

Central Falls Detention Facility Corporation Meeting Minutes
Monday, April 14, 2014
Wyatt Detention Facility Training Building
935 High Street
Central Falls, RI 02863
5:00 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 – 5:00 p.m.

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

- 2) Pledge of Allegiance

- 3) Public Comment

Former Mayor Tom Lazieh asked about the status of payments for the Fink property tax, as to whether there was a timetable in effect for payments. He asked about payments to the City of Central Falls. He commented that the City has not received any payments from the facility since 2008. This is a substantial amount of revenue lost to the City of Central Falls. He stated that this is totally unacceptable that the (Wyatt Detention) facility, which the City hosts and which he brought to the City, has not contributed any money to them. To him, reinstating these payments should be the first priority. He asked how many openings on the Board existed. (Chairman Doherty responded that there was one opening right now.) Mayor Lazieh suggested that Chairman Doherty should be in touch with the Mayor of Central Falls to get this position filled, preferably by a Central Falls resident. He asked about the new Academy class, any outstanding lawsuits, and the Ernie Almonte Report. He said that the Almonte Report was highly publicized, but he hasn't seen any changes or heard anything further about it and it's been a year. He asked about any discussions with ICE regarding returning detainees to the facility. He said that he thinks that the facility is being run well. The leadership is good, but there needs to be some relief to the taxpayers of Central Falls. He asked about any other support that the Corporation was providing to the City, adding that in the past, the facility has donated vehicles and equipment. He added that what the City needs most urgently is taxpayer relief, and right now they are not getting that without revenue from the facility.

Chairman Doherty responded that there is nothing more that he'd like to do than get money to the City. Before joining the Board, he thought that this was something that would be easy to do, but then he became aware of the bond documents and the waterfall. The impact fees come in last after financing the operations of the facility. He hopes to get to a situation where we can reinstate the impact fees. As to the Almonte Report, he said that the report is complete, but there are security matters that impact the safety of the employees, so the document will remain confidential. It has been turned over to appropriate law enforcement to include the Attorney General's Office and the U.S. Attorneys. He agreed that the facility is being run well and ethically-sound. Unfortunately, there was an incident here a few years back that resulted in the loss of many detainees. He is working, along with the current Administration, to restore that. He's had some great conversations with individuals from the federal government in regards to getting detainees from ICE and the BOP. He maintains contact with Jaime Hainesworth, the U.S. Marshal, and the State Police Superintendent.

Other than the security issues, he runs the facility transparently and is willing to discuss anything that Mayor Lazieh would like to discuss.

Mayor Lazieh asked about outstanding lawsuits.

Attorney Lynch-Gadaleta offered that the Fink matter is still pending, Cornell was just settled within the last few days, and the Salisbury matter is criminal. Salisbury will be prosecuted. The case is forth-coming, but she is unsure of the date. Ventetuolo is still outstanding, too.

Chairman Doherty added that he has been in contact with the Mayor in regards to filling the vacant Board seat. It is a Central Falls resident seat.

Mayor Lazieh asked if there was any legislative action before the general assembly in regards to refinancing the detention center. Chairman Doherty said that there was not.

4) Approval of Minutes 3/17/14

Motion to approve the minutes of the 3/17/2014 meeting made by Director Cabral; seconded by Director Tillinghast. All were in favor. Motion passed.

5) New Business

A. PREA Mandate

Warden Murphy said that for approximately ten years, there has been a Prison Rape Elimination Act in place, signed into effect by President Bush. The Facility has had a strong policy in place, but with new federal regulations that were released, there will be additional requirements that need to be implemented. We will need to have a PREA Coordinator and a Manager. At some point, he will be filling a position, probably in the Investigations Unit. The Investigations unit is overseen by Deputy Warden Tapley and it is a very busy area. We are fortunate enough to have Investigator Villa, a former law enforcement officer to assist him.

