

**Central Falls Detention Facility Corporation Meeting Minutes**  
**Monday, April 6, 2015**  
**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) Introduction of new Members of the Central Falls Detention Facility Corporation Board of Directors.

Agostinho "Gus" Silva is a thirty-year resident of the City of Central Falls. He has been a Representative for the 56<sup>th</sup> District in the State of Rhode Island for eight years. He has served as a member of the Central Falls School Committee for ten years. He looks forward to serving on the Board for the Central Falls Detention Facility.

Joseph Gonsalves is a retired Lieutenant from the Central Falls Police Department. He retired in 2010. Since 2011, he has been employed with the Rhode Island Sheriffs'. He is honored to be a part of the Board of Directors and looks forward to getting the facility back on track and in the positive.

Albert "Bud" Gardner began working for the RI Department of Corrections in 1969. He began his career as a Correctional Officer and held many positions during his tenure there. He retired in 2001 at which time he held the position of Assistant Director. He loved his career in corrections and looks forward to working in the business again.

Lisa Dinerman, Esq. has been a practicing attorney in the State of Rhode Island for 33 years. She has worked in private practice as well as for the Attorney General's Office, the U.S. Attorney's Office, and she currently works for the City of Providence. She looks forward to lending her knowledge and abilities to the Board.

Luke Gallant is a retired Detective-Captain from the Woonsocket Police Department. He was there for 22 years. He left there and joined the Worcester County Jail and House of Corrections as the Assistant Superintendent of Special Services which is the security and law enforcement side of the jail. He was there for about six years. He is now employed as the manager of Facilities, Security and Health and Safety for BJ's Wholesale Club Corporate Division and Distribution. He was amazed at what he learned in his six years at Worcester County and the appreciation that he now has for the Corrections profession. He is not a politician. He doesn't want to talk about yesterday. He only wants to focus on tomorrow and what we can do better. He intends to act in the best interest of the facility and what we need to do to move forward.

- 2) Public Comment  
No public comment.
- 3) To consider the election of Chairman/Board Officers

Motion by Director Gonsalves to nominate Luke Gallant as Chairman; seconded by Director Dinerman. All were in favor. Motion passed.

Motion by Chairman Gallant to nominate Lisa Dinerman as Vice-Chair; seconded by Director Gardner. All were in favor. Motion passed.

Motion by Chairman Gallant to nominate Joseph Gonsalves as Secretary; seconded by Director Dinerman. All were in favor. Motion passed.

Motion by Director Gallant to nominate Gus Silva as Treasurer; seconded by Director Gonsalves. All were in favor. Motion passed.

- 4) To consider the retention of Counsel for the Central Falls Detention Facility Corporation.\*

Deferred to Executive Session

- 5) To consider, as may be appropriate, matters covered in the Chief Financial Officer's Report.

CFO Robert Cuzzupe presented the following:

The following is a brief summary of the financial results for Central Falls Detention Facility Corp. for the period ended December 31, 2014.

**REVENUE**

Total revenue for the year was approximately \$19.7MM.

Revenue for the year was unfavorable to budget by \$4.4MM.

The budgeted ADP was 600 for the year compared to the actual of 504.

**OPERATING EXPENSES**

Total operating expenses for the year were approximately \$17.4MM, \$134K favorable to the budget.

*Salaries and Fringe*

Total salaries and fringe were approximately \$12MM, \$80K favorable to budget.

*Inmate Care Expenses*

Total inmate care expenses were approximately \$1.5MM, \$144K favorable to budget.

*Direct & Administrative Expenses*

Total direct and administrative expenses were approximately \$1.7MM, \$289K favorable to budget.

*Insurance Expense*

Total insurance expenses were approximately \$583K, \$9K favorable to budget.

*Building & Utility Expenses*

Total building and utility expenses were approximately \$1.7MM, \$387K unfavorable to budget.

**OPERATING INCOME**

Operating income for the year was \$2.2MM, \$4.3MM unfavorable to budget. The decrease is the primary result of the shortfall in revenue related to the lower than anticipated ADP.

**NON-OPERATING REVENUE/EXPENSE**

Non-Operating Expenses for the year were \$9.6MM, \$220k favorable to budget.

## **CHANGE IN NET ASSETS**

Change in net assets for the year was a decrease of \$7.3MM compared to a budgeted decrease of \$3.2MM.

Chairman Gallant asked CFO Cuzzupe if there were any emergency expenses or capital expenditures that needed immediate consideration. CFO Cuzzupe stated that the facility was on target with the capital expenses that were approved in the budget.

Motion by Director Gardner to accept the January CFO's Report; seconded by Director Silva. All were in favor. Motion passed.

The following is a brief summary of the financial results for Central Falls Detention Facility Corp. for the period ended January 31, 2015.

