

CFDF Corporation

Minutes of Meeting

Tuesday, March 27, 2007

I. Call to Order: Meeting was called to order at 6:05 pm.

II. Roll Call: All Board members were present with the exception of Al Romanowicz. Also present were Chris Orton, Tim Tapley, Tammy Novo and Tony Ventetuolo.

III. Secretary's Report: On a motion by Augie O'Connor seconded by Maurice Brousseau the Board voted 4-0 to accept the minutes of the February 27, 2007 Board meeting.

IV. Treasurer's Report: On a motion by Maurice Brousseau seconded by Augie O'Connor the Board voted 4-0 to accept the financial report and balance sheet for the period ending February 28, 2006.

The Board's agenda was modified to accommodate Tammy Novo, Audit Manager for the audit firm of Bachelor, Frechette, McCrory and Michael & Co., who is completing the independent audit for the Central Falls Detention Facility Corp. for the FY 2006, to present the draft audit to the Board. It was noted that inadvertently this item was left off the agenda. On a motion by Maurice Brousseau seconded by Gene Racquier the Board voted 4-0 to revise the agenda to include

the FY 2006 Audit presentation by Tammy Novo. Ms. Novo discussed the entire audit and various sections of it. It was noted that there were no exceptions to her findings and that there were no material weaknesses found in the audit process. Tammy also noted that this year's audit went very smoothly, that all documents were available and that the Corporation's fiscal matters are in excellent shape. After the presentation the Board asked various questions of Ms. Novo. It was also noted that the draft audit will be finalized over the next several days and sent to RDW Group for preparation of the Corporation's annual report.

V. Executive Session: On a motion by Maurice Brousseau seconded by Casey Andrade the Board voted 4-0 to go into Executive Session at 6:30 pm to discuss issues of security and litigation. The Board came out of Executive Session at 6:55 pm and voted 4-0, on a motion by Casey Andrade seconded by Maurice Brousseau, to seal the minutes of the Executive Session.

VI. Old Business:

a. Project Banking: The IXIS Funding report for the period of 02/01/06 through 02/28/06 was presented to the Board. It was noted that the accounts generated approximately \$64,000.00.

b. Bank of America Account: It was noted that the Bank of America account has a current balance of approximately \$1.6M.

c. Trustee Removal: Chris Orton discussed the situation with US

Bank and their uncooperative attitude towards CFDF making a transfer to Bank of NY. It was also noted by Mr. Ventetuolo that he had a discussion with the Vice President in charge of trustee services, Dennis Calabrese. He basically apologized for the long delay and indicated that he would personally get involved to make sure this happened within the next several days.

d. USMS Per diem negotiations: Mr. Ventetuolo discussed the recent discussions with the Office of Detention Trustee and the Marshal's initial request for a right of first refusal. As it now stands, the Marshal's will be utilizing the same language as contained in the BICE agreement and moving forward to finalize this as soon as possible. It was noted that one remaining issue is the retroactivity of the per diem increases. It was noted that the Office of Detention Trustee had indicated as early as 2005 that per diems could be made retroactive in order to coincide with the cash flow performers that were developed in an effort to provide the bondholders with information on the bond referendum.

e. Management Contract: A final signed copy of the MOU with Cornell was provided to the Board. Also provided was an agenda used by Mr. Ventetuolo in his meeting with Senate President Montalbano and House Speaker Bill Murphy regarding the draft legislation being requested to provide technical amendments to the enabling legislation for the Wyatt facility.

f. Expansion Project Status:

1. Levien-Rich observation report #20 was presented to the Board for their review.

2. Also provided to the Board was the AVCORR schedule effective 03/02/07 and it was noted that certificates of occupancy have been received from OAS for Unit K, the laundry, the kitchen, area 1 on the second floor and the administration area. It was further noted that MODS G & H are currently completing a punch list and should be available within the next several days. Also close to punch list status are MODS J1 and J2.

3. It was noted that the first Builder's Risk claim was provided to AVCORR several weeks ago concerning a roof leak by one of the subcontractors that damaged electronic equipment currently under Mac Systems contract. Mac Systems has filed a claim for approximately \$40,000.00. This information was provided to the Rhode Island Trust for their review and investigation. AVCORR has also advised OAS that they should contact the subcontractor's insurance company as a possible claim.

4. Chris Orton advised the Board that the recent plan by DEM to include AMTRAK in restrictions has been overturned and that DEM is now willing to keep the AMTRAK property out of their final restriction plan. This is good news for the Corporation and will result in major savings in terms of mitigation. It was noted that Fred Vincent who was hired by AVCORR to help present this to DEM has been working on this issue and it should be finalized within the next several days.

5. Mr. Ventetuolo provided the Board with Proposed Change Order #86 in the amount of \$200,896.68 and discussed the lease agreement and the obligation of Fink to cover any cleanup costs over \$200,000.00 incurred by the Corporation. It was also noted that

AVCORR and the contractor have worked very hard to keep this costs at an absolute minimum, noting that most of the soil that had to be transferred out is hazardous waste on the 935 High Street site, was in fact shipped to Rose Hill landfill in South Kingstown at no cost for dumping fees. This is opposed to \$65-\$85 per ton normally charged for this type of material. It was noted close to 9000 tons were shipped out. The \$200K represents shipping costs and other engineering/architectural costs in dealing with the arsenic levels on that site. Chris Orton will continue to work with Fink attorneys to bring this matter to conclusion.

VII. New Business:

a.VT DOC Contract Process: Chris Orton and Mr. Ventetuolo discussed the major issues in the draft agreement with Vermont DOC.

The revised contract has been sent to them by Mr. Orton and a conference call will be set up shortly to further negotiate.

b.Trust Scholarship Awards: It was noted that David Schnell of the Wyatt staff was awarded a \$2000.00 scholarship by the Trust.

c. Wyatt Van Accident: An article outlining the recent accident that Wyatt staff and detainees were involved in was presented to the Board.

d. Global Revenues: The January report was presented to the Board which showed an increase of approximately \$5000.00 over the last several months. This increase reflects the population as it is being ramped up at the Wyatt.

e. Revised Impact Fee Formula: Mr. Ventetuolo discussed the new formula that has been generated and is now in use to forward impact fees to the City of Central Falls up to \$670,000.00. This formula will be used to apply future monthly impact fees to the City.

f. Transition Payment Audit: Mr. Ventetuolo indicated that during the transition period with Cornell and in light of the cost plus nature of the monthly invoices by Cornell, AVCORR has hired an additional auditor to come in and to start looking at the Cornell actual expenses in an effort to rectify the actuals against the estimated invoices.

g. Donations Requests: Two requests were presented to the Board. One by Ralph Holden Scholarship Committee for \$1500.00. The Board discussed and advised AVCORR to notify Holden that at this time, because of the transition nature of the construction and ramp up of new inmates, the Board is not approving any donations until a more stable position becomes clear with the Corporation's expenses and revenues. The second request was from Elizabeth Ann Seton Academy. The Board also discussed this request and noted that it is much too soon to designate any time to any agency in the City, noting that the primary use of the training center is for Wyatt staff and other related enforcement agencies. It was also noted that the Board does want to provide any excess time to local youth programs, but this will not be determined until late summer, 2007 at the earliest. AVCORR was advised to notify Seton Academy that no designation can be made at this time.

VIII. Other:

a. Requisitions: On a motion by Maurice Brousseau seconded by Casey Andrade the Board voted 4-0 to make payment on requisitions as listed in the agenda.

IX. Adjournment: On a motion by Maurice Brousseau, seconded by Casey Andrade the Board voted 4-0 to adjourn at 8:15 pm.