Director Tillinghast asked whether this required a whole position or whether it could just be tacked onto to someone else's responsibilities. Warden Murphy said that he can only ask people to do so much and this may be more than that area can handle with the current staffing. It is a position that he will probably have to fill in the Investigations area.

Warden Murphy added that he will be meeting with the Marshals on Thursday to make sure we are all on the same page as far as the requirements are concerned. It is a mandate that the facility will probably be audited on in August.

B. Capital Projects

Warden Murphy said that there were two projects approved for this year. One is new radios. We are nearing the life expectancy of our current radios. The new radios are in. They are being programmed and the staff is being trained on them. The second project for this year is the Windows XP project. This conversion has a significant impact on law enforcement requirements in the systems that we belong to and are overseen by the RI State Police. In order to fund this project, we delayed the PVI piping project for the water tanks until next year. We have no alternative but to do this. The Trustee and the Bondholders have approved this change. Right now, 33 out of 90 computers have been upgraded.

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 March 31, 2014.

REVENUE

Total revenue for the month was approximately \$1.6M, an increase of \$110K compared to February. The increase was due to contract services being higher by \$112K (more man-days to bill), transportation being higher by \$8K, telephone, commissary and other revenue being lower by \$10K. ADP for the month was 486 compared to 499 for February.

Revenue for the month was unfavorable to budget by \$431K. The budgeted ADP was 598 for the month compared to the actual of 486.

YTD Revenue is \$4.9M, \$1.1M unfavorable to budget.

OPERATING EXPENSES

Total operating expenses for the month were \$1.3M, \$10K lower than February. Total operating expenses for the month were \$97K favorable to the budget.

YTD operating expenses are \$4.1M, \$115K favorable to budget.

Salaries and Fringe

Total salaries and fringe were approximately \$951K, \$19K favorable to budget; attributable to overtime \$5K, salaries \$9K, and vacation expense being \$5K lower than budgeted.

Inmate Care Expenses

Total inmate care expenses were approximately \$97K, \$39K favorable to budget. The decrease was due to lower food service expenses \$22K, medical supplies \$2K, professional services \$11K, and programs & education \$2K.

Direct & Administrative Expenses

Total direct and administrative expenses were approximately \$107K, and were \$64K favorable to budget. The decrease was due to lower than expected legal expense of \$61K and consulting fees of \$3K.

Insurance Expense

Total insurance expenses were approximately \$46K and on-budget.

Building & Utility Expenses

Total building and utility expenses were approximately \$131K, \$24K unfavorable to budget. This was due to increased building repairs of \$3K and higher than expected electrical and gas utility billings of \$21K.

OPERATING INCOME

Operating income for the month was \$275K, \$330K 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 \$722K, \$948K unfavorable to budget.

NON-OPERATING REVENUE/EXPENSE

Non-Operating Expenses for the month were \$778K, \$34K favorable to budget. The variance is due to the way the depreciation and amortization is being calculated.

CHANGE IN NET ASSETS

The change in net assets for the month was a decrease of \$503K, compared to a budgeted decrease of \$204K.

2) Overview of accounts update

The following are the cash balances in the trustee accounts as of March 31, 2014:

General Revenue Fund	\$1,533,724
Debt Service Fund	\$ 610,136
Capital Improvement	\$ 4
O & M Account	\$ 241,108
Debt Service Reserve Fund	\$3,020,650
Fees & Expenses	\$ 121,481

Director Tillinghast asked what the balance in the debt service fund should be if we were on par with the July payment. CFO Cuzzupe said that it should be about \$1.8M. We are short about \$1.22M. Director Tillinghast said that from a cash flow perspective, we are burning about \$300K - \$400K per month so theoretically, we could exhaust the debt service reserve fund with the July payment. CFO Cuzzupe concurred. Director Tillinghast said that obviously the ADP is the most concerning but that there are some structural fundamental issues with the cost structure that are jumping off when the revenue is evaporating so precipitously.

Warden Murphy said that it's all about revenue and bodies. We are in constant conversation with the primary bondholder and he is very well aware of our situation. There will be more conversations on that matter.

