

NORTHWESTERN REGIONAL JAIL AUTHORITY
Minutes
Meeting of Members
June 5, 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.
Charles DeHaven
Sheriff Robert Williamson

City of Winchester

Mayor Elizabeth Minor
Sheriff Lenny Millholland
Art Major

Clarke County

James Wyatt
Barbara Byrd

Fauquier County

Sheriff Charlie Ray Fox, Jr.
Chester Stribling
Katherine Heritage

ABSENT:

Bill M. Ewing
Chief Kevin Sanzenbacher
David L. Ash
Sheriff Anthony Roper

STAFF PRESENT:

Bruce Conover, Superintendent
Capt Kathy Sasser
Lynn Dougherty
CSO Gene Boyce
Capt Werdebaugh
Capt Pitts
Kim Wilson

VISITORS:

Mary Blowe
Melissa Boughton, Winchester Star

I. CALL TO ORDER

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

II. APPROVAL OF AGENDA

Mr. Riley offered the following addition: Resolution, which will be presented at a later date. A motion was made by Mr. DeHaven to approve the addition. Mr. Major seconded the motion. The Authority unanimously approved.

A motion was made by Ms. Heritage to approve the Resolution. Sheriff Millholland seconded the motion. The Authority unanimously approved.

III. APPROVAL OF THE MINUTES FROM MAY 2012

Mr. Riley solicited a motion to approve the minutes from the May 3, 2012 meeting. A motion was made by Sheriff Williamson to approve the minutes as amended. The motion was seconded by Sheriff Millholland. The Authority unanimously approved.

IV. ADOPTION OF REVISED BUDGET

As background, Mr. Conover explained that at its March 2012 meeting the Jail Authority adopted a FY13 budget that calculated the VRS contribution at 16.39%. That budget was developed prior to the General Assembly convening and that the VRS contribution was calculated at the rate applied was the VRS- certified rate of 16.39%. At that time there was no requirement for an employee contribution and the rate consisted of a 2.59% increase over that used in FY12.

Mr. Conover continued by noting that in April, prior to the Authority's April meeting, the staff received notification from Frederick County to recalculate the VRS contribution to include a 5% VRS contribution by each employee; an employer contribution of 8.8%; and a 6% salary increase for each employee. Mr. Conover explained that those planning factors were used to develop the revised budget adopted at the April Jail Authority meeting. He also noted that the budget at that time included the addition of four Officers and a nurse not included in the March proposal.

The Superintendent went on to explain that on May 22, 2012, the Frederick County Finance Department advised the Jail staff that the Frederick County Board of Supervisors would adopt a resolution at their next meeting increasing the employer VRS contribution to 11.39%, the VRS-certified rate. He noted that that increase in the VRS contribution increases the Jail's budget by \$250,358 and presented the charts below representing both the history and locality impact of the revised budgets.

FINANCIAL IMPACT

Month	Summary	Personnel Cost	Total Budget
March 2012	16.39% Employer VRS w/out Additional Staff	\$12,224,611	\$17,167,668
April 2012	5% Employee – 8.8% Employer – 6% Salary Increase + 5 Additional Staff	\$12,355,257	\$17,314,421
June 2012	5% Employee – 11.39% Employer – 6% Salary Increase + Additional Staff	\$12,572,795	\$17,564,779

**Total Budget Amounts Include Operating Reserve Increases

LOCALITY SHARE IMPACTS

	% Share	April Approved Share	June Recommended Share	Increase
Clarke	4.91%	\$452,845	\$465,137	\$12,292
Frederick	44.33%	\$4,088,514	\$4,199,498	\$110,984
Winchester	36.67%	\$3,382,041	\$3,473,847	\$91,806
Fauquier	14.09%	\$1,299,507	\$1,334,783	\$35,276
		\$9,222,906	\$9,473,264	\$250,358

Mr. Conover requested that the Regional Jail Authority adopt the revised Jail Budget increase the Employer VRS Contribution to 11.39%

Ms. Minor at this time advised that Winchester City had already published their budget and that they did not have the funds allocated to accommodate the increase. Mr. Riley explained that it was an issue for Frederick County as well and in part necessitated them to revise their budget as well. Mr. DeHaven also noted the difficulty the action created. Ms. Minor asked if there was an alternative. Mr. Riley advised that there was none.

There being no further business, Mr. DeHaven made a motion to approve the request. The motion was seconded by Mr. Major. The Authority unanimously approved.

