

Central Falls Detention Facility Corporation Meeting Minutes
Monday, June 8, 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) Call to order/Roll call

Present: Chairman Gallant
Director Gonsalves
Director Gardner
Director Silva

Absent: Director Dinerman

2) Pledge of Allegiance

3) Public Comment

Former Board Member Al Romanowicz thanked the Board for what they've accomplished so far. He asked the Board to consider placing Aaron Aldrich, a retired RI DOC employee in an interim position. He said that Aldrich is well-known throughout the State because of his knowledge and integrity. He has built a reputation with both the law enforcement and corrections community. His specialty is in the area of investigations. He is not looking for a job and is not aware that he (Romanowicz) was promoting him.

Chairman Gallant acknowledged that he'd heard of Mr. Aldrich. He thanked Mr. Romanowicz for his service to the Board. He stated that the Corporation is in the process of transitioning to a new Warden. They expect to have that individual in place by mid-July and will discuss those ideas with him at that time. The Board is also working on a couple of other avenues to bring in professional help to grow the business. They are on the cusp of securing more business for this facility and they are going to pursue it as aggressively as they can.

Anthony Rainville, FOP President, stated that overtime is still an issue, so there were not any Officers available to attend the meeting. He was there to represent all of them. He thanked the Board for the major steps that they have taken already. The Officers have heard things would happen over the years, but never saw anything happen. They are excited to see things progressing in the right direction. He said that he'd like to express to the Board, the members of the Executive team, and whoever the Board brings in as Warden that the Officers are lined up and ready to go. They are excited to move the facility forward in the right direction. The past has been removed and they care only about the future. The days of the Officers standing on the other side of the line are over. The Officers are prepared to do whatever is necessary to move the facility forward.

Chairman Gallant said that the Wyatt is going to be as transparent and as lean as the Board can make it going forward. Their goal is to make this facility into one of the top in the region. They believe that they now have the personnel in-place to do that. It won't be easy. There will be difficult and uncomfortable decisions to make along the way, but in the brief tour that he took of

the facility, coupled with the Executive staff that he has had the pleasure of meeting on a couple of occasions, he believes that the pieces are in place to build a solid business. He said that the Officers will have 100% of the Board's attention.

Former Mayor Tom Lazieh stated that he is encouraged by Mr. Gallant's comments. He hopes that the facility sees brighter days and becomes more of a financial benefit to the City. The schedule of meetings is in conflict with the City Council. Their meetings are scheduled on the second Monday of every month at 6:00pm. He asked that the Board consider revising their meeting schedule. He heard at a City Council meeting of a settlement in regards to the Fink property tax situation. If there are public documents of the payments that have been abated, he'd like to get a copy of it and a copy of the agreement. He'd also like a copy of the agreement for the financial payments to the City. He understands that the payment in taxes ranged to \$300K - \$400K. From what he understands, payments to the City are now \$200K a year or thereabouts. He is curious to learn what the City lost so that they gained. He is interested in the payment schedule, if it is inclusive in the settlement agreement. He is interested in learning about the average ADP, the cash flow, the new Warden-status, and the status of the new class of recruits. He asked for a copy of the minutes from the last meeting. Also, he asked if there is any legislative action this year regarding bonding, financing, or refinancing with the General Assembly that would impact this facility.

Chairman Gallant said that, with respect to scheduling the meetings, there are conflicts with Board members for other days, so they are unable to change the schedule at this time. He is cognizant of the issue and they will keep it in mind as Board members schedules free up. The Board will be meeting throughout the summer. Chairman Gallant checked with Attorney Lopes as to whether copies of the Fink settlement agreement were available for dissemination. Attorney Lopes said that there was still negotiation going on, but it should be available for the next meeting. The forbearance agreement does provide for payments to the City. He agreed to get a copy of that document to Former Mayor Lazieh. There is a four-year plan in the forbearance agreement for the Wyatt and he has no immediate knowledge of any legislation that would affect the Wyatt at this point. As for the Warden's position, the Board initially received about 12-15 resumes for the position. Six candidates were deemed to meet the requirements of the position. One candidate withdrew because he had minimum salary requirements of \$166K. The Board met with five candidates. Four of those candidates later met with the Executive Staff so that they'd have the opportunity to vet them out for themselves. That went extremely well. The Board will discuss further action on those four remaining candidates tonight. Within that pool, there are four highly-qualified candidates. He is confident in the Wyatt's future. He expects to hire a good candidate at the right price point who can drive this facility into the future. We have a class of fifteen in the current class and the Board has approved the registration and solicitation of the next class. Efforts with ICE and other partners are underway. He is confident that we will gain the lion's portion of Marshal Hainesworth's business given discussions that he's had with him. He hopes to establish Wyatt as a site for ICE's placement of female detainees. Wyatt has been selected as a potential site for these placements and he'll take whatever efforts necessary to bring that to fruition. He is confident that whatever Warden is put in place will effectively handle this business.

