

NORTHWESTERN REGIONAL JAIL AUTHORITY

Minutes

Meeting of Members

March 1, 2012

(Amended by Authority Vote May 3, 2012)

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.

Bill M. Ewing

Charles DeHaven

Sheriff Robert Williamson

City of Winchester

Chief Kevin Sanzenbacher

Mayor Elizabeth Minor

Sheriff Lenny Millholland

Clarke County

David L. Ash

James Wyatt

Sheriff Anthony Roper

Fauquier County

Sheriff Charlie Ray Fox, Jr.

ABSENT:

Katherine Heritage

Chester Stribling

*Art Major ***

STAFF PRESENT:

Bruce Conover, Superintendent

Capt Kathy Sasser

Lynn Dougherty

CSO Gene Boyce

Wendi Robinson

Kim Wilson

VISITORS:

**** As a result of an omission by the Jail staff, Mr. Major was not notified of this special meeting.**

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. Ash to approve the agenda. The motion was seconded by Sheriff Millholland. The Authority unanimously approved.

III. APPROVAL OF THE MINUTES FROM JANUARY 2012

Mr. Riley solicited a motion to approve the minutes from the January 19, 2012 meeting. A motion was made by Mr. Wyatt to approve the minutes. The motion was seconded by Mayor Minor. The Authority unanimously approved.

IV. OPERATIONS UPDATE

Mr. Conover provided the Authority with an update of Jail operations. He reported that the current population was 541, and advised that based upon the past couple years, the population should remain substantially unchanged until early summer. Mr. Conover reported that the Clarke and Frederick County Jail populations are significantly higher than the 3-year average which will result in higher costs for those jurisdictions over the next couple of years. He reported that the fiscal year to date average daily population (ADP) is 572. The significantly higher ADP results from populations of more than 600 inmates over the first 3-4 months of the fiscal year.

The Superintendent reported that weekend incarcerations were down to an average of 18 in January and that the number of inmates who were out-of-compliance as of today's date was down 21. Mr. Conover reported that the number public inebriates in February was 67, more than double of the number the previous year but consistent with the Jail's experience over the last several months.

The Superintendent reported that the Jail currently has 20 vacancies, 14 of those were planned as part of this year's budget, and five (5) are those the Authority approved in October which have not been filled because of the decline in the population.

Mr. Conover noted that at the last meeting he reported the discovery of a major problem with drainage from the holding cells constructed as part of the expansion project back in 2007. He reported that the project to correct the problem was complete and that as part of the effort he directed Shockey and Sons to install additional drains in each of the three (3) holding cells which are now used to house inebriates. He reported the cost of the additional work at \$6000.

Mr. Conover reported that approximately three (3) weeks ago we released an inmate early. He explained that he reviewed the procedures used in the Jail's Records Section to determine if procedures could be improved to ensure such an error is not repeated. He noted that he found no procedural error but that the incident simply resulted from one (1) good employee making an honest mistake. He noted that it was nothing more than a good employee trying to get the job done as quickly as possible. The inmate has since been returned to our custody.

The Superintendent reported on the death of an inmate currently being investigated as a suicide by the Frederick County Sheriff's Department. He reported that the response by staff was just as it should have been.

V. FINANCIAL UPDATE

The Superintendent provided a review of the Jail's FY12 expenditures through February 28, 2012. He highlighted that inmate health care expenses are 68% (\$643,481) of the budgeted amount but noted that that percent of obligation was misleading because inmate health care bills arrive approximately 60-90 days after the fact. He noted that additional money from fund balance will be required to cover medical costs through the end of the year.

Mr. Conover highlighted that Food Service expenditures were obligated at 67% (\$570,049) of the planned amount. He noted that additional funds will be required to cover costs through the end of the year.

