

Central Falls Detention Facility Corporation Meeting Minutes
Tuesday, July 17, 2012
Wyatt Detention Facility Training Building
935 High Street
Central Falls, RI 02863
6:00 P.M.
TDD/TTY 401-727-7450

A meeting of the Central Falls Detention Facility Corporation was held on the above date; in the Training Building at 6:00p.m.

- 1) Call to order / Roll Call – 6:09 p.m.
All Members Present

- 2) Public Comment

Former Chief of Police Joseph Moran, a self-described lifelong Central Falls resident, informed those present that he was running for Senate in District 16, Central Falls and Pawtucket. He said that he volunteered as an Interim Director of Administration at the Wyatt Detention Facility for free for a period of nine months. He did not like some of the things that he saw during that time, particularly the actions of Al Romanowicz and his colleagues. He said that he is upset that the City is in last place to receive funds based on the contract that Mr. Romanowicz negotiated and approved with the bondholders. He is upset that ICE terminated its contract with Wyatt, not because of the Chinese national's death, but because of the numerous violations of prison standards that existed at the time that Romanowicz served as Chairman. He is upset that the Board paid Tony Ventetuolo approximately one million dollars to oversee a construction project that was performed by a business partner of his. He is upset that Romanowicz publicly criticized the congressional delegation and pointed the finger at everyone else. He's most upset that Romanowicz fought against the forensic audit and refused to recuse himself. He said that he is grateful that the bondholders demanded the first review in 2009 because it uncovered the vast amount of money being lost and reports were not being done. He said that he would like to meet with Ernie Almonte to make him aware of what was going on in the past and the things that were not being done. He urges the Board's Members to be careful and do the right thing. He asked that during the next Academy process, he wishes that they would consider hiring as many Central Falls residents as possible. He congratulated the Warden and Mike Fair, CEO, for the work that they've done for the Wyatt family.

Chairman Hartford responded that from his perspective, everyone on the Board has the best interests of the facility in mind. He said that they may disagree on the best course of action in meeting the goals of the facility and the City. In his experience, Mr. Romanowicz has acted in good faith as a member of the Board and he is a duly appointed member of the Board and a member in good standing. He said that, as far as he's concerned, Mr. Romanowicz will continue to be and the issues of the past that have arisen with the Corporation were probably the responsibility and result of a lot of events and individuals and not the sole responsibility of any one particular Board member. He thanked Mr. Romanowicz for his ongoing commitment to the Corporation and offered him the opportunity to speak on his own behalf.

Director Romanowicz said that he preferred to let it go and would let the forensic audit speak for itself.

Former Mayor Thomas Lazieh said that the facility was established to be a benefit to the community and the police department, but also to be a financial benefit to the City of Central Falls. He is interested in information on status payments to the City as well as information on the Fink property. He said that he is happy that a new class is starting. He requested a copy of the letter from the City Solicitor, the finance report, and the current cash report and any other documents that are open records. He requested the link to the minutes for the open meetings for the past year. He is interested in what is happening with the Board and with what is going to happen with the Almonte review, and if there were any actions to be taken regarding the bond and refinancing it in the future.

Chairman Hartford said that he would get copies of the financial reports to them. He said that he did not anticipate any update on the Fink matter or the payments to the City at tonight's meeting. As he understood it, the bondholders are still resisting and have denied our request to make payments to the City and they control our revenues. Refinancing of the debt is critical. People as high as the Governor's office are working to develop a strategy to accomplish that. No clear strategy has been developed yet, but that is our highest priority.

3) Approval of minutes, 6/26/12

Chairman Hartford commented that the Executive Session minutes were not yet ready for approval, but that they would be ready for the next meeting.

Motion made by Director St. Pierre to approve the minutes from 6/26/12; seconded by Director Romanowicz. All were in favor. Motion passed.

4) New Business –

A) Communication from Central Falls City Solicitor

Item passed since the City Solicitor was unable to attend tonight's meeting

Chairman Hartford spoke to him before the meeting. He indicated that there were quite a few documents received by the former receiver, Judge Flanders, in November, 2011 from Attorney McGair, representing Avcorr. He felt they would be useful in Mr. Almonte's review. He is awaiting the approval of the new receiver before he can turn those documents over. It's literally hundreds of pages of documents, some of which Mr. Almonte may already have.

Attorney Lynch-Gadaleta said that she would make a phone call to follow-up on this.

B) Report of Finance Committee/Mid-year Budget Adjustments

Director St. Pierre thanked Mr. Fair and the Warden for meeting with Director Tillinghast and himself. The meeting was successful. He said that we will continue to work as a team to look at the numbers so that we will have something to present to the Board. He received the financials, as requested, before the Board meeting. He does raise a concern because of where the finances are, although it's not because of anything that the Administration has done wrong.

He asked Mr. Fair how much money we had to take from the debt reserve for the July payment. Mr. Fair said he was pleased to announce that we made our July payment in full. \$469,682.77 went from the general revenue account to cover the

shortfall. Karen Casey, Accounting Manager added that there would be \$100,000 left in the revenue account at the end of July.

Director Tillinghast said that based on the numbers provided by staff, revenues are down by \$1.4M. This is strictly volume-related. From a staffing perspective, he and Phil reviewed the binary nature of the staffing model. It's still a struggle. If we look at the ADP in 2010 compared to 2011, matching that is still a significant issue for the Corporation. Last year's overtime was significantly higher than it is this year because that's how we got by. Some of the Security staff spoke at the last meeting to the effect that this had on families and morale. That being said, we still need to bridge the gap and compare the two years as to what changed in rate and what changed in headcount and why. He said that the sub-committee had one meeting with the Administration and he expected that they would have another before the next Board meeting. Then we will have a better understanding on a go-forward basis so that we can present to the Board and know that we are doing the right things.

