procure more money than what is outside of Capital Budget, can we just use it for the project or are there specific things that we need to do to access that money? Director Zidelis stated that the actual Grant dictates the uses.

Councilwoman Renzulli agreed with Councilmen Ferri and Donegan that we should get the best bang for our buck and build the biggest pool that we can, but as far as the shape, she would like to know from Mr. Mariano or whoever else, if there was specific things about the shape that change the amount of lifeguards you need. When we find out how much money it is projected to cost operationally every year, she thinks that is still important. Building a pool or redoing the pool we have at 22,000 sq. ft. was going to cause us to need to put an addition on the bath house to be up to Code. She does not know how doing one thing affects the next and she thinks that that will be important to know when we arrive at the final number, be it 12,000, 10,000 or 14,000, we have to know how it affects the other structure because that is going to cost more money. She does not believe the Administration has made those projections yet with how much operationally one pool is going to cost versus the next, but she thinks that is going to be important to know when making these decisions as part of the finances because we already have to move money back into this Budget line for every year because we moved it away and she does not know where we are getting that from.

**Director Zidelis** stated that the Operational Budget for Parks and Recreation will need to be increased because it is not in there now. Also, he believes that we would have to potentially increase the salaries because as everyone knows, nationally, they are having problems filling those positions.

**Councilman Campopiano** stated that he is open to a compromise. The Mayor stated that he was at 8,000 and Councilman Ferri is at 12,000. Maybe there is somewhere in the middle that we can meet, but we also have to be fiscally responsible about the cost of it. He wants to make sure this is done by next year.

**Council President Marino** stated that we all want this to happen soon, but in a responsible way. Given the last meeting and discussions that come to light, she appreciates the Mayor looking into making some compromises by hearing the feedback from the public in terms of increasing the size of the pool to 8,000 sq. ft. while staying within the basic design that was presented. Hearing Councilman Ferri's proposal of doing a pool that say 12,000 sq. ft., that is a little more than half and keeping the basic rectangular size. She likes this simple idea. When we talk about what the cost will be, it is going to be a lot less than having to have maintained a 22,000 sq. ft. pool as we have done for numerous years, it is going to be less money than it has been to have the 22,000 sq. ft. pool and have those number of lifeguards. We do want to know what the cost will be, but it is going to be less than what we expended before even taking into account wage rate increases. We can also be creative, as she has mentioned before, corporate sponsorships if we have a new bathhouse.

**Councilman Paplauskas** stated that after hearing the consultants at the last meeting, he feels that a newer facility is safer and will last the City a lot longer and that is important. He likes Councilman Ferri's compromise this evening and thinks it would be nice to make the square footage bigger. He realizes the pool house has to be fixed. Can we do that in that amount of money? He does not know. He still likes the idea of having a splash pad there.

Motion and second to approve the above Resolution were withdrawn.

On motion by Councilman Ferri, seconded by Councilwoman Germain, it was voted to amend the second the above Resolution as follows: second to the last paragraph to read: “Now therefore be it resolved that the Honorable City Council requests Mayor Hopkins and his Administration to abandon their plan to reduce the size of the pool to 7,000 sq. ft.” Last paragraph to read: “Be it further resolved that the Honorable City Council urges Mayor Hopkins and his Administration to seek a plan to utilize the approved \$4 million of ARPA Funds to build a pool that is 12,000 sq. ft., that is rectangular in shape, has a low end, a deep end, swimming lanes, handicap access and an entry point for small children and bring the pool house up to Code”.

Under Discussion:

**Councilman Ferri** stated that we could also add the \$750,000 as part of the amendment also.

**Councilwoman Germain** stated that this process all started about transparency and that is why we are here now where we are at and we have this Resolution. This discussion about Budlong Pool has been tiring and exhausting and she wants a compromise, but at 7,000 or 8,000 sq. ft. is a no no. This is why she will support Councilman Ferri’s proposal for 12,000 sq. ft. She is not happy about it, but she thinks that that is a compromise she can make. She wants a pool where 10, 15, 17 year-olds can enjoy. She wants a pool where young adults from 18-40 can enjoy. She wants a pool where adults 40-60 can enjoy. She wants a pool where seniors can enjoy. She wants a pool where advanced swimmers can enjoy. She wants a pool where a family with a child 0-2-5 can enjoy. It has to be inclusive to all and not some. When we talk about the cost, as Council President Marino stated, we can be creative. The cost to maintain it is not a problem for now.

