

## SPECIAL MEETING – CITY COUNCIL

-AUGUST 13, 2003-

A Special meeting of the Cranston City Council was reconvened from the August 7, 2003 meeting on Wednesday, August 13, 2003 in the Hope Highlands Elementary School Library, 300 Hope Rd., Cranston, Rhode Island.

The meeting was reconvened at 6:50 P.M. by Council President Pastore.

Roll Call showed the following members present: Councilmen Fung, Jackvony, Council Member Fogarty, Councilwoman McFarland, Councilmen Ferolito, Lanni, McDonough and Council President Pastore –8.

Absent: Councilwoman O’Hara –1.

Also Present: Paul Grimes, Director of Administration; Robin Muksian-Schutt, Deputy Director of Administration; Jerome Baron, Director of Finance; Randy Rossi, City Treasurer; Evan Kirshenbaum; Assistant City Solicitor; Patrick Quinlan, City Council Legal Counsel; School Superintendent Catherine Ciarlo; Joseph Cofone, Assistant Superintendent; Joel Zisseron, Director of School Transportation; Joseph Balducci, School Business Administrator; School Committee Members Jacqueline White, Anthony Lupino, Steven Stycos, Michael Cardarelli, Steven Drager, Edward Eramian; Gregory Piccirilli, School Department Legal Counsel.

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Mr. Quinlan presented copies of Title 16-2 and explained it.

Ms. White stated that they have sent out the initial letter to the Commissioner of Education asking for relief of some mandates and are waiting for his response, which they have 15 days to respond. Council President Pastore asked if the Administration was sent copies of this letter. Ms. White stated, no. Council President Pastore asked that the Clerk send a copy to the City Administration.

Ms. Ciarlo stated the following concern – Mr. Balducci today received a letter on behalf of the City from Attorney Steven Robinson requesting information from the School Department. The information he is requesting is already available in City Hall. This is another example of how money is being spent. Council President Pastore asked Attorney Piccirilli if he will respond to this. Mr. Piccirilli stated that he is assuming that the School Department will respond to this request, if they have to. They have no objection to providing information to anyone who is requesting them, but he feels this is a waste of money. Council President Pastore stated that he is just as disappointed because he was not advised of this.

Discussion took place on Item #7 (a) of the Agenda “QZAB Bonds”. Ms. Ciarlo stated that they were able to secure a grant for \$519,000 to install an elevator at Gladstone School for handicapped accessibility. Council President Pastore asked if this would require any matching funds from the City side. Mr. Balducci stated that it would require a 10% commitment from the private sector and this has been done. There is no municipal money involved. It would be for 20 years interest free. Council President Pastore asked Mr. Baron where we stand in terms of the Administration’s feelings on this. Mr. Baron stated that many weeks ago, it was explained to Mr. Balducci the cost effectiveness of the QZAB Bond. Our allocation would not be a very high number. Legal fees would be much higher. Council President Pastore asked what would be the cost of a QZAB Bond. Mr. Baron stated he has not seen the budget for this project. The financial advisor and bond counsel indicated that the cost would be prohibitive. Council President Pastore asked if any other community has had QZAB Bond issued. Mr. Balducci stated Newport. Council President Pastore asked if Mr. Balducci could find out the cost and who they utilized. He stated that a question would be if the QZAB cannot be done, are there any other bond issues available to finish this project and what effect would it have on other projects. Mr. Balducci stated that the grant is for \$519,000 for ADA use and \$1,136,000 for the QZAB. Council President Pastore questioned whether there is another way of financing this. Mr. Balducci stated that he would investigate this. Mr. Baron stated that a complete detailed budget would have to be drafted before the first step is taken before the bond is issued. He stated that the Administration has communicated to all departments who, deal with bonds, exactly what is going to be required before any project is started. Councilwoman McFarland asked what about the other projects that the Council approved during the budget process? Because if this is a new procedure, we need to go back and review all the projects the Council approved during the budget process. Council President Pastore asked that Mr. Baron send to all Council members copies of the management letter to all department heads.

Ms. Ciarlo stated that in regards to the new school on Scituate Ave., bids have been opened and awarded, but the vendors have not received the purchase orders, we do need that equipment before the school opens. Ms. White questioned why the process has not been followed through on the City side. Council President Pastore asked if Mr. Baron has been contacted regarding this. Mr. Zisseron stated that the Board of Contract and Purchase will not award unless the money is there.

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Discussion took place on Item #7 (b) of the Agenda "Update on Bond Balances". Mr. Balducci stated that he met with Mr. Baron today and there are still some consolidation issues.

