

Central Falls Detention Facility Corporation Meeting Minutes
Tuesday, February 11, 2014
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 – 4:00 p.m.

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

2) Pledge of Allegiance

3) Public Comment
No public comment

Chairman Doherty recognized FOP President Anthony Rainville and Central Falls City Council Member Tia Ristaino-Siegel, who were present at the meeting.

4) Approval of Minutes 12/19/13

Motion to approve the minutes of the 12/19/2013 meeting made by Director Cabral; seconded by Director Tillinghast. All were in favor. Motion passed.

5) New Business

A. Class 35

Warden Murphy asked for the Board's permission to begin the recruitment process for the next Correctional Officer's Academy. He cited the fact that the facility tends to lose Officers to other agencies. MA, CT, and RI are holding hiring processes. He said that, if we start the process now, Class 35 would tentatively graduate by August 1, 2014.

Chairman Doherty clarified that Warden Murphy was seeking permission to begin the application process, but not the selection process to include the physical or the psychological testing. Warden Murphy confirmed. Chairman Doherty further clarified that there was no extensive cost associated with this. Warden Murphy said that the cost would be limited to the advertising fee, about \$700.

Director Tillinghast asked if this would likely be the only Academy to be held this year. Warden Murphy said that, if there was another class this year, it would be toward the end of the year, going into next year.

Chairman Doherty asked if we've lost Officers since the last class came on-board. Warden Murphy said that we've only lost a couple.

Director Tillinghast asked if there was a downside to delaying this process for thirty (30) days. Warden Murphy said that, right now, with the current population, he is okay. However, if one or both of the projects that we are looking at comes through, we could run into an issue of burning out our correctional officers.

Director Tillinghast asked if the Municipal Training Academy was on a set schedule. Warden Murphy said that it was usually held in January and July. We did not lose anyone in January, but he worries about July.

Motion to approve the start of the application process made by Director Tillinghast; seconded by Director Rios. All were in favor. Motion passed.

B. BOD Training Session Agenda

Chairman Doherty stated that the Board of Directors training is scheduled for March 17th from 4:00p.m. – 6:30p.m. The agenda includes corporate governance, open meetings law, and ethics.

Director Tillinghast asked if either Chairman Doherty or Attorney Lynch-Gadaleta spoke with the Mayor in regards to filling the vacant seat on the Board. He thought that it would be beneficial if this person could be appointed before the training so that he/she could participate in the training.

Chairman Doherty concurred. He said that he had discussed filling the seat with the Mayor, as he thought that it was beneficial to have a female to fill the seat. He said that he would contact him again tomorrow.

C. Report of CFO

1) Current Cash Report

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

REVENUE

Total revenue for the month was approximately \$1.8 M, an increase of \$107K compared to November. The increase was due to contract services being higher by \$61K. Transportation was higher by \$4K, telephone and commissary revenue was also higher by \$42K. ADP for the month was 532 compared to 530 for November.

Revenue for the month was unfavorable to budget by \$292K. The budgeted ADP was 637 for the month compared to the actual of 532.

YTD Revenue is \$22.9M, \$2.2M unfavorable to budget.

OPERATING EXPENSES

Total operating expenses for the month were \$1.5M, \$141K higher than November. Total operating expenses for the month were \$43K unfavorable to the budget. YTD operating expenses are \$17.3M, \$53K favorable to budget.

Salaries and Fringe

Total salaries and fringe were approximately \$1M, \$6K unfavorable to budget attributable to higher than budget payroll taxes.

Inmate Care Expenses

Total inmate care expenses were approximately \$137K, \$4K favorable to budget. The decrease was due to lower food service expenses \$2K and inmate clothing \$2K.

Direct & Administrative Expenses

Total direct and administrative expenses were approximately \$146K, and were \$23K unfavorable to budget attributable to employee uniform expenses \$14K (class 34 first uniform), vehicle repairs of \$4K, and expenses related to temporary help for maintenance department and compliance departments for \$5K.

Insurance Expense

Total insurance expenses were approximately \$46K which is \$2K favorable to budget. The decrease was due to medical mal practice insurance renewing at a lower premium.

