

**NORTHWESTERN REGIONAL JAIL AUTHORITY**  
**Minutes**  
**Meeting of Members**  
**February 21, 2013**

The Regional Jail Authority meeting was called to order at the Community Corrections Center, 147 Fort Collier Road, Winchester, Virginia 22603 at 10:00 a.m.

**PRESENT:**

**Frederick County**

John R. Riley, Jr.

Charles DeHaven

Sheriff Robert Williamson

Bill Ewing

**City of Winchester**

Mayor Elizabeth Minor

Art Major

**Clarke County**

David L. Ash

Sheriff Anthony Roper

James Wyatt

**Fauquier County**

Sheriff Charlie Ray Fox, Jr.

**ABSENT:**

Katherine Heritage

Chester Stribling

Sheriff Lenny Millholland

Chief Kevin Sanzenbacher

**STAFF PRESENT:**

James Whitley, Superintendent

Capt Kathy Sasser

Lynn Dougherty

CSO Gene Boyce

Kim Wilson

**VISITORS:**

Kevin Rotty, The PFM Group

Chris Culp, The PFM Group

Major Greg Mauck, Fauquier County

**I. CALL TO ORDER**

Mr. Riley called the meeting to order at 10:00 a.m.

**II. APPROVAL OF AGENDA**

A motion was made by Mr. DeHaven to approve the amended agenda. Sheriff Williamson seconded the motion. The Authority unanimously approved.

**III. APPROVAL OF THE MINUTES FROM JANUARY 17, 2013**

Mr. Riley solicited a motion to approve the minutes from the January 17, 2013 meeting. A motion was made by Mr. Major to approve the minutes. The motion was seconded by Ms Minor. The Authority unanimously approved.

**IV. BOND REFINANCING**

Mr. Whitley reported to the Authority that he attended each participating jurisdictions Board of Supervisors Meeting and the bond refinancing was approved by each jurisdiction. The Superintendent asked that Mr. Culp, from the PMI Group, explain the next step in the process.

Mr. Culp explained that they are working through the process and Mr. Rotty has drafted the legal documents. The next step in the process is to talk with Moodys, the ratings agency, next week. The bond sale will be in 30 days and during that time, will be when we lock in the interest rate. Today we need to pass the second part of the resolution. At the last meeting we outlined the perimeters of which the sale would move forward. The idea was brought forward at the last Jail Authority Meeting to add new money needs for the heating/air conditioning, chillers & coolers, and telephone system, which will be incorporated into the bond.

Mr. Rotty, Managing Director of the Public Financial Management Group (PFM), reported that at the last Jail Authority Meeting, the Authority approved the initial resolution and the basic pricing perimeters of the financing. He explained that it was early in the process and all of the bond documents drafted at that time. The resolution presented today for the Authority's consideration will do three (3) things:

1. Include the new money purpose
2. Increase the amount to \$17M
3. Approve the forms for the financing documents

Mr. Rotty explained that basically the Authority members are being asked to delegate to the Chairman and Vice Chairman of the Authority to approve any further changes. The basic documents are the preliminary official statement which will be used by the underwriters to market the bonds to the public. It gives background information about the Authority and the Jail Facility. It will have an appendix for each of the member jurisdiction, which includes economic, financial, demographic information about each locality, which helps tell the overall story of the credit security behind the deal. The Supplemental Indenture; when the Authority did its initial financing in 2005, we put

together a Master Trust Agreement, which provides specifics of the bond issued. The Bond Purchase Agreement, the agreement between the Authority and the underwriters, and that has closing conditions, but he doesn't anticipate any problems with the closing conditions. Then there is an Escrow Deposit Agreement that will establish the separate escrow fund that the trustee will hold and that will be used to purchase treasury securities and that will become the fund to pay the profile bonds until their redemption dates. So from the Authority's standpoint, those bonds will be the fees that will be discharged, no longer on the books, and the bond holders will receive their debt service payments.

Mr. Rotty explained that the resolution the Authority has before them today for consideration is to approve those purposes and the forms delegating to the Chair and Vice Chair authority to approve documents.

Mr. Whitley explained that there is approximately \$31,000 in legal fees associated with the bond savings and also the work Hunton & Williams performed on the IRS audit, that he would like incorporated into the bond resolution.

A motion was made by Mr. Major to approve the bond refinancing documents and to incorporate the legal fees in the bond documents. Ms. Minor seconded the motion. The Authority unanimously approved.