## **REVENUE**

Total revenue for the month was approximately \$1.5 MM.

Revenue for the month was unfavorable to budget by \$146k. The budgeted ADP was 500 for the month compared to the actual of 458.

YTD Revenue is \$1.5MM, \$146k unfavorable to budget.

## **OPERATING EXPENSES**

Total operating expenses for the month were approximately \$1.5MM.

Total operating expenses for the month were \$15k favorable to the budget.

### *Salaries and Fringe*

Total salaries and fringe were approximately \$1MM, \$9k unfavorable to budget attributable to higher than budget payroll taxes. The taxes are budgeted over a 12 month period not front loaded.

### *Inmate Care Expenses*

Total inmate care expenses were approximately \$129k, \$1k unfavorable to budget.

### *Direct & Administrative Expenses*

Total direct and administrative expenses were approximately \$133k, and were \$30k favorable to budget due to lower than expected legal fees of \$30k.

### *Insurance Expense*

Total insurance expenses were approximately \$53k, \$1k unfavorable to budget.

### *Building & Utility Expenses*

Total building and utility expenses were approximately \$160k, \$3k unfavorable to budget. This was due to increased building repairs of \$19k and lower than expected heating and electrical costs of \$15k, and lower telephone expenses of \$1k for the month.

## **OPERATING INCOME**

Operating income for the month was \$16k, \$131k unfavorable to budget. The decrease is the primary result of the shortfall in revenue related to the lower than anticipated ADP.

## **NON-OPERATING REVENUE/EXPENSE**

Non-Operating Expenses for the month were \$793k, \$3k favorable to budget. The variance is due to how I calculated the interest when preparing the budget and lower than anticipated depreciation expense.

## **CHANGE IN NET ASSETS**

Change in net assets for the month was a decrease of \$809k compared to a budgeted decrease of \$681k.

## **CASH**

The following are the cash balances in the trustee accounts as of January 31, 2015:

### **US BANK**

General Revenue Fund	\$ 1,499,011
Debt Service Fund	\$ 0
Debt Service Reserve Fund	\$ 122,403
Capital Improvement Fund	\$ 4
Operations & Maintenance Fund	\$ 454,938
Fees & Expenses Fund	\$ 132,131
Bondholder Account	\$ 2,520,652

### **BANK OF AMERICA**

Operations & Maintenance	\$ 136,948
Vendor Payments	\$ 142,622
Payroll	\$ 9,172

Chairman Gallant asked how many detainees it takes to break even for the month. CFO Cuzzupe said that he did not have that information in front of him, but he believed it was about 680. Warden Murphy interjected that this number included the bond payment.

Motion by Director Gardner to accept the January CFO's Report; seconded by Director Silva. All were in favor. Motion passed.

Director Dinerman asked if the next report the Board received would be the quarterly report. CFO Cuzzupe stated that he usually did a monthly report, but he could do a quarterly report if the Board preferred.

Warden Murphy offered the following:

- The detainee count today is 441. The budgeted ADP is 500.
- March ADP is 438. Year-to-date ADP is 444. Last year's ending ADP was 504.
- FTE (staffing) was 159.86. We currently have 11 employees on leave.
- Class 36 is on-target to begin on May 18<sup>th</sup> with 22 candidates left in the process.
- We have a high attrition rate. Because our training is so good, a lot of law enforcement agencies tend to hire our staff.
- Since March 3<sup>rd</sup>, we've had three minor detainee altercations. There were no weapons involved and no staff injuries.
- Two weeks ago, we conducted a facility-wide shakedown with assistance from Central Falls and RI State Police K-9s. There were no drugs or weapons found. That is quite a tribute to the staff who work to keep the institution secure.
- We received a score of 100% compliance during our most recent ACA audit in the fall. Again, this is a tribute to our staff and the job that they do especially during the process of Receivership or Keepership.
- Last August, we had a mandatory PREA audit, that's the Prison Rape Elimination Act. We did receive a score of 100% compliance in that audit, too.
- Marketing plans were disseminated to Board members. Warden Murphy commented that we tried to bring in experts in the field, not only in operations, but in medical, too.
- Warden Murphy acknowledged FOP President Anthony Rainville. He said that he has been tremendous to work with through the Receivership process.

- As far as revenue streams, the facility has worked vehemently to reengage ICE. In January 2014, ICE inspected the facility. The three gentlemen that came were experts in the field. They actually wrote the ICE standards. They wrote a letter to the Regional office stating that ICE could house detainees here. They said that it is very rare that they allow reoccupation once detainees have been removed. We were one of only two that they recalled.
- Normal business with the US Marshals' Service has been slow.
- We also have a contract with the US Navy.
- Overall incident rates at this facility are relatively low. He attributes that to the climate and the culture that has been created here. This accolades go to the staff.
- We take part in as many activities as we can with the City of Central Falls and Progresso Latino. We allow the City, as well as other police departments to use the Training Facility.

