

Central Falls Detention Facility Corporation Meeting Minutes
Thursday, January 31, 2013
Wyatt Detention Facility Training Building
935 High Street
Central Falls, RI 02863
4:00 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 4:00p.m.

1) Call to order / Roll Call – 4:10 p.m.

All Members present: Chairman Hartford, Director Tillinghast, Director Cabral, Director Figueroa, and Director Rios

Motion to go into Executive Session made by Director Cabral at 4:12pm; seconded by Director Figueroa. All were in favor. Motion passed.

2) Executive Session pursuant to RIGL § 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 Warden.
- C. RIGL § 42-46-5(a)(1) Personnel

Open Session resumed at 6:40 p.m. Chairman Hartford commented that the Board had voted to seal the minutes of Executive Session during the Executive Session.

3) Public Comment

Former Mayor Tom Lazieh said that today was a busy day in the news for the Detention Facility. He reiterated that the facility was constructed to be a benefit to the City of Central Falls, but that has not been the case in the last few years. He hopes that this Board can change that. He saw on the news that there was an \$80K settlement related to the former CEO. He understands that there will be another news report regarding legal fees that total nearly \$800K. He questioned the status of the Fink property tax payments to the City, commenting that the total due was nearly \$200K. He requested a status on the Almonte forensic report that was contracted last year. He expressed concern about payments made to the Bondholders and their Counsel in the amount of \$40K per month. He finds this disturbing as a taxpayer and someone involved in the creation of this facility. He asked about City-use of the Facility that can be done in the future. He asked if there was any facility property, equipment, or vehicles that can be transferred to the City, commenting that it had been done in the past. He congratulated the recent graduates of Class 33. He asked about the current ADP, and commented that the break-even is about 653. He asked about the status of discussions with ICE and added that he hoped that they were moving in a positive direction. He congratulated

the new Acting Warden/CEO, Mr. Murphy, and offered any assistance that he could provide to him.

Chairman Hartford said that Mr. Murphy has been appointed as the new Warden/CEO.

Chairman Hartford said that the Board was briefed in Executive Session on various matters contained within the notice of the agenda. He had nothing further to add.

4) Approval of minutes, 12/19/12

Motion made by Director Tillinghast to approve the minutes from 12/19/12, seconded by Mr. Figueroa. All were in favor. Motion passed.

5) New Business –

A) Report of Finance Committee

Robert Teasdale, Interim Controller reviewed the monthly financial report. He noted that these are marked preliminary. The facility will be audited at the end of February. Total revenue for the month of December was about \$2M compared to revenues of \$1.9M in November, an increase of about \$64K. ADP for the month of December was 596, compared to an ADP of 598 in November. For fiscal year 2012, the revenue was about \$24.5M, compared to \$25.8M in fiscal year 2011, a decrease of about \$1.3M attributable to the ADP. ADP for 2012 was 618, compared to an ADP in 2011. Total operating expenses in December was \$1.5M. That is consistent with November. Salaries and fringe benefits increased by approximately \$92K, due to adjustments related to insurance benefits and worker's compensation. Inmate care expenses were \$160K compared to \$123K in November due to the timing of some bills related to prior months. Direct and Administrative expenses were \$148K compared to \$249K in November. November included some adjustments. For fiscal year 2012, total operating expenses were \$17.2 M, which is comparable to fiscal year 2011.

Director Tillinghast asked for a comparison of capital expenditures for the two years. Mr. Teasdale responded that he did not have that information available at the time. Chairman Hartford stated that the unaudited operating expenses were consistent, but with a lower ADP. Mr. Teasdale offered that this was partly due to the increased legal expenses, lower overtime expenses (about \$500K less), and a decrease in the cost of detainee meals.

Mr. Teasdale provided that there was a change in net assets for the month of December was a decrease of \$422K, compared to a decrease of \$348K in November. For fiscal year 2012, the change in net assets was a decrease of \$2.7M, compared to a decrease of \$1.6M in 2011. This is directly attributable to the decrease in revenue. Director Tillinghast commented that the ADP for the month of January was 609, compared with a projected (budgeted) ADP of 632. Mr. Teasdale said that the debt service payment was made on January 15th and the reserve was not touched. The reserve currently has a balance of \$6.8M, a slight increase due to some interest that was posted. This is \$2M short of the required level under the Trust.

Motion to approve the financial report was made by Director Tillinghast, seconded by Director Cabral. All were in favor. Motion passed.

- B) Current cash report and overview of accounts
Report was provided to the Board Members
- C) Warden/CEO contract/reorganization
Continued for further discussion
- D) Authorization of miscellaneous payments and purchases
No discussion.

5) Old Business

A) Almonte Report.

Chairman Hartford offered that he spoke to Mr. Almonte. He will have an update for the Chairman next week. He seemed to indicate that he was close to where he needed to be.

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

Warden Murphy stated that the ADP today was 620 with an expected end-of-day count of 624. It appears that we are trending upward. We are plus twenty-two for commits and losses for the month of January.

He offered that 200 pounds of food was collected by staff and donated to the RI Food Bank in December.

The facility netted 16 Correctional Officers from Class 33. We graduated 17, but lost one to the ACI last week.

The new Mayor toured the Facility on Tuesday, January 15th. He had a great tour and a great discussion and looks forward to working with the Mayor in the future for the betterment and the interests of all parties concerned. The Warden reached out to the Mayor after a recent water leak at the City Hall to see if the City needed space at our facility. He was appreciative, but they did not need it.

The new Chief of Police for Central Falls was sworn-in in a ceremony at our facility on January 10th. It was a nice event for the facility. Warden Murphy commented that the new Chief is a great guy and he enjoys working with him.

Two public defenders from the state of Connecticut toured the facility on January 17th as part of our marketing ploy so that they could see the conditions of confinement. They were very impressed.

The Quarterly Report for the fourth quarter, which was included with the packets distributed to Board members, was sent to the Bondholders. Lea Ann Maupin is working on the marketing plan, with a whole new perspective.

We are interviewing for Investigators this week. We have a temporary person here, doing a tremendous job working with the Deputy Warden, but we want to get those positions filled permanently.

We posted the CFO position on January 6th. Those interviews are scheduled for next week.

Chairman Hartford added that he ran into the Mayor and the Chief at a recent conference. He spoke with the Mayor briefly. He was impressed with the facility and the staff at the facility. The Chief thanked the Warden for the generosity of the event that we hosted for his swearing in.

7) Next meeting:

Wednesday, February 20, 2013 @ 5:00pm @ Wyatt Training Building

Receiver McJennett said that there was a motion for declaratory judgment in the Fink matter filed. He asked if the facility would be answering that.

Attorney Fracassa offered that we had not been served yet. Chairman Hartford said that Attorney Fracassa had discussed that with Mr. Kirby. They agreed that this is the best way to get this resolved. Chairman Hartford added that he is anxious to do that.

8) Adjournment

Motion to adjourn was made by Director Tillinghast @ 7:10pm, seconded by Director Figueroa. All were in favor. Motion passed.