Building & Utility Expenses

Total building and utility expenses were approximately \$130K, \$20K unfavorable to budget. This was due to increased building repairs of \$12K caused by electrical issues throughout the building, and \$8K of catch up billings on water and sewer billings from prior periods.

OPERATING INCOME

Operating income for the month was \$301K, \$334K unfavorable to budget. The decrease is the primary result of the shortfall in revenue related to the lower than anticipated ADP.

YTD operating income is \$5.7M, \$2.1M unfavorable to budget.

NON-OPERATING REVENUE/EXPENSE

Non-Operating Expenses for the month were \$797K, \$79K 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 \$497K compared to a budgeted decrease of \$241K.

2) Overview of accounts update

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

General Revenue Fund	\$1,651,807
Debt Service Fund	\$1,556,046
Capital Improvement	\$ 4
O & M Account	\$ 382,337
Debt Service Reserve Fund	\$5,325,083
Fees & Expenses	\$ 3,009

CFO Cuzzupe said that the facility did make the debt service payment of \$4.4M as of January 15th. In order to do this, we used \$2.3M from the debt service reserve fund.

Director Tillinghast clarified that the debt service reserve fund stands at \$3,020,650. The level set for this account in the indenture of trust is \$8.8M, one year's worth of principal and interest. We are approximately \$5.8M underfunded in that account.

Chairman Doherty recognized Mike Geezil, who has helped the Board in matters pertaining to finance. Mike Geezil pointed out that in 2013 we failed to make debt service coverage by \$2.8M. Most of the facility's costs are fixed costs. We have to heat the building. Posts need to be filled. At the end of the day, it's not the expenses side it's the income side that needs to improve. Chairman Doherty reiterated that this is attributable to the low ADP, which is out of the Corporation's control.

Motion to accept the financial report was made by Director Tillinghast; seconded by Director Rios. All were in favor. Motion passed.

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

Warden Murphy offered the following:

- ADP today is 501; end of day ADP is expected to be 505; ADP for December was 532; January's ADP was 520.
- ADP year-to-date is 520; our ADP for 2013 was 574.
- He is hopeful that the US Marshals population will rise this year. He based this on conversations that he had with the Marshals
- We are waiting for the report and analysis of the ICE pre-occupancy review. We believe that the audit went very well. We had two of the founding fathers of ICE standards at the facility conducting this review. He is optimistic that we can re-engage ICE.
- He commended Anthony Rainville and the FOP union for working closely with him on solutions to issues.
- Based on his experiences in Connecticut, we developed a proposal for a Reentry Program for offenders. He sent that to the Federal Bureau of Prisons. They toured the facility last night and he thinks that went well also.
- Director Cabral asked if the Reentry Program would require any changes to the physical plant. Warden Murphy responded that, at this point, it would not. He said that if changes became necessary, he would approach the Board before proceeding.
- Director Tillinghast asked if there were additional costs associated with the added level of service for the reentry program. Warden Murphy said that it would require him to open closed areas. He would need more Officers to cover those areas. He would also need a Counselor to oversee the Reentry Program. He recently advertised for a Counselor to prepare for this. He said that he made it clear that if they needed additional services, there would be a cost associated with it.
- Warden Murphy said that he included statistical information from the last three years in the Board Members packets.

6) Agenda items for next Board Meeting scheduled for March 19, 2014 @ 5:00pm

Next meeting rescheduled for Monday, March 17, 2014 at 2:00p.m.

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

7) 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 litigation concerning Cornell, the Fink property tax bill, and an Arbitration decision.
- B. RIGL § 42-46-5(a)(2) and RIGL § 42-46-5(a)(3) for the purpose of discussing reassessment of the model for legal services.
- C. RIGL § 42-46-5(a)(3) for the purpose of receiving an operational report from the Warden.

Motion to return to Open Session made by Director Cabral at 5:16p.m.; seconded by Director Rios. All were in favor. Motion passed.

Motion to seal the minutes of Executive Session made by Director Cabral at 5:17p.m.; seconded by Director Tillinghast. All were in favor. Motion passed.

8) Adjournment

Motion to adjourn made by Director Tillinghast at 5:17p.m.; seconded by Director Cabral. All were in favor. Motion passed.