Council President Pastore asked if the School Committee has discussed Loan Order 2001-69. Ms. Ciarlo stated that they are waiting for the reconciliation. Council President Pastore stated that for the next meeting, the following should be placed on the Agenda: QZAB Bond Issue Findings by Mr. Balducci and Loan Order 2001-69.

Mr. Cardarelli stated that what the School Committee would like to know is where the \$2.4 million was spent on from 2000 bond. Council President Pastore stated that he would like Mr. Balducci to meet with Mr. Iye from the Auditor General's Office to discuss this.

Council President Pastore stated that the School Committee met last night to discuss Capital Budget at Cranston High School East and any other budget concessions. He asked Ms. White to explain what happened at this meeting. Ms. White stated that the only item discussed at last night's meeting was the Cranston High School East project. Budget concessions was never on the agenda so it was not discussed. The majority of the School Committee members believe that that budget is a true conservative budget. She stated that they are looking to generate some more income.

Councilman Jackvony referred to Section 11.01 of the Charter. Attorney Piccirilli stated that they believe that Section 16-22.4 is the operative governing statute. Councilman Jackvony stated that he would like to see the whole part of the Charter complied with

Council President Pastore asked the School Committee if they are looking at the expense side of the budget or the income side of the budget or both. Mr. Eramian stated that they are looking at both sides of the budget.

Council Member Fogarty stated that she clearly understood Ms. White as stating that the School Committee was not looking at the expense side of the budget at all, that they are looking at the income side. She asked which one is it. Ms. White stated that she made a statement based on a vote. She is not willing to cut salaries, she is not willing to cut out programs. This is where there would have to go when looking at expenses and they have to ask themselves are we willing to dismantle the Cranston School System? Mr. Stycos stated that the School Committee has not had any serious discussions on the budget since it was passed.

Council President Pastore asked if the School Committee is planning to review the operating budget, both revenue and expenses and if so, when. Ms. White stated that if the School Committee would like to discuss the budget again, that is fine with her, but she is not planning to schedule a meeting unless it is requested. Ms. White stated that she has just been handed a request in writing for a meeting from Mr. Stycos and she will schedule one when she comes back from vacation.

Ms. White stated that the School Committee requested \$110 million and the Council allocated \$104 million to the School Department. She asked how this amount was reached. Council President Pastore stated that part was set aside for finishing the new school building and this amount was also based on amount of revenue stream, collection rate and supplemental tax that we would have. Ms. White asked if the needs of the School Department were ever looked at by the Council as a group. Council President Pastore stated, yes, they did and they attend the work shops. The Council did look at the needs, but felt they had to be conservative on the revenue side of the budget.

Ms. Ciarlo stated that one issue that needs to be clarified is when the City drafted the budget, the City made sure it covered all the union contracts that it had. The School Department has contractual obligations and they must be met.

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Mr. Lupino stated that for the next meeting, he would like to see a graphic showing a comparison of School Department and City Departments of how their funding compares to the prior fiscal year.

Council President Pastore suggested that the following should be discussed at the next meeting of the School Committee: QZAB review and Loan Order 2001-69 and Capital Budget.

Discussion took place on Number 11 on the Agenda "Risk Management". Mr. Balducci explained how he came up with the figures in the handout he presented at the last meeting.

Councilwoman McFarland asked where the potential savings would be. Mr. Balducci stated variance could change, it would not be a potential saving.

Mr. Grimes stated that from the Administration's standpoint, he made a few observations. The best effort to reconcile the budget is just not good enough. The Charter is very clear on this. It states you must reconcile your budget. The Administration's position is that sometime in September is not good enough, we will comply with the Order from Judge Weisberger.

Ms. Ciarlo suggested that for the next meeting, the School Department show the Council exactly how they spend the money and where the cuts were made and suggested that the Council look at the budget and suggest where the School Department can make cuts. It would be helpful to all to show the Council where the money is spent and where the cuts have been made. Council President Pastore asked Ms. Ciarlo if she could do that, and the City Administration could pose their scenarios and questions in the budget.

Council President Pastore asked that if School Committee members and Council members have any items they would like to discuss, to send it to the Clerk's Office and they will be prioritized and placed on the next Agenda.

Council Member Fogarty stated she would like to see any records available for each school building showing number of classes, classroom sizes, etc. Mr. Cofone stated that those are working documents, they are not documents that the School Department keeps year to year. They do have a monthly population report that he could provide to her.

The meeting adjourned at 8:40 P.M.

Rosalba Zanni  
Assistant City Clerk/Clerk of Committees

(See Stenographic notes of Ron Ronzio, Stenographer).