

Central Falls Detention Facility Corporation Meeting Minutes
Wednesday, July 17, 2013
Wyatt Detention Facility Training Building
935 High Street
Central Falls, RI 02863
5:30 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 5:30p.m.

1. Call to order / Roll Call – 5:30 p.m.

Members present: Director Cabral, Director Tillinghast, Director Rios, and Chairman Doherty

Absent: Director Figueroa

2. Public Comment

Former Mayor Thomas Lazieh pointed out that the facility was designed to be a financial benefit to the City of Central Falls. He hopes that Colonel Doherty and his staff will be able to obtain enough funding to enable that to happen. He mentioned specifically reestablishing the relationship with ICE so that the return of those detainees would be a benefit. He inquired as to whether tax payments for the property on which the Training Building sits had been paid, indicating that he did not believe that they had and that they'd total about \$200K. He said that there were many other issues, both legal and financial that he'd like to have further information.

Chairman Doherty commented that he and the Board want the facility to do well, so that they can appeal to agencies like ICE to utilize the facility so that we can help out the City of Central Falls. He said that he understands that this is vital to the City and the State of Rhode Island.

3. Approval of Minutes 6/17/13 & 6/19/13.

Motion to approve the minutes of the 6/17/2013 meeting made by Director Rios; seconded by Director Tillinghast. All were in favor. Motion carried.

Motion to approve the minutes of the 6/19/2013 meeting made by Director Tillinghast; seconded by Director Rios. All were in favor. Motion carried.

4. New Business

A) 2013 Capital Projects

Warden Murphy directed that Board Members to a document contained within their packets.

- The most important item that he will request funding for is the fire suppression system. The current fire suppression for the facility's computer information networks is water-based. This would be devastating to the equipment if it were activated. This will need to be replaced.

- Next, the PVI tank re-piping needs to be fixed. The water-heating system is not fitted correctly so the three units were not working concurrently. Mr. Clifford is alternating them so they get equal use right now. At some point, we have to address this long-term, but we can work with this for now. We may put it back on the list for 2014 for the preservation of the facility.
- On the sprinkler repairs, as referenced in the Almonte review, there were some inferior products used in that system. It is functional, but we are suffering some leaks. We've replaced two fittings and will be replacing another two shortly. This is another one that we have to eventually look at replacing.
- In regards to the gym floor, we have appropriate insurance waivers. We've asked the schools to inspect it before using it, but we are going to allow them to use it. We'll table that one for now.
- As far as the lighting, we have had someone in to take a look at it. We are utilizing some products that we've obtained at no cost. We will be tabling that one for now, too.

Director Tillinghast asked, in regards to the lighting project, have we looked at the cost-savings with the new lighting that might bump that one to the top. Fred Clifford, Maintenance Supervisor said that he is looking into this, to include solar paneling, with a couple of outside companies.

Director Cabral interjected that the photovoltaic panels have low-back. You usually do not recoup your investment for 15 – 20 years. Mr. Clifford said that we'd be getting the panels at no cost.

B) Class 34 Academy

Warden Murphy stated that we budgeted \$140K for two classes of twelve cadets this year. We've invested about \$22K to-date in preparing for the next class. We currently have 17 candidates cleared to begin, with one more candidate pending. He felt that it was prudent that we run this Academy at this time. He requested permission to proceed with one class of 18 candidates. He will only run one Academy this year.

Chairman Doherty stated that, for the record, he and the Warden communicated about the orientation and he asked him to postpone it. The Finance Committee is concerned. He asked Warden Murphy if this would really save money.

Warden Murphy said that it would, as long as we didn't see a dramatic increase in sick calls or something of that nature. He said that he did not believe that would be the case, based on the history that he's observed. He went on to state that when he began working at Wyatt, we had a shortfall of Correctional Officers, where Officers were getting forced to work sixteen hour shifts three or four times a week. This was costly and the Officers became worn down.

Director Tillinghast commented that it did not appear that we were losing Officers in groups this year and that is a good thing. He asked for the headcount of Officers when Class 33 came on-board and what the headcount in that position is now.

Warden Murphy said that our previous attrition rate was twenty-two (22), but he was unsure of the current year. He deferred to Lori Pouliot, Human Resources Director. Ms. Pouliot commented that attrition was down this year.

Chairman Doherty commented on the professionalism of the Officers that he's encountered during his visits to the facility. He said that he was impressed with them and how hard they

were working. He offered that, at many agencies, after a graduation, the Officers are placed on a rank list and then hired as needed. He asked Warden Murphy what he thought of that option. Warden Murphy said that it had not been explored here and he'd like to discuss it with his staff. He cautioned that we don't know when people are going to leave, so it's a balancing game.

Chairman Doherty said that, after the summer, if the population increased, we may need more Officers, but right now, the complement is adequate. Warden Murphy agreed and asked to table this item until next month's meeting.