The Superintendent reported utility expenses at 65% (\$376,253) obligated with \$194,961 available. He noted that repair & maintenance line items were 53% (\$107,847) obligated with \$95,610 remaining available. He explained that the security/surveillance maintenance & equipment line was 89% (\$35,585) obligated with \$4,415 available. He noted that \$16,000 of the obligated amount was used to upgrade the monitoring system in the main control room.

The Superintendent reported Personnel costs are 57% (\$4,506,371) obligated with \$3,355,438 available. The approximately \$160,000 that was withdrawn from fund balance to hire five (5) additional staff continues to accrue. This amount will be transferred to fund balance at the end of the year.

Mr. Conover reported that we continue to spend more in overtime. He noted that this line was 23% (\$23,494) obligated with \$76,506 remaining available. Overtime utilization was a direct result of Officer turn over. We have lost an unusually large number of Officers over the past six (6) months to other law enforcement agencies or other higher paying jobs and as a consequence, we have 5 officers in basic jail school. Those vacancies must be covered by overtime.

FUND BALANCE DRAW REQUEST

Mr. Conover requested \$176,000 from fund balance to cover unanticipated pharmaceutical and food service costs. The current fund balance is \$2,024,889. After the draw, if approved, \$1,848,889 will remain.

Mr. Conover explained that pharmaceutical requirements (prescriptions) had increased by more than 33% over last year. In FY11 an average of 552 prescriptions per month were issued. In FY12, that number has increased to an average of 735 per month. He noted that in FY12; we spent approximately \$17,716 per month on medication. In FY12 that number has increased to \$21,396 per month. He also highlighted that this increased cost does not include the \$20,000 per month expense the Jail has incurred over the last 4 months for hemophiliac medications required by a single inmate.

Mr. Conover noted that the FY12 budget for pharmaceuticals was \$225,783 and that the line only had \$9,290 remaining. He indicated that to complete the year another \$146,000 from fund balance would be required.

Mr. Conover reported that additional \$30,000 from fund balance would be required to fulfill anticipated food service costs through the end of the fiscal year. He highlighted that in part he contributed to the short fall. And explained that for the last 2-3 years we have ended the year with a surplus of money in the food service line and as a result he reduced the food service manager's request for FY12 by approximately \$15,000. Combined with the increased population early in the fiscal year and the increase in food costs, and additional \$30,000 will be required.

Mr. Conover requested the Authority approve the withdrawal of \$176,000 from fund balance to cover unanticipated Medical and Food Service expenses.

A motion was made by Mr. Ewing to approve the Superintendent's request. Sheriff Millholland seconded the motion. The Authority unanimously approved.

VI. FY13 BUDGET FINANCE COMMITTEE REPORT

Mr. Conover reported that the Finance Committee met January 24, 2012 and reviewed the proposed FY13 Budget. He noted that the Committee reviewed and concurred with the assumptions upon which the budget was developed. Those assumptions were:

- No change in the Governor's Budget (Aid to Locality Reductions & \$93,706 Salary Assistance Restored)
- No Pay Increase
- Population Increases Will Not Force Opening of Annex Building
- FY13 projected ADP 600

Mr. Conover highlighted expenses as they were presented to the Committee and advised that increased expenditures were directly attributable to:

- **\$522k Personnel:** (VRS/Life Ins Increase - \$277,331; \$243,916 - 5 Staff Position Approved in FY12)

- **\$304k Operating:** (\$87,653 – Medical Increase; \$66,168 – Food Service Increase; \$45,970 – Uniforms/Maint/Training; \$104,203 - Operating Reserve)
- **\$234k Initiatives:** (Mandated Radio/Live Scan Upgrade - \$41,825; Dental Equip \$40,000; Key Control \$27,000; Intercom Replacement - \$125,000)

Expenses

	FY11	FY12	FY13 (Draft)
Personnel	\$12,305,899	\$11,958,334	\$12,390,246
Operating	\$ 3,666,673	\$ 3,249,168	\$ 3,745,285
Capital/Debt	\$ 1,159,838	\$ 1,252,202	\$ 1,218,193
Total	\$16,832,410	\$16,459,704	\$17,353,724