VI. ADJOURN

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

Respectfully Submitted,



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

NORTHWESTERN REGIONAL JAIL AUTHORITY
Minutes
Meeting of Members
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

Bill M. Ewing
Charles DeHaven
Sheriff Robert Williamson

City of Winchester

Chief Kevin Sanzenbacher
Sheriff Lenny Millholland
Art Major

Clarke County

David L. Ash
James Wyatt
Sheriff Anthony Roper
Barbara Byrd

Fauquier County

Sheriff Charlie Ray Fox, Jr.
Chester Stribling
Katherine Heritage

ABSENT:

John R. Riley, Jr.
Mayor Elizabeth Minor

STAFF PRESENT:

Bruce Conover, Superintendent
Capt Kathy Sasser
Lynn Dougherty
CSO Gene Boyce
Kim Wilson

VISITORS:

Mary Blowe
Dale Iman, City Manager
Melissa Boughton, Winchester Star

I. CALL TO ORDER

Sheriff Millholland called the meeting to order at 10:00 a.m.

II. APPROVAL OF AGENDA

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

III. APPROVAL OF THE MINUTES FROM MARCH 2012

Sheriff Millholland solicited a motion to approve the minutes from the March 1, 2012 meeting. Mr. Conover requested an amendment to the minutes to show that Art Major was absent from the March meeting only because he was never notified by staff of the scheduled meeting. A motion was made by Mr. Ewing to approve the minutes as amended. The motion was seconded by Ms. Heritage. The Authority unanimously approved.

IV. FUND BALANCE TRANSFER REQUEST (MEDICAL)

Mr. Conover explained that a fund balance draw of \$120,000 was necessary to meet remaining FY12 inmate health care obligations. The Superintendent noted that the \$146,000 requested at the March meeting was only to satisfy the increased cost of pharmaceuticals and that this latest request was to provide for physician and hospital related unanticipated expenses.

He explained that in the Jail's budget there are two (2) line items that provide for medical expenses associated with inmate health care: (1) Pharmaceuticals, Medical Supplies, and Laboratory; and (2) Professional Health Services. Mr. Conover reminded the Authority that the earlier pharmaceutical request resulted from primarily from the an increased number of HIV patients as well as a hemophilic who was remained in custody for almost five (5) months and whose medication costs were approximately \$20,000 per month.

Mr. Conover reported that today's request for fund balance draw is to resolve a projected shortfall in the Professional Health Services line. Expenses associated with this line item include the Jail's contract physician (\$189,108 annually); contract dentist (\$200/hr); contract psychiatrist (\$210/), Virginia Medical Malpractice Insurance Coverage (\$4,332); and Anthem expenses associated with other medical services and hospitalization. The Anthem expense is in fact the largest of all expenses in this category.

The Superintendent explained that in FY11 we spent \$210,193 after Anthem. In FY12 we budgeted \$416,000 but the FY12 obligation projection amounts to approximately \$533,590. We plan our budget best upon the number of hospital days, which is twice as much this year as last year.

As an aside, Mr. Conover highlighted what inmate health care expenses the Jail does not pay for. He noted:

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- Detoxification
- Injuries Sustained at Arrest
- Self Harm
- Treatment Required as a Result of Non-Compliance

The Superintendent highlighted the significance of just eight (8) of the major illnesses experienced in FY12 to date and the impact they have had on overall expenses:

- \$17,708 Seizure Treatments
- \$19,745 Hip Fracture
- \$46,836 Cardiac Arrest
- \$13,827 Brain Amoeba
- \$39,056 Bowel/Kidney Surgery
- \$20,649 Hemophiliac Hospitalization
- \$20,000 Dialysis
- 424,064 Meningitis

He highlighted that these eight (8) cases alone accounted for a total of \$201,884 in expenses or 49% of our planned health care line. We anticipate \$117,590 shortfall.

In an attempt to explain why the shortfall was not recognized and reported sooner, Mr. Conover explained that the Jail's contract with Anthem is the same as the contract with the other Regional Jails and that that contract will be renewed in 2012. He reported that the contract that we process hospital and private physician bills through Anthem and we pay the reduced rates they negotiate with the hospital. We then pay Anthem 20% of the savings. The time delay and several other factors make bill management difficult.

He explained that a procedure may take place in October yet the bill may not be received until January or February. He also noted the impact of "retracting" which is the procedure we use when we discover that the Anthem negotiated amount is actually greater than the normal hospital fee. When such occurs, the staff directs that Anthem not pay the bill and we coordinate with the hospital to pay them directly. To date in FY12 that procedure has saved more the \$71,000 but it results in bills being processed late in the cycle.

Ms. Byrd asked if we are married to Anthem. Mr. Conover explained that the Regional Jail Association solicited bids to insurance companies in January, but Anthem was the only bidder.