**Councilwoman Renzulli** stated that this has been an exhausting process for all of us. If we are trying to go in a positive and collaborative direction, she does not think that this Resolution shows collaboration even with the changes Councilman Ferri proposed.

**Chair** stated that as the person that wrote this Resolution, those points are objective in terms that they are factual points to provide context and timeline. He thinks that as Councilwoman Germain has expressed time and time again, and all of us have experienced and expressed, this has been a really long process, but he thinks there has been harm done as part of this process and it seems like this evening we are taking real important steps forward in terms of collaboration to come to a consensus and compromise on this.

**Chair** read final language of the amendment: second to the last paragraph, delete “size of the historic Budlong Pool and” and add “Budlong Pool to 7,000 sq. ft. and; and last paragraph, delete “to maintain the current size of the historic Budlong Pool, make necessary repairs to make the pool operational, make the pool handicap accessible” and add “and the additional \$750,000 in federal grant funding to build as large of a square footage pool as possible, but no less than 11,000 sq. ft., is rectangular in shape, has a low end, a deep end, swimming lanes, handicap access and an entry point for people of all abilities, make any necessary repairs to make the pool operational and bring the pool house up to Code”.

**Councilwoman Renzulli** stated that while we are trying to compromise on this, ultimately the Mayor can do whatever he wants. She is not stating that she supports him doing whatever he wants, but if we are trying to do this in a true spirit of compromise, if it is taken the wrong way, it might not happen.

**Chair** reiterated the language for the last paragraph to state: “Be it further resolved that the Honorable Cranston City Council urges Mayor Hopkins and his Administration to seek a plan to utilize the approved \$4 million of ARPA Funds and the additional \$750,000 in federal grant funding to build as large of a square footage pool as possible, but no less than 11,000 sq. ft., is rectangular in shape, has a low end, a deep end, swimming lanes, handicap access and an entry point for people of all abilities, make any necessary repairs to make the pool operational and bring the pool house up to Code”.

On motion by Councilman Ferri, seconded by Council President Marino, it was voted to amend the above Resolution as stated by the Chair.

Under Discussion:

**Councilman Paplauskas** questioned where the language is for a splash pad. That is not addressed. Council President Marino stated that the splash pad came up at the meeting and the space at that property is large enough so that after we have the pool and the bath house and if there seems to be a need and we have the financial ability to add the splash pad, that is something that could be added later on.

Roll call was taken on the above amendment as read by the Chair and motion passed on a vote of 6-1. The following being recorded as voting “aye”: Councilmen Donegan, Ferri, Councilwoman Germain, Councilman Campopiano, Council Vice-President Vargas and Council President Marino -6. The following being recorded as voting “nay”: Councilman Paplauskas -1.

**C. *Real Estate Tax Abatements***

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

**D. *Tangible Tax Abatements***

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

**E. *Tax Interest Waiver Approvals***

On motion by Councilman Ferri, seconded by Council Vice-President Vargas, it was voted to recommend approval of this list of Tax Interest Waiver Approvals. Motion passed unanimously.

**F. *Tax Interest Waiver Denials***

On motion by Councilman Ferri, seconded by Council Vice-President Vargas, it was voted to recommend approval of this list of Tax Interest Waiver Denials. Motion passed unanimously.



## *Agreement between Marcum LLP and City of Cranston*

**Councilman Ferri** asked if there is a deadline to sign the agreement. Director Zidelis stated that the Auditors are slated to begin their work next month so if the request would be to hold it until the next Finance meeting, he would advise the Committee not to because timing is everything and he advised approval.

On motion by Council President Marino, seconded by Councilman Ferri, it was voted to authorize the Chair of the Finance Committee to sign the document before the Committee. Motion passed unanimously.

### **Councilman Donegan:**

- *Update from Administration on status of hiring for Planning Department position starting January 1, 2024.*

**Director Zidelis** stated that advertising has been done, but he cannot give estimated time of when the new hire will start. He would feel more comfortable having Planning Director Pezzullo address this.

## **VII. ADJOURNMENT**

The meeting adjourned at 9:55 p.m.

Rosalba Zanni  
Assistant City Clerk/Clerk of Committees