Mr. Conover reported the FY13 projected jurisdictions' shares that were presented to the Finance Committee:

	FY12 %	FY12 Share	FY13%	FY13 Share	Change
Clarke	4.23%	\$376,287	4.91%	\$454,774	+ \$78,487
Frederick	41.97%	\$3,733,510	44.33%	\$4,105,937	+ \$372,427
Winchester	39.29%	\$3,495,106	36.67%	\$3,396,452	(\$98,654)
Fauquier	14.51%	\$1,290,761	14.09%	\$1,305,045	+ \$14,284
				\$9,262,209	*+ \$366,545

In explaining changes in FY13 projected revenue, he noted that the FY13 budget increases the draw from fund balance by \$500,000 in FY12 to \$1,000,000 in FY13. He reported that the FY13 revenue picture also includes a proposal to increase inmate fees which will result in approximately \$97,000 additional revenue. He highlighted that even with the additional revenue, local shares still increased by \$366,000, which is a 4.1% increase from the previous year.

	FY11	FY12	FY13 (Draft)
Fees (12.1%)	\$1,981,949	\$1,491,115	\$2,112,665
State/Federal (34.4%)	\$5,929,179	\$6,008,973	\$5,978,850
Local (53.3%)	\$8,783,901	\$8,895,664	\$9,262,209
Operating Reserve	\$ 137,381	\$ 63,952	\$ 0
Total	\$16,832,410	\$16,459,704	\$17,353,724

Mr. Conover reported that the Committee reviewed the prioritized list of initiatives included in the proposed budget:

Priority #1: Radio Upgrade - \$26,825: The Jail's radios must be converted from analogue to digital by the end of FY12. The requirement is federally mandated.

Priority #2: Live Scan Fingerprint Upgrade - \$15,000: The automated fingerprint system must be upgraded in FY13. Maintenance support for the existing scanner will not be available after FY12. The upgrade is a state-mandated requirement.

Priority #3: Dental Equipment - \$40,000: It is not clear how much longer our current dentist will remain with us and the availability of someone to conduct in-house evaluations without performing actual services is limited. Installing dental equipment in the Jail will increase the availability of service providers; reduce the cost of services now being provided by dentists outside the Jail; and eliminate the security vulnerabilities and workload associated with transporting inmates to local dentist offices for emergency care.

Priority #4: Key Control System = \$27,000: The Jail maintains over 300 security keys and the workload associated with manually maintaining accountability is tremendous. In addition, given the frequency with which these keys are used and exchange hands the vulnerability of loss or theft is significant. The automated system will all but completely eliminate the workload and vulnerabilities of manually maintaining accountability

Priority #5: Intercom Replacement = \$125,000: Although FY12 repair expenses amount to only \$10,258, the system has failed four (4) times in the last six (6) months and it is more of a morale issue than anything else.

The Superintendent reported that the Finance Committee voted to approve the initiatives.

At this time Mr. Conover highlighted proposed changes to the inmate fee schedule reviewed by the Committee. He reported that the proposed changes will increase revenue by approximately \$97k annually and are necessary to offset some of the increased cost of operations. He highlighted the following recommended changes:

- Increase the Inmate Housing Fee from \$1.00/day to \$1.25/day: The state Code allows a charge of up to \$3/day. Seven (7) of the 14 Jails staff surveyed charge a daily housing fee: 5 charged \$1.00/day; 2- charged \$2/day; and 1 – charged the full amount of \$3/day. The average was \$1.71/day. He noted that we currently charge \$1/day and collect from approximately 74% of the population for an annual accrual of approximately \$142,882. Increasing the fee to \$1.25/day will generate approximately

\$35,718 in additional revenue and amount to an additional \$1.75 per week expense for the inmates.