4) Approval of 5/11/15 minutes

Motion by Director Gardner to approve the minutes of the 5/11/15 meeting; seconded by Director Gonsalves. All were in favor. Motion passed.

5) New Business

A. Bacon & Company – 2014 Audit Report

Cheryl Langevin, the manager of the engagement, presented a broad overview of the audit report (attached). The facility received a “going concern” rating, as they continued to lose money in 2014.

Chairman Gallant said that he needed time to absorb the information before he could ask any questions, but the Board members are aware of the situation that they face.

Motion by Mr. Silva to accept the 2014 Audit Report; seconded by Mr. Gonsalves. All were in favor. Motion passed.

B. Report of the CFO

The following is a brief summary of the financial results for Central Falls Detention Facility Corp. for the period ended April 30, 2015.

REVENUE

Total revenue for the month was approximately \$1.4 MM.

Revenue for the month was unfavorable to budget by \$161k. The budgeted ADP was 500 for the month compared to the actual of 443.

YTD Revenue is \$5.7MM, \$695k unfavorable to budget.

OPERATING EXPENSES

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

Total operating expenses for the month were \$47k unfavorable to the budget.

Salaries and Fringe

Total salaries and fringe were approximately \$1MM, \$65k unfavorable to budget attributable to higher than expected overtime of \$65K.

Inmate Care Expenses

Total inmate care expenses were approximately \$151k, \$25k unfavorable to budget. This was attributable to higher than expected food service expenses of \$7K, and professional services of \$17k.

Direct & Administrative Expenses

Total direct and administrative expenses were approximately \$170k, and were \$10k favorable to budget due to lower than expected bondholder legal fees of \$80k legal settlements \$16,500, vehicle fuel \$3k, employee screening \$3k, office supplies \$2k, security supplies \$3k. Higher than expected expenses pertaining to employee uniforms \$5k, Forbearance agreement payment of \$50k, in house legal fees of \$35k, housekeeping supplies \$1k, and IT consulting fees of \$6k.

Insurance Expense

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

Building & Utility Expenses

Total building and utility expenses were approximately \$123k, \$34k favorable to budget. This was due to decreased building repairs of \$4k and lower than expected heating and electrical costs of \$30k for the month.

OPERATING INCOME

Operating loss for the month was \$85k, \$207k unfavorable to budget. The decrease is the primary result of the shortfall in revenue related to the lower than anticipated ADP and additional operating expense.

NON-OPERATING REVENUE/EXPENSE

Non-Operating Expenses for the month were \$794k, \$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 \$879k compared to a budgeted decrease of \$674k.

CASH

The following are the cash balances in the trustee accounts as of April 30, 2015:

US BANK

General Revenue Fund	\$ 1,465,651
Debt Service Fund	\$ 0
Debt Service Reserve Fund	\$ 122,405
Capital Improvement Fund	\$ 4
Operations & Maintenance Fund	\$ 567,857
Fees & Expenses Fund	\$ 237,608
Bondholder Account	\$ 2,270,652

BANK OF AMERICA

Operations & Maintenance	\$ 29,320
Vendor Payments	\$ 150,310
Payroll	\$ 13,692

Chairman Gallant asked why the cost of detainee meals were up if the detainee count was down. CFO Cuzzupe said that this was because we recently switched to a flat-fee meal cost that had some start-up costs associated with it. Chairman Gallant asked if this switch was expected to create savings and if so, when we'd begin to see the savings. CFO Cuzzupe said that there would be savings, but he was not sure when the savings would become evident.

Chairman Gallant asked what caused the spike in employee uniform costs. CFO Cuzzupe said that we've recently switched to a BDU uniform. A lot of Officers were holding on to their allowance to purchase the new uniforms. They've now begun to use the allowances.

Chairman Gallant asked what the break-even point with the ADP was. CFO Cuzzupe said that, overall, including the bond payment, the break-even point is about 685. He stated that if we were at the maximum capacity of 771, approximately 90 inmates would be profit. He confirmed that the per-diem rate is \$101.76. Chairman Gallant asked if there was any knowledge of what the ACI or other agencies were charging to house federal inmates.

Interim Warden Martin stated that usually there is a generic rate geographically that is applied to any facility where the detainees are housed.