**V. FY14 PROPOSED BUDGET**

Mr. Whitley explained the request for \$547,757, which was included in the FY14 Proposed Budget to fund eight (8) Correctional Officer positions and two (2) cook positions, which would be needed to open the Annex. The Superintendent is concerned with the population trends and that by summer the population will increase. He reported that if additional cuts need to be made to the FY14 Budget, the request for the additional staff will be eliminated.

Mr. Whitley explained that a pay increase is also included in the FY14 Proposed Budget and if given a choice between pay increases for current staff or the additional personnel, he will choose the pay increases.

The Superintendent also requested 4 new positions at a cost of \$196,329.

- 2 Correctional Officers to backfill security officer positions (1 additional officer was assigned to Investigations, assignments include background investigations on applicants and internal investigations), and 1 additional officer was assigned to Transportation)
- 1 LPN
- 1 Part-time LPN (to off-set overtime cost and restructure operations enhancing efficiency)

Transportation and Medical are the areas utilizing most of the overtime. The justification is to offset overtime cost and restructure operations enhancing efficiency.

The nurses have been put on a new 24-hour schedule recommended by our medical provider to enhance our proficiency and reduce costs.

### FY14 Proposed Budget Increase

	Increase	Justification
*Professional Health Services	\$117,000	Increased Anthem costs;* added psychological testing for new applicants
Repair & Maintenance - Equip	\$49,000	Resurfacing of AHU drain pans; Hot water heater at CCC
Repair & Maintenance - Vehicles	\$20,000	Security equipment for new vehicles
Utilities	\$63,000	Increase in utilities
Food Service	\$50,000	Increase for food service
**Police Supplies	\$19,000	Stab proof vests
***Teacher Salary	\$65,000	GED teacher salary, Jail's share
<b>TOTAL</b>	<b>\$383,000</b>	

\*Mr. Whitley feels this is very important as an employment standard. We plan to use the same vendor as the Sheriff's Office. The Superintendent feels it will give us a better idea of who we are hiring.

\*\*Mr. Whitley explained that these vests will be used for staff working inside the facility.

\*\*\*Mr. Whitley explained that the GED teacher's salary in the past was paid for out of the commissary fund. The cost is too large and he is concerned this practice doesn't meet the budget standard. The commissary is for the inmates benefit and not every inmate participates in the GED Program. The Superintendent explained that we were able to negotiate with the school system to get the cost down this year, but this will be necessary for us to maintain the program with our current instructor. If the instructor decides to retire that would have an impact on that amount.

Mr. Whitley provided an overview of the revenue and expenditures using the charts below:

### FY14 PROPOSED BUDGET REVENUES AND EXPENDITURES OVERVIEW

Expenses	FY13 Adopted Budget May 2012	FY14 Budget Proposal	Increase
<b>Personnel</b>	\$12,572,795	\$13,288,910	+ \$ 716,115
<b>Operating</b>	\$ 3,773,791	\$ 4,154,343	+ \$ 380,552
<b>Capital/Debt</b>	\$ 1,218,193	\$ 1,270,362	+ \$ 52,169
<b>TOTAL</b>	<b>\$17,564,779</b>	<b>\$18,713,615</b>	<b>+ \$1,148,836</b>

Revenue	FY13 Adopted Budget May 2012	FY14 Budget Proposal	Increase/Decrease
<b>Fees</b>	\$ 2,112,665	\$ 1,510,734	- \$ 601,931
<b>State/Federal</b>	\$ 5,978,850	\$ 5,945,951	- \$ 32,899
<b>Local</b>	\$ 9,473,264	\$11,256,930	+ \$1,783,666
<b>Total</b>	\$17,564,779	\$18,713,615	\$1,148,836

> \$115K decrease in housing fees due to decrease in WR inmates; \$500K decrease in Fund Balance draw

**FY 14 PROPOSED BUDGET  
LOCALITY SHARE**

<b>Clarke County</b>	\$ 465,137	\$ 611,252	\$146,115
<b>Fauquier County</b>	\$2,334,783	\$1,619,872	\$285,089
<b>Frederick County</b>	\$4,199,498	\$5,029,596	\$830,098
<b>Winchester</b>	\$3,473,847	\$3,996,210	\$522,363

Mr. Whitley reported that Frederick County likely will not be able to afford the proposed increase and he is sure that more cuts will need to be made. He explained that reducing Frederick County's share will also impact the other localities.