- Increase the Work Release Fee from \$15/day to \$16/day: Twelve of the 14 Jails we surveyed charged work release fees. Charges ranged from \$9/day to \$22/day. The average was \$16/day. The median was \$16.50. We charge \$15/day. Increasing the fee to \$16/day will generate approximately \$20,075 more annually.
- Increase the HEM fee from \$16/day to \$17.25/day: Ten (10) of the 14 Jails surveyed have HEM programs. Fees ranged from \$10/day to \$23/day. The average fee was \$16.80/day. We charge \$16/day which equates to approximately \$42,481 annually. Increasing the HEM fee to \$1.75/day will generate an additional \$41,481 annually. Mr. Conover noted that disproportionate increase in revenue results from a recent change in monitoring equipment providers which reduced the rental for the equipment.

The Finance Committee recommended approval of the proposed fee increases.

Mr. Conover explained that when the budget was presented to the Finance Committee we also presented three (3) alternatives for reducing the cost of the localities. Those alternatives included:

1. Increase FY13 Fund Balance Draw from \$1M to \$1.2M

- Current Fund Balance = \$2,024,889
- Anticipated Fund Balance Draw = \$1,000,000
- Projected Fund Balance July 1, 2012 = \$1,024,889
- Increase Draw to \$1,200,000 Leaves Balance of \$824,889 (4.8%0
- Does Not Provide for Potential FY12 Draw to Cover Possible Shortfalls
- Reduces Locality Increase to \$166,545
 - ✓ Clarke Share Reduced to \$444,954 (-\$9,820)
 - ✓ Fauquier Share Reduced to \$1,276,865 (-\$28,180)
 - ✓ Frederick Share Reduced to \$4,017,277 (-\$88,660)
 - ✓ Winchester Share Reduced \$3,323,112 (-\$73,340)
- Anticipated FY12 Draw Planned to Enter FY12 w/\$800k in Fund Balance
- Most Significant Projected FY13 Requirement 9 Officers – 2 Cooks \$453,222

2. Defer 4 Officers/1 Nurse Until Needed in FY13

- Saves \$243,916 from Budget
- Draw from Fund Balance in FY13 Only When Required
 - ✓ Reduces Locality Share Increase to \$122,629
 - ✓ Clarke Share Reduced to \$442,798 (-\$11,976)
 - ✓ Fauquier Share Reduced to \$1,270,677 (-\$34,368)
 - ✓ Frederick Share Reduced to \$3,997,809 (-\$108,128)
 - ✓ Winchester Share Reduced to \$3,307,008 (-\$89,444)