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

C. Report of the Warden

Interim Warden Martin presented the following information:

- The detainee count today is 428. The average ADP in May was 440.
- May admissions were down. We had 93 admissions in May with 124 releases for a variance of 31.
- Suicide hours for 2015 were approximately 2011 hours for a cost of approximately \$45,248. Chairman Gallant asked how this figure was calculated. Chief St. Pierre said that it is based solely on the rate of pay of the Officer. It does not take into account the Mental Health component of the watch. Chairman Gallant asked who has the authority to place someone on suicide watch. Warden Martin responded that it was the mental health professional. He said that Security could certainly bring it to their attention if they saw something concerning, but the decision ultimately lies with the mental health professional.
- FTE (staffing) was 167. We currently have 12 employees on leave.
- The Correctional Officer count is at 96 with 87 active and 9 on leave.
- In the supervisory ranks, we have 12 active Sergeants, 3 active Lieutenants, and 3 active Captains with a fourth Captain out on paternity leave.
- Class 36 – We have 15 good, solid cadets in the Academy. We hope to see all of them graduate on July 10th.
- Class 37 – The application process began on May 26th. The deadline for applications is June 13th. We have just 7 completed applications so far. The written and agility testing is scheduled for June 20th and the interviews are scheduled to begin on June 29th. A tentative schedule for the process is included in Board Members' packets.
- We are currently recruiting for a Human Resources Assistant and a Maintenance staff member.
- One detainee fight in the month of May with minor injuries. Chemical agents were used to control the situation. Detainees were disciplined appropriately.
- Capital Projects – Board members were provided with a color-coded list of capital projects indicating the status of each. The facility has purchased and is awaiting delivery of ballistic vests. The Scott Air Pack mass machine has been purchased already. Safety flashlights have been received already. We also have two transportation vehicles that were purchased and are currently being outfitted. Vans should be back by the end of this week or possibly next week. We currently have six vehicles in service, so this will give us eight operable vehicles.
- The facility raised approximately \$2,400 for the Special Olympics. The recruits participated in the Torch Run through Central Falls.
- We will be participating in the Summer Jobs Program through SerJobs again this year. We have a young gentleman working in our Records Department who was a part of that program and has been very successful. He is currently in college working towards his Business Management degree.
- US Marshals audit is scheduled to take place from June 23 – 25. Ms. St. Pierre has met with the department heads to go over the expectations for each area. We are looking to garner support for Ms. St. Pierre at the level of a Sergeant. Director Gardner asked if we'd reviewed the last audit report. Ms. St. Pierre responded that we did review the previous audit. We received the highest score possible in that audit, but, that being said, they have rewritten all of the standards since then. We may need to change policies to comply with

new changes. Chairman Gallant asked FOP President Rainville for the full support of the Officers during this review.

Chairman Gallant asked Warden Martin to provide him with an update as to readiness for the audit by the end of the week. He said that if there were areas of concern, he was prepared to provide whatever support necessary. He stressed the importance of a favorable review.

Director Gardner asked if the dates for the Class 37 process were cast in stone. He said that it takes the same effort to do a class of fifteen as it does to do a class of twenty-five. Warden Martin said that we will evaluate where we are at the end of the week and see if we have to look for additional candidates before we proceed.

Director Gardner asked where we posted our vacancies. Lori Pouliot, HR Director stated that we post in the Providence Journal, on Monster, at the State Unemployment website, with NABLEO, with the NAACP, with certain women's groups, with Progresso Latino, and on the City's website as well as our own. The exposure is out there, but we are not seeing many applications so far. We have the Saturday application date and expect to receive a good amount of applications on that day based on past processes.

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

- 6) To consider potential agenda items for the next Central Falls Detention Facility Corporation Board Meeting scheduled for July 13, 2015.

Motion made by Director Silva to go into Executive session; seconded by Director Gonsalves. Directors Gardner, Silva, and Gonsalves, and Chairman Gallant voted affirmatively to go into Executive session. Motion passed.

- 7) Executive Session pursuant to RIGL § 42-46-5 for the following purposes:
 - A. RIGL § 42-46-5(a)(1) Personnel for purposes of discussing Interim Warden and Warden search process.
 - B. R.I.G.L. § 42-46-5(a)(2) for the purpose of discussing pending contract negotiations and budget planning for the same; pending arbitrations regarding disciplinary matters and disciplinary rules and regulations for staff; and to receive an update on the Inmate Phone RFP by PLDW.
 - C. R.I.G.L. § 42-46-5(a)(3) for the purpose of receiving an operational report from the Warden to discuss the internal review of recent inmate assault, security procedures review, and open positions throughout the facility.

Motion to seal the minutes of Executive Session made by Director Silva; seconded by Director Gonsalves. Directors Gardner, Silva, and Gonsalves, and Chairman Gallant voted affirmatively to seal the minutes. Motion passed.

- 9) Adjournment

Motion to adjourn made by Director Gardner; seconded by Director Gonsalves. All were in favor. Motion passed.