Mr. Riley reported that Frederick County cannot support the increase and has spoken with the City Manager and he has expressed some of the same concerns. Mr. Riley opened the floor for discussion but he feels it would be prudent for the Finance Committee to reconvene and try and look at a strategy that looks at maybe delaying the opening of the Annex with the understanding that if we get into a situation that cannot be addressed any longer, then this will need to be brought back to the localities and readdressed after the beginning of the fiscal year.

Ms. Minor explained that the City has the same concerns and agrees the Finance Committee needs to be reconvened.

Mr. Ewing agrees that the Finance Committee should be reconvened and asked the Staff to find ways to reduce the localities increase by 50% or even more, if possible.

Mr. Whitley reported that we do have a 30-day plan to open the Annex, which could be for approximately 30-60 days and we could utilize overtime. The Superintendent explained that we cannot control the types of inmates incarcerated. Some may need to be housed in max custody, which wouldn't allow us to spread the staff too thin.

Mr. Whitley explained that the salary increases was calculated at 4.5% (\$548,113). He explained this number will probably come in lower, which will have an impact as well, but reducing the localities increases by 50% will be very difficult.

**VI. EMPLOYEE PERFORMANCE AND CAREER ADVANCEMENT & DEVELOPMENT PROGRAM**

Mr. Whitley explained that the CAD Program was frozen in 2008 and while we were still offering CAD classes, officers were not keeping their hours up-to-date to advance to the next level because the program was frozen and there was no word on if/when the program would resume. We plan to do a CAD review beginning next month to see who will advance to the next level. These numbers may not be as high, but coming in the fall everyone will have 6 months to accumulate the hours necessary to advance, since we conduct this process twice a year.

Estimated 20 CO I to CO II @ 5% = \$35,227  
@ ½ year salary impact = \$17,614

Estimated 20 CO II to CO III @ 5% = \$43,020  
@ ½ year salary impact - \$21,510

Total Cost of Advancements = \$53,498

**VII. FUND BALANCE MOTION BY THE FINANCE COMMITTEE**

Mr. Whitley explained the reason for presenting this to the Authority was strategy to determine how the salary increases in FY14 would be paid.

Captain Sasser explained that because we do not have a firm salary percentage for next year, we are trying to determine how we are going to fund increases. Last year Frederick County was attempting to formalize their own budget while we were still trying to work out how the bonuses would be funded in this year's budget, and we were late getting our budget finalized, which occurred in May, well after the budget hearings.

Mr. Riley asked Mr. Ewing to discuss this issue during the Finance Committee Meeting.

Locality	Proposed FY14 Adoption	With Merit Increase	Increase
Clarke County	\$ 611,252	\$ 643,920	\$ 32,668
Fauquier County	\$1,619,872	\$1,706,443	\$ 86,571
Frederick County	\$5,029,596	\$5,298,396	\$268,800
Winchester	\$3,996,210	\$4,209,782	\$213,572

Mr. Whitley reported that fund balance at the beginning of FY13 was \$1,205,102. This amount has been reduced by the following:

- \$246,938 for Employee bonuses issued by Frederick County (October 2012)

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- \$221,000 for NRADC telephone communications system – until funded through the Bond Refinancing Project
- \$14,200 Officer Advancement Program Revitalized

New Balance: \$822,964

Mr. Whitley explained that after the bond refinancing is finalized, the \$221,000 for the new telephone system will be added back into fund balance.

Mr. Whitley explained that the Finance Committee recommended a policy that fund balance must maintain no less than a minimum \$500,000 when considering budget offsets to the localities share or when funding unanticipated expenses during a fiscal year. The Superintendent wanted to give the Authority an estimate of fund balance after the October 2012 Employee Bonuses, new telephone system, and CAD Program were deducted.

Mr. Riley wanted to clarify that the salary increase was a one (1) time bonus not technically a salary increase. He explained further, strategically, you don't want to use fund balance as a continuing expense for salary increases. This would be an increase to operating expenses that would continue.

Mr. Whitley informed the Authority that Captain Sasser will be retiring April 2, 2013 after over 30 years of service. We wish her well.

Mr. Riley was served with an Order notifying him that he, along with other NRADC Employees, are being sued for an incident that occurred at the Jail. Mr. Riley would like an update during the April 2013 Meeting during Closed Session, under Legal Matters.

Mr. Whitley informed the Authority that Risk Management has been notified.

**VIII. ADJOURN**

As there was no further business brought before the Authority, the meeting adjourned at 10:30 a.m.

Respectfully Submitted,



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John R. Riley, Jr., Chairman  
Regional Jail Authority