

**Central Falls Detention Facility Corporation Meeting Minutes**  
**Wednesday, February 20, 2013**  
**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 5:00p.m.

1) Call to order / Roll Call – 5:05 p.m.

Members present: Chairman Hartford, Director Cabral, and Director Figueroa

Members absent: Director Tillinghast and Director Rios

2) Public Comment

Former Mayor Tom Lazieh said that he is still interested in learning more information about the settlement, if it's public knowledge, and also about the status of the Fink property tax payments due to the City and the Almonte forensic audit, whatever is public. He wanted to renew his interest in the exorbitant cost of the Bondholders counsel at \$40K per month while the city is not receiving a dime. He asked when we envision any funds going to the City of Central Falls. He asked about the facility's performance to budget and the inmate count. He asked whether a (Correctional Officers) class was being considered for 2013. He said that the most important thing is the financial interest of the City of Central Falls. The City has not seen any payments in quite a while and he'd like to see this Board turn that around.

Chairman Hartford commented that the Corporation has made good steps towards building greater efficiencies in the operation. Strong efforts are being made to restore relationships with ICE, which, hopefully will lead to revenues for the facility. He has reached out to the Bondholders to try to find a solution to the substantial fees that we pay to the Bondholders and to their legal counsel. He hopes that positive discussions with the Bondholders will result in diminished need on their part for the activity that causes these fees.

Director Cabral asked whether we receive itemized bills from the Bondholders. Bob Teasdale, Interim Controller, said that we do not, because we are not the client. Attorney Fracassa confirmed this.

3) Approval of minutes, 1/31/13

Motion made by Director Cabral to approve the minutes from 1/31/13, seconded by Mr. Figueroa. All were in favor. Motion passed.

#### 4) New Business –

##### A) Report of Finance Committee

Robert Teasdale, Interim Controller compared actual to budgeted financial figures. He said that overall revenues for the month of January were \$2M. Budgeted revenues for the month were \$2.1M. The shortfall is in contract services, directly attributable to the average daily population (ADP). ADP for the month was 609; budgeted ADP was 632. Total operating expenses for the month were \$1.5M. The budgeted was \$1.45M. Most of that is attributable to salaries and fringe. We did have a class come on-line, but we did not recognize the benefit of that class for a couple of weeks due to additional training. Transportation was higher than budgeted for the month, too, due to hospital stays and related overtime. Overall operating income was about \$576K, compared to a budgeted amount of \$669K; a shortfall of about \$93K. Legal fees were less than budgeted by about \$30K. For the month of January, we only paid \$3K in trustee fees. It's not a flat \$40K that they charge each month. What flows through our account are the actual bills, so he accrues for other bills that may be forthcoming. Our own legal fees were estimated at \$33K, but he does not have actual bills yet.

Non-operating revenues and expenses included interest income of \$39K versus a budgeted figure of \$190K. The budget was done based on a cash basis whereas he is working on an accrual basis. The trustee gives us the interest income semi-annually, but we are recognizing so much of that each month on an accounting basis. Interest expense was \$612K, compared to a budgeted of \$603K. Depreciation and amortization was \$267K versus a budgeted of \$270K. The change in net assets for the month was \$264K versus a budget of \$15K, a difference of \$248K. This is attributable to a shortfall in revenue, a slight increase in operating expenses and the way we are handling interest income. Chairman Hartford clarified that we should not expect such a shortfall next month since the interest calculation had been accounted for. Mr. Teasdale agreed. Chairman Hartford asked for clarity on the interest expense. Mr. Teasdale said that the debt is paid semi-annually. We are recognizing interest expense as an accrual on a monthly basis, as with the interest income. There is a difference between budgeted and actual because this includes the contingent liability of the Cornell claim.

##### B) Current cash report and overview of accounts

Mr. Teasdale reported the balances currently in all of the Corporation's accounts with Bank of America and with US Bank and provided brief explanation of changes.

Chairman Hartford said that he was very pleased with the reporting and the explanations. He understands it better now than he ever has before.

Motion to approve the report of the finance committee and the current cash report was made by Director Figueroa, seconded by Director Cabral. All were in favor. Motion passed.

##### C) Next Academy Class

Warden Murphy said that we needed to start planning for our next Academy class. It takes approximately seven (7) months to begin a class. We expect to lose some existing Officers to the Municipal Academy in the summer.

Director Cabral asked when the Academy would begin. Warden Murphy stated that it would not be until August.

Chairman Hartford asked what the target size for the class would be. Warden Murphy said that we'd like to start with a class of 25 cadets, because we know from history that we will lose some of them through normal attrition.

Motion to approve the recommendation of the Warden to start the process for the next Correctional Officers' Academy was made by Director Cabral, seconded by Director Figueroa. All were in favor. Motion passed.

D) Review of Organizational Chart

Deferred to Executive session at Warden Murphy's request

E) Authorization of miscellaneous payments and purchases  
No discussion.

5) Old Business

A) Almonte Report.

Chairman Hartford said that he had no further information from Mr. Almonte. Attorney Lynch-Gadaleta said that she'd received a text message from Mr. Almonte that stated that the investigation was continuing, but she had no further information. Chairman Hartford said that he would try to meet with Mr. Almonte before the next meeting so that he would have hard information as to what to expect and when to expect it. He said that he'd like to get results, as the Board has been waiting for eight months. The report was due at the end of December.

Chairman Hartford confirmed with the Warden that no further payments had been made to Mr. Almonte, as was previously instructed by the Board. Warden Murphy confirmed.

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

Warden Murphy said that the ADP this morning was at 625. The end of day would be 628. The ADP for February so far was at 621. We are seeing positive signs of growth, so hopefully that will continue.

Director Cabral asked if the Warden had any feel for what the Sequester would do to our population. Warden Murphy said that public policy will drive what happens here, in regards to the country's stance on immigration, especially since that is a population that we wish to attract. He said that the expected budget shortfall could have an impact on the facility, but he wasn't sure if it would.

Next Warden Murphy reviewed the Marketing Plan. He pointed out that it is a requirement of the indenture of trust. He said that we are focusing to extend our markets. He is confident and hopeful that through a unified effort, we will be able to do that.

Warden Murphy gave kudos to his staff for their efforts during the last snow emergency. He said that he reached out to the Central Falls Police Department, the Fire Department,

and the Mayor. They took him up on his offer of assistance and the Training Building was utilized as a warming station.

Warden Murphy added that his Executive staff was busy conducting initial interviews of candidates for Investigator(s) and the CFO position. We are in the final selection process and he expects make his selections shortly. He said that he would like to discuss the CFO candidates with Director Tillinghast prior to making a selection.

Next week, O'Connor & Drew are scheduled to conduct the annual financial audit. The deadline for this audit is May 31<sup>st</sup>.

We are awaiting the final report of the Office of Federal Detention. Based on preliminary information that he received, we did very well.

Attorney Lynch-Gadaleta pointed out an annual schedule for Board Meetings that was included in the Board member packets. She suggested that the schedule be tabled until the next meeting so that absent Board members could look at their schedules to ensure a quorum was available on all proposed dates.

Motion to table the proposed annual schedule was made by Director Cabral; seconded by Director Figueroa. All were in favor. Motion passed.

7) Next meeting:

Wednesday, March 20, 2013 @ 5:00pm @ 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; Belford investigation.
- 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