Chairman Doherty asked what information had been communicated to these seventeen or eighteen candidates that were cleared to begin. Warden Murphy said that they were advised of the orientation, but then informed that it was postponed. Chairman Doherty said that, if we ran this Academy, and then placed them on a hiring list, it would eliminate this whole discussion. Warden Murphy said that this would be a new way of doing business for us and he was unsure of what had been communicated to the current group of candidates. Chairman Doherty asked the Warden to give this some thought and be prepared to discuss it again at the next meeting.

C) Approval of the Commissary Services Selection

Warden Murphy described the nature of the commissary services. Keefe Commissary Services has had the contract for the past nine years, so he thought it was time we put it out for bid. We do receive commissions and revenues from this.

He designated a committee, consisting of Bob Cuzzupe, CFO, Jean Singleton, Programs Director, and Fred Clifford, Maintenance Supervisor, to review the bids and make a recommendation. Two companies put in bids: Keefe Commissary and Aramark. The committee recommended Aramark. Warden Murphy summarized the criteria that the committee used in making their decision. He pointed out that the committee utilized an objective scoring system. He stated that he questioned the committee members to ensure that no undue influence was exerted upon them (bribes, gifts, threats, etc.) He said that the new contract would result in a better product selection for the detainees, with a slight increase in cost of items, as well as an increase in revenues to the corporation. He welcomed the Board to ask questions to the committee members directly.

Chairman Doherty asked whether either of these companies had headquarters in Rhode Island. Warden Murphy stated that he was unsure, but that both did business in Rhode Island, Massachusetts, and Connecticut. Jean Singleton advised that Keefe had headquarters in Massachusetts.

Director Tillinghast asked about the cost of labor for distribution of the commissary. Bob Cuzzupe answered that facility personnel were currently responsible for the record-keeping and distribution of the commissary, but that would change with the new contract. Director Tillinghast asked if this would result in reduction in head count for the Corporation. Warden Murphy said that this decision had not yet been made and that he would discuss it further during Executive Session when he discussed the Table of Organization.

Chairman Doherty asked when the Keefe contract expired. Warden Murphy said that the new contract would be effective January 1, 2014. Director Tillinghast suggested that the Board postpone the vote for another month or so in order to review it more closely. Bob Cuzzupe said that part of the RFP was that there would be a decision by tomorrow, so the Board was supposed to vote on it tonight.

Director Tillinghast asked for more information on the various scenarios presented by the two bidders. Bob Cuzzupe presented the different options to the committee, with applicable commissions and related personnel costs for each scenario. He stated that this will be a three-year contract with a two-year renewal. At the end, Director Tillinghast summed up that the main difference between the two bids is the \$50K in rent that Aramark has agreed to pay to the corporation. Bob Cuzzupe said that Aramark's overall net was lower because there are no labor costs to us. Their staff would do the work. Director Tillinghast pointed out that this is assuming we can eliminate or redeploy the existing labor. He asked what would happen with Pastor Mike, Gail, and Jo Anne.

Warden Murphy stated that Pastor Mike would stay on in his pastoral duties.

Chairman Doherty restated that Pastor Mike would stay on in his pastoral duties, but the Warden was not sure about Jo Anne and Gail. Warden Murphy said that Gail has a number of other duties that she handles, to include detainee grievances and helping out with counseling. Jo Anne would likely be assigned to other tasks in the Finance department.

Chairman Doherty asked, if the Board was to approve this, could Warden Murphy assure him that with the shifting of duties into other openings in the facility, there will be salary savings somewhere else. Warden Murphy said that there are long term plans that fit in with the discussion of the Table of Organization, but right now, he can only offer that he will redeploy them to other areas that need help.

Director Tillinghast pointed out that, because this is commission-based, the revenue could go down if (product) costs are such that the volumes of sales go down. Warden Murphy said that he and the committee did their due diligence and he is reasonably comfortable that this a good move for the Corporation.

Motion made by Director Cabral to approve the selection of Aramark for commissary services; seconded by Director Tillinghast. All were in favor. Motion carried.

D) Board Member Training

Item tabled until next meeting. Chairman Doherty indicated that he wanted to schedule a two or three hour block in the Fall for training.

E) Conflict of Interest Policy

Chairman Doherty stated that he has a draft policy for Attorney Lynch-Gadaleta to review. It is a policy for the Board Members and for the Warden.

Attorney Lynch-Gadaleta said that there is mention of conflict of interest in the enabling statute, so she could compare that to Chairman Doherty's draft. It is included in the oath that Board Members take at the City Hall.

Chairman Doherty confirmed that Board Members do not sign anything related to conflict of interest. He submitted a copy of the draft to Attorney Lynch-Gadaleta and tabled the item until the next meeting.

F) Creation of Governance Committee

Chairman Doherty said that, to ensure that everyone is in compliance, the Board should have a Corporate Governance Committee. As long as the Board Members concur, he would like to establish a committee similar to the Finance Committee. This item was tabled

until the next meeting for further discussion in coordination with the Conflict of Interest Policy.

G) Report of the CFO

The following is a brief summary of the financial results for Central Falls Detention Facility Corp. for the period ended May 31, 2013.