Director Gardner asked about the attrition rate. Warden Murphy responded that last he knew, we were losing Officers at a rate of about 22 a year. This is cyclical, based on other departments hiring.

Director Gardner asked if the facility did exit interviews. Warden Murphy said that Human Resources did conduct exit interviews. He added that the facility has an Affirmative Action Plan and that our target at the present time is females.

Director Gardner asked if the facility had the breakdown of where the Officers went when they left here. Warden Murphy said that he did not have the information with him, but that we did maintain it. He agreed to provide the information to the Board.

Director Dinerman asked if we had reasons as to why people were leaving for other facilities. For instance, was it for better wages, due to working conditions, or for other reasons? Warden Murphy said that we do maintain this and agreed to provide this information, too.

Director Gardner asked if there has been anyone looking to other states that might be overcrowded as a source of detainees. Warden Murphy spoke of a reentry proposal that was prepared about a year ago that was aimed toward attracting detainees that are within a year of release. Part of the problem that we have now is that states are closing facilities. They are not looking for places to house their detainees.

Director Dinerman asked if Warden Murphy was familiar with the bid process that was put-out for a half-way house in RI. Warden Murphy said that he was. He stayed away from this scenario for safety and security reasons. This facility is a high security facility. We house some serious individuals, so we cannot let our guard down. He hopes that once this process is finalized, we will be considered at our current ITA level to house additional BOP detainees.

Chairman Gallant asked how many people would be put through the next Academy. Warden Murphy said that there were currently 22 in the process. There are over 22 openings at this time. We are managing the facility as efficiently as possible so as to minimize overtime.

Chairman Gallant asked the current staff to inmate ratio. Warden Murphy said that he didn't have the information with him at present, but would provide it to the Board at a later time. He said that he prefers to discuss matters that pertain to security in Executive Session.

Motion to accept the Warden's Report made by Director Silva; seconded by Director Gardner. All were in favor. Motion passed.

- 6) To consider for ratification the Forbearance Agreement by and between, the Corporation, the City of Central Falls, and U.S. Bank National Association, as Bond Trustee.

Chairman Gallant said that he has had conversation with the Bondholders counsel and the City's counsel, as well as with Mr. Savage, the Keeper. This agreement that was hashed out over time is amenable to everyone. It is up to the Board to ratify this going forward.

Motion made by Director Gardner to accept the Forbearance Agreement; seconded by Director Silva. All were in favor. Motion passed.

- 7) To consider potential agenda items and a date for next Central Falls Detention Facility Corporation Board Meeting.

Regularly scheduled meetings will be held on the second Monday of each month at 5:30p.m.

Motion by Director Silva to establish the second Monday of each month at 5:30 p.m. as the regularly scheduled board meeting; seconded by Director Dinerman. All were in favor. Motion passed.

Motion to go into Executive Session to discuss counsel for the Board and the upcoming search for a new Warden made by Director Gardner; seconded by Director Gonsalves. 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)(1) Personnel for purposes of discussing a Warden search

By unanimous vote, the Board has voted to retain the law firm of Panone, Lopes, Devereaux, and West in an oral agreement pending the Board's review of their engagement letter. If there are no issues, Chairman Gallant will execute the agreement in writing. If there are any issues, the Board will convene a special meeting to work through them.

By unanimous vote, the Board voted to allow Chairman Gallant to work with Ms. Pouliot to submit an RFP for a Warden's search pending Warden Murphy's departure. Chairman Gallant will discuss with Ms. Pouliot what will be included in the RFP and where it should be advertised.

Motion by Director Silva to seal the minutes of Executive Session; seconded by Director Gardner. All were in favor. Motion passed.

Chairman Gallant said that, for the next meeting, the Board will review the organizational chart to discuss any efficiencies and any room for savings. The Board should expect to receive an update from Counsel as to the transfer of files from Ms. Lynch, Mr. Fracassa, and Mr. Ragosta to Panone, Lopes, Devereaux, and West. Chairman Gallant asked Board members to get any issues that they'd like on the agenda to him so that he can make sure they are included. Discussion ensued regarding possible topics for the next meeting to include prisoner count, contracts, pending litigation, and current salaries of staff.

Director Silva asked if the Board members could have the capital plan to evaluate planned expenditures going forward. Chairman Gallant said that he'd put it on the agenda to have CFO Cuzzupe prepared to speak to that.

9) Adjournment

Motion to adjourn made by Director Dinerman; seconded by Director Silva. All were in favor.  
Motion passed.