Director Adamo asked if the staffing model would be available for the Board in the future. Director Tillinghast commented that the document does exist, but it is a protected document, not meant for public consumption.

Michael Fair, CEO, commented that he thought the sub-committee meeting was the best one so far because the sub-committee members now have an understanding of how the staffing works and the impact of overtime. He commended the report provided for Director Tillinghast. Chairman Hartford agreed that the report was good, stating that he found the report easy to understand.

Director Tillinghast commented that expenditures were on-target with the budget, except that legal fees were \$250K over-budget. He said that everyone understood why this was the case. He said that the fee for the Almonte audit would have an impact on the budget, too. Lastly, he noted that the capital expenditure costs were down quite a bit. He asked if there were any risks out there due to delayed projects. Mr. Fair said that we have an incredibly talented maintenance department that is finding ways to repair things that we thought we'd need to replace. We continue to be plagued by our rooftop units. We have put that off as long as we can, but it needs to be done. We are looking at a total price of about \$265K. We have \$119K available in the capital expenditures account and we will have to use some of the money that we put into the budget. Trane has agreed to finance the project, so we do not have to come up with all of the money at once.

Director Tillinghast asked if we had any covenants against incurring indebtedness for capital expenses. Attorney Fracassa said that this would have to go through the RFP process. Mr. Fair said that this had been done. Director Tillinghast said that the bondholders would probably want a security interest in the units. Attorney Fracassa said he would check into this. Mr. Fair said that there was some time to do this since we were looking at a six-to-eight week lead time on delivery of the units. The soonest that we'd see them was September 1st.

Director Romanowicz addressed the correctional officers present in the audience. He said that he didn't want them to think that it was all about staffing. He commented that the Board was looking at restructuring the debt, too.

Anthony Rainville, FOP President, responded that he was sure that the Board was acting in the best interests of the facility.

C) Current Cash Report and Overview of Accounts Update

Chairman Hartford asked Mike Geezil, Consultant to the Board to comment on the cash report. He asked whether the payment to the debt service would affect the accounts payable, leaving more unpaid bills. Karen Casey, Accounting Manager, said that it would not.

5) Old Business

No discussion of old business.

6) Reports of the CEO and/or Legal Counsel (as necessary); ADP update; and other matters.

CEO Fair reported:

- Revised schedule for Food Services RFP. Two credible companies are bidding on the contract. We followed the law to the letter.
- Director St. Pierre asked how the companies responded to putting the money up-front for large equipment. Mr. Fair said that both were receptive.
- HVAC purchase – seeking approval. Director St. Pierre asked if we could check with the vendor to see if they'd offer a discount for up-front payment. Mr. Fair agreed to do so.
- Two RFPs to be posted in August:
 - Vending Services
 - Transportation Vans.
- ADP
 - June: 681
 - July to-date: 668
 - 2011 Average ADP: 649
- Net loss of three detainees for the month of June.

Motion to approve the purchase and financing of the rooftop HVAC units in the total amount of \$261K, subject to the review as to financing arrangement for compliance with the indenture of trust made by Director Tillinghast; seconded by Director St. Pierre. All were in favor. Motion passed.

CEO Fair told the Board that the facility entered into a youth work program funded by the state. The youths started working today. Three showed up today, but we will have a total of eight. Their schedule will be from 9:00am – 2:00pm on Tuesdays, Wednesdays, and Thursdays. Best part of the program is that the state pays the wages.

CEO Fair said that we have the opportunity to sell our F.A.T.S. system. It's currently assessed at \$26K. We have an offer of \$25K from a New England law enforcement agency. The system is very good, but it was not incorporated into our firearms training program here. The program has an emphasis on combat, which we don't really focus on. He is seeking approval to sell it. Chairman Hartford asked if there was a security interest to be concerned with. Attorney Fracassa said that his instinct said that we were okay, but that he would review this.

Motion to approve the sale of the F.A.T.S. system, subject to review by Counsel, made by Director St. Pierre; seconded by Director Tillinghast. All were in favor. Motion passed.

Mr. Fair provided an updated list of capital projects for the Board's review. After discussing it with the majority bondholder, the bondholders might agree to fund our capital project without any penalty to the Corporation. The amount required is down to \$877K from \$1.3M due to the efforts of the maintenance department.

We incurred a \$70K increase in our worker's compensation insurance premiums. Director Tillinghast inquired as to whether this had been bid and if we'd inquired as to why the big increase. Lea Ann Maupin, Project Specialist, said that Joe Padula had provided her with the information relating to the bid and the increase. She agreed to forward this to the Board members.

7) Next meeting: Tuesday, August 21, 2012 @ 6:00pm @ Wyatt Training Building

8) Executive Session pursuant to R.I. General Laws § 42-46-5 for the following purposes:

A. RIGL § 42-46-5(a)(2) and RIGL § 42-46-5(a)(4) for the purpose of reviewing issues regarding FOP representation of supervisory staff and litigation concerning the Wayne Salisbury matter; Ng; Cornell; Avcorr; Property tax bill; Forensic Audit.

B. RIGL § 42-46-5(a)(3) for the purpose of receiving an operational report from the CEO.

C. RIGL § 42-46-5(a)(1) Personnel

9) Adjournment