REVENUE

Total revenue for the month was approximately \$2.0M, a decrease of \$10k compared to April. ADP for the month was 605 compared to 631 for April. Revenue for the month was unfavorable to budget by \$89k. The budgeted ADP was 634 for the month compared to the actual of 605. YTD Revenue is \$10.0M, \$322k unfavorable to budget.

OPERATING EXPENSES

Total operating expenses for the month were \$1.4M, \$38k higher than April. Total Operating expenses for the month were 41K favorable to the budget. YTD operating expenses are \$7.1M, \$7k unfavorable to budget. Total salaries and fringe were approximately \$1.0k, \$48k favorable to budget partly attributable to maintaining vacancies in our staffing. Total inmate care expenses were \$132k, \$9k favorable to budget; attributable to lower costs in programs and education and medical supplies. Total direct and administrative expenses were \$146k, \$23k unfavorable to budget. The increase was due to legal expense \$9k, consulting \$6k, training \$4k and personal property tax paid on leased copy machines of \$4k. Total insurance expenses were \$50k which is \$1.5K unfavorable to budget. The increase was due to general liability insurance being higher than budgeted. Total building and utility expenses were \$101k, \$8k favorable to budget. This was due to capital company land lease being \$5k lower than budgeted and a \$3K savings in total for utilities billings.

OPERATING INCOME

Operating income for the month was \$601k, \$48k unfavorable to budget. The decrease is the primary result of the shortfall in revenue related to the lower than anticipated ADP and increases in operating expenses. YTD operating income is \$2.96M, \$329k unfavorable to budget.

NON-OPERATING REVENUE/EXPENSE

Non-Operating Expenses for the month were \$791k, \$80k favorable to budget. The variance is due to the way interest income is being recognized and the change in depreciation.

CHANGE IN NET ASSETS

Change in net assets for the month was a decrease of \$191k compared to a budgeted decrease of \$223k.

CASH

The following are the cash balances in the trustee accounts as of May 31, 2013:

- General Revenue Fund \$1,222,183
- Debt Service Fund \$2,357,636
- Debt Service Reserve Fund \$6,381,264

CFO Cuzzupe informed the Board that he will do two months financials at the next meeting in order to compensate for the meeting that was missed in June.

Motion to accept the CFO's report made by Director Tillinghast; seconded by Director Rios. All were in favor. Motion carried.

H.) Reports of the Warden and/or Legal Counsel (as necessary); ADP update; Emergency purchases.

Today's ADP is 569. It has continued to decline from a high of 631 in April. He continues to reach out to the Marshals and explore other options.

He continues to explore the option of housing a pilot re-entry program at the facility. He has developed a plan and feels we are ready for implementation. He explained to the Board how and why such a program operates.

We've enhanced or are enhancing our programs in anticipation of this. Aramark has developed a Serv-safe food program for detainees who wish to work in food services. We have a vendor coming in to teach how to buff and strip floors. We are looking into making that a formal program. The barbershop has an apprentice program in place.

The facility raised in excess of \$4K for the Special Olympics. Some staff members participated in the Torch Run.

Central Falls Police have obtained a K-9. He sent them a draft MOU that would enable the facility to use that K-9. The facility would pay an annual stipend.

Aramark and our staff are working with Progresso Latino on a project called Samaritan's Feet, where they provide socks and shoes to children in need.

We assisted the CF Fire Department. We loaned them Scott Air Packs for an event that they had.

We allow many agencies, including the CF Fire and Police Department to utilize the Training Building for their training needs.

We signed a three-year extension to the Navy contract.

We extended the gas and electric contract through 2017. Gas rates will remain the same. Electric rates will increase slightly.

RI Marshals inspected on May 30th, with no deficiencies noted.

We had a productive labor-management meeting with the FOP. We will need to enter into contract negotiations with them in the Fall, as the contract expires next July.

We accepted 13 donated computers from the Wheeler School in Providence.

We have six youths participating in the Summer Jobs Program that we do not pay for.

We are looking at the legalities of extending the existing phone contract. The company has offered to pay an additional 6-8% in commissions.

We had one detainee-on-detainee altercation this month with no weapons involved and no staff injuries.

On July 9th, we had a power outage. A transformer overheated. It was a good exercise for the staff, as they had to use keys and exercise the emergency plans.

- 5.) Agenda items for next Board Meeting scheduled for August 21, 2013 @ 5:30pm.
No discussion

Motion to go into Executive Session made by Director Rios; seconded by Director Tillinghast. All were in favor. Motion carried.

- 6.) 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 Cornell litigation; Fink tax case; Almonte Forensic Audit; Bailey review of Belford/Morales incident
- 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

Motion to end Executive Session and return to Open Session made by Director Tillinghast at 7:45pm; seconded by Director Rios. All were in favor. Motion passed.

Motion to seal the minutes of Executive Session made by Director Tillinghast; seconded by Director Rios. All were in favor. Motion passed.

There was discussion regarding the items listed in Executive Session. No motions or votes were made.

Agreement was reached to change the next Board Meeting to Tuesday, August 20, 2013.

8. Adjournment.

Motion to adjourn made by Director Tillinghast @ 7:48pm; seconded by Director Rios. All were in favor. Motion passed.