Mike Geezil, Consultant to the Board, clarified that if we maintain an ADP of 500, we would need about \$3M from the reserve to make the July payment.

Director Tillinghast affirmed with the Warden that he'd spoken with the Bondholders and that they were aware of our revenue situation. He commented that they are probably seeing this across the board with other similar facilities. He asked if they were willing to work with us through our current revenue shortfall, with the \$8.8M reserve fund nearly exhausted. Warden Murphy confirmed that he had conversation with the Bondholders and surmised that they'd had further discussions amongst themselves after speaking with him.

Director Tillinghast said that there are some fundamental issues that need to be addressed. One is the lack of revenue from the telephone. Another is the staffing protocol. He recognizes that there are security things that can't be talked about in open session. We are currently at about 75% of our planned staffing complement. If we were at full complement, it would add another \$13 - \$14 to the cost structure. Obviously, that's not feasible in our near future. If we were at full capacity, it would be tough to turn a profit at full complement. He asked Mr. Geezil to comment.

Mr. Geezil said that if we were at full capacity every single day, we might make a profit of \$1M. In 2010, the ADP was 606. In 2011, it was 649. This was prior to when the Marshals began taking the detainees out immediately after adjudication. That is an approximate ADP impact of 34. Even if we had full capacity every single day and we made \$1M, it would take eight (8) years to finance the reserve. To address the Mayor's comments, he said that payments to Central Falls are not going to happen anytime soon.

Warden Murphy said that he felt that last year, we hit bottom. In March, we've seen a slight trend upward. We are seeing positive indications. We are hoping to gain 22 -23 bodies in the next couple of days. He said that in the past two years, we've done a lot of hard work in reestablishing this facility and making connections to sell this facility. We did get a letter stating that the regional office in Boston can house ICE detainees here. ICE sent in some key auditors to inspect the facility and they liked what they saw. That's a positive sign. (Chairman Doherty added that this was all within the last two months.)

Warden Murphy said that the other initiative that we did was in working with the Federal Bureau of Prisons, we made what's called a re-entry proposal to house detainees that are nearing discharge and taking the final steps. The third group that we're targeting is what is called program failures. As recently as last week, he was working with the Regional Director of Re-entry Services to put the final revisions to the proposal. The Director sounded optimistic and he is optimistic that this will come to fruition. He added that we wait every day to get the call that to take more detainees.

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

Warden Murphy offered the following:

- ADP today is 494; end of day ADP is expected to be 501; we expect to gain another 10 -14 tomorrow from one venue
- Staff count is at 167
- We have twenty-eight (28) candidates remaining in the process for Class 35. We are in the process of running background checks. Psychological testing is scheduled to begin on April 23rd.
- Marketing efforts - He stays in constant communication with the Marshals. He offers any assistance that they need in the courts.
- Community Outreach – We will be assisting with the Progreso Latino May Breakfast on May 1st @ the Knights of Columbus in Central Falls.
- Correctional Employees Week – May 5 – 9; Award Ceremony is scheduled for Wednesday, May 7th. Board Members are invited to attend.
- Four minor detainee-on-detainee incidents; no serious injuries

6) Old Business

A. Class 35

No discussion.

- 7) Agenda items for next Board Meeting scheduled for May 21, 2014 @ 5:00 p.m.
No items discussed.

Motion to go into Executive session made by Director Tillinghast at 5:41 p.m.; seconded by Director Rios. All were in favor. Motion passed.

- 8) 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 and discussing the need for outside legal counsel for special assignments.
 - 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.
 - D. RIGL § 42-46-5(a)(1) for personnel discussions relating to staff resignations, potential vacancies, and post coverage.

Motion to return to Open Session made by Director Rios at 7:15p.m.; seconded by Director Tillinghast. All were in favor. Motion passed.

8) Adjournment

Motion to adjourn made by Director Rios at 7:15p.m.; seconded by Director Tillinghast. All were in favor. Motion passed.