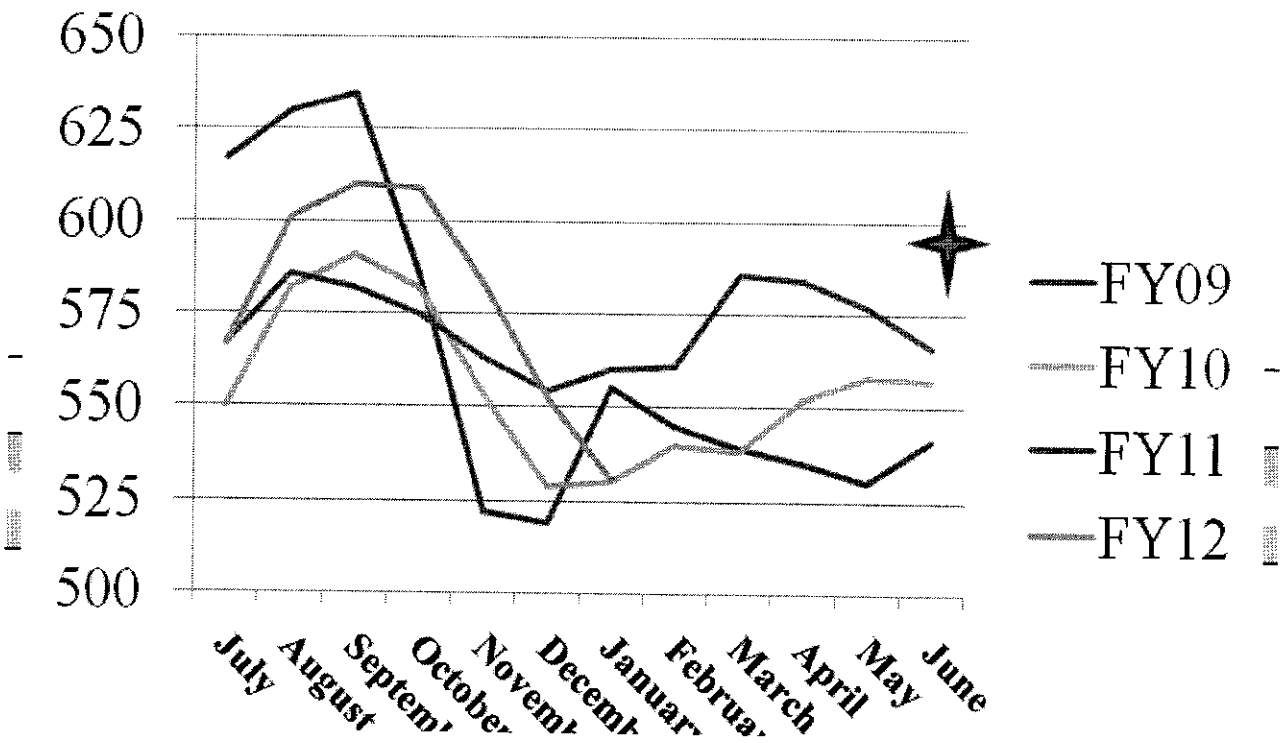
3. Defer Positions & Increase Fund Balance Draw

- Defer 5 Positions Until Needed & Increase Fund Balance Draw to \$1.2M
- Reduces Locality Shares to 48,818,293 (1% Less Than FY12)
 - ✓ Reduces Locality Shares by \$443,916
 - ✓ Clarke Share Reduced to \$432,978 (-\$21,796)
 - ✓ Fauquier Share Reduced to \$1,242,497 (-\$62,548)
 - ✓ Frederick Share Reduced to \$3,909,149 (-\$196,788)
 - ✓ Winchester Share Reduced to \$3,233,668 (-\$162,784)

In terms of drawing from fund balance, the Superintendent reported that the Finance Committee was very apprehensive about withdrawing the additional \$200,000. He did advise them that it looked that a draw would be needed to cover medical expenses and they were very sensitive to that and did express some significant interest in that area. Mr. Conover reported that the FY13 Budget anticipates that we will enter in FY13 will approximately \$880,000 in fund balance.

The Superintendent provided a brief draw history for informational use only. In FY12 \$161,000 was withdrawn for the five (5) additional staff that has not been hired. In FY11 \$107,000 was withdrawn to make an arbitrage fee payment associated with interest that had accrued on the bond. In FY10, \$50,000 was withdrawn for additional health care costs and in FY09 \$215,000 was withdrawn to pay for overtime and other expenditures.

Mr. Conover presented a line chart comparing the population in FY09, 10, 11 and 12, showing how the population has changed over the course of 3 years as it related to the need for the additional staff. The drop in population from November thru March is consistent over the 3 years and never rises back to where the population is in early summer. Given that history, if the additional money needed for hiring those additional officers in FY13 will not be needed until the end of the fiscal year, if at all.



Winchester	14.09%	\$1,265,492	-\$25,269
TOTAL		\$8,981,488	+\$85,825

Mr. Conover reported that the Finance Committee reviewed the analysis chart below:

	FY13 % Share	FY13 \$1M Fund Balance Draw	FY13 \$1.2M Fund Balance Draw	FY13 Deferred Personnel	FY13 Defer Personnel & \$1.2M Fund Balance Draw
Clarke	4.91%	\$ 454,774	\$444,954	\$440,991	\$431,171
Frederick	44.33%	\$4,105,937	\$4,017,277	\$3,981,493	\$3,892,833
Winchester	36.67%	\$ 3,396,452	\$3,323,112	\$3,293,512	\$3,220,173
Fauquier	14.09%	\$1,305,045	\$1,276,865	\$1,265,492	\$1,237,311
Total Local Share		\$9,262,209	\$9,062,209	\$8,981,488	\$8,781,488
Local Share Increase Over FY12		+ \$366,545	+ \$166,545	+ \$85,825	- \$114,176

Mr. Conover reported that the Finance Committee approved the revised FY13 budget to include the:

- New Initiatives As Proposed;
- Inmate Fee Increases As Proposed; and
- The Elimination of the Five (5) New Positions Authorized in FY12 from the FY 13 budget

Mr. Riley asked if the 5 additional staff is needed in FY13 then the amount needed to fund those positions will be against the \$880,000, which could potentially reduce the fund balance to approximately \$500,000.

Mr. Conover explained that potentially they could be hired July 1, but the likelihood of that happening would be small and each month over the course of the fiscal year that amount gets smaller and smaller.

Mr. Conover shared his concern for entering the new fiscal year with less than \$1M in fund balance. However, when we built the FY12 budget that was in fact the plan. When we developed the current year's budget we planned on entering this fiscal year with \$800,000 in fund balance. So entering FY13 with that amount isn't unique, but it does raise some concerns.

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Mr. Conover explained that this will probably be the last budget year that we will be able to do this. He speculated that the Authority needs to anticipate that FY14 will be difficult for a variety of reasons. He indicated that the staff has deferred very significant maintenance activities over the last four (4) years that we will need to address. We have two (2) chillers in our main boiler room that need to be replaced. They are 20 years old. To refurbish 1 boiler is approximately \$60,000. If you buy a new one it's approximately \$110,000. We have three (3) vans to transport inmates to include back and forth to DOC; two (2) of them are over 10 years old: one (1) has over 110,000 miles, another has 98,000, and the last has 90,000 miles. Staff asked to replace them this year but their request was disapproved because of current fiscal restraints.

Mr. Conover's other concern is salaries. He explained that his concern isn't that the staff will go to other places for jobs; his concern is that we are losing the attention and commitment. These people are coming to work bringing their financial problems with them and that is becoming a distraction. He noted that in the absence of salary increases, everyone has actually assumed a pay reduction over the last 4 years. At some point in time in the next fiscal year, we will need to address this problem. The fact of the matter is this is the 4th year that we have operated on a shoe string and we simply cannot continue.

Mr. Riley thanked the Finance Committee for their work on this budget. Those of us that are in the budgeting exercise continues to experience challenges and this is one of them, but somehow some way we have to continue to make it work. Mr. Riley said that his only other comment would be we need to be prepared to meet again if the state doesn't adopt a budget and if that happens we will need to figure out what to do. Hopefully that will never happen and we can move forward, but as of today it's a physical reality.

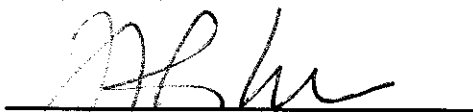
A motion was made by Mr. Ewing to approve the recommendation made by the Finance Committee on the FY13 Budget. Sherriff Williamson seconded the motion. The Authority unanimously approved.

Mr. Riley said it wouldn't hurt the Finance Committee to get together this summer to take a look at capital projects that are going to need immediate attention and maybe looking at some options at how they might approach these issues. We may not be able to have cash but maybe we can look at short term financing, or something, to try and build a capital budget within the Jail budget to see what we might be able to do. It's probably a good idea to start talking now so that we can have a plan of action if we need to go there, particularly if the system fails.

VII. ADJOURN

The meeting was adjourned at 10:40 a.m.

Respectfully Submitted,



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