Mr. Conover requested the Authority approve the transfer of \$120,000 from the Jail's unreserved fund balance to provide for unanticipated inmate medical expenses. The current fund balance is \$1,848,889. After withdrawing the \$120,000, will leave a balance of \$1,728,889.

Mr. Conover reported that it's important to remember that come July 1, 2012, \$1,000,000 will be transferred automatically into the FY13 budget, and highlighted that as we enter the FY13 the fund balance will be approximately \$728,000 as a result. He noted that that estimate does not

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include any savings we may achieve this year. But the Superintendent feels there will not be any savings.

Sheriff Williamson made a motion to approve the transfer request for medical. The motion was seconded by the Mr. DeHaven. The Authority unanimously approved.

V. **PROPOSED FY13 BUDGET ADJUSTMENT**

Mr. Conover requested the Jail Authority adjust the Jail's FY13 budget to include the funding that is necessary to hire four (4) officers and one (1) nurse.

The Superintendent explained that when developing the FY13 budget it was the staff's recommendation to the Finance Committee that since we had not hired the additional staff approved by the Jail Authority in October 2011, that the \$250,000 needed to fund those positions be removed from the FY13 projected budget with the understanding that if the additional funds were necessary, a fund balance draw later in the year would be requested. The Finance Committee accepted that recommendation and the proposal was subsequently adopted by the Authority.

Mr. Conover explained that unexpected 6.6% increase in population over the last three (3) months suggests that those additional positions will be required sooner than expected in FY13. The Superintendent reported that the non-compliant population, those who remain at our facility for more than 90 days after their sentencing, reached 55 during the course of those four (4) months. This morning that population was down to 35. But during the summer months, when there is the traditional increase in the population, Mr. Conover anticipates that the additional staff will be needed.

He also noted that the draw from fund balance approved just moments ago would leave approximately \$700,000 in fund balance after July 1, 2012. He highlighted that if the additional positions are needed prior to or immediately after the start of the new fiscal year, less than \$500,000 would remain in fund balance during the rest of the year for contingencies.

Mr. Conover requested that the Jail Authority restore the \$245,575 needed for the additional staff back into the FY13 budget, noting that such a restoration would leave approximately \$700,000 through the course of FY13. He noted the additional costs to the jurisdictions:

	Current FY13 Share **	Alternative Share	Change
Clarke	\$440,991	\$453,049	+ \$12,058
Fauquier	\$1,265,492	\$1,300,094	+\$34,602
Frederick	\$3,981,493	\$4,090,356	+\$108,863
Winchester	\$3,293,512	\$3,383,564	+\$90,053
TOTAL	\$8,981,488	\$9,227,063	+\$245,575

** Includes 6% Salary Increase & 5% VRS Contribution Reduction

A question was asked about Public Inebriates and Mr. Conover explained that most are released within 24 hours. But managing these types of individuals is difficult and increases difficulty for the staff.

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Chief Sanzenbacher asked for clarification regarding the utility of using of a specific population on a given day versus the use of an average daily population (ADP) in estimating workload and resource requirements. Mr. Conover explained that each has a purpose but the Jail is currently at a population where a small change in the daily population can very quickly dictate a need for additional staff in a housing unit. He noted that the ADP to date in FY12 is 572 however the population 30 days ago was 596 with weekend surges exceeded 620 inmates.

Mr. Conover noted increases in both the Winchester and Fauquier populations. He explained that the reasons for the increase are not completely clear but suggested some of the increase is likely due to the warmer months; the absence of a permanent Judge in Frederick County; and a new Judge in Fauquier County. Sheriff Williamson said he believes the early warm spell in the area this year has contributed to a higher inmate population. We typically see this increase in May, June and July.

Mr. Conover requested the Jail Authority approve a \$245,575 increase in FY13 locality shares to provide funding for the 5 additional positions approved in FY12.

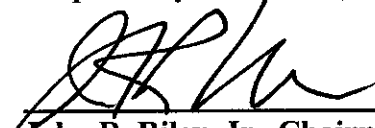
A question was asked about the 6% salary increase. Mr. Conover explained that the increase is intended to offset the employee VRS contribution mandated by the state in FY13. The 6% is intended to ensure that the employees do not experience a reduction in pay as a result of the increased taxes to which they will be exposed.

Mr. Ewing made a motion to approve the request. The motion was seconded by Sheriff Williamson. The Authority unanimously approved.

VI. ADJOURN

The meeting was adjourned at 10:34 a.m.

Respectfully Submitted,



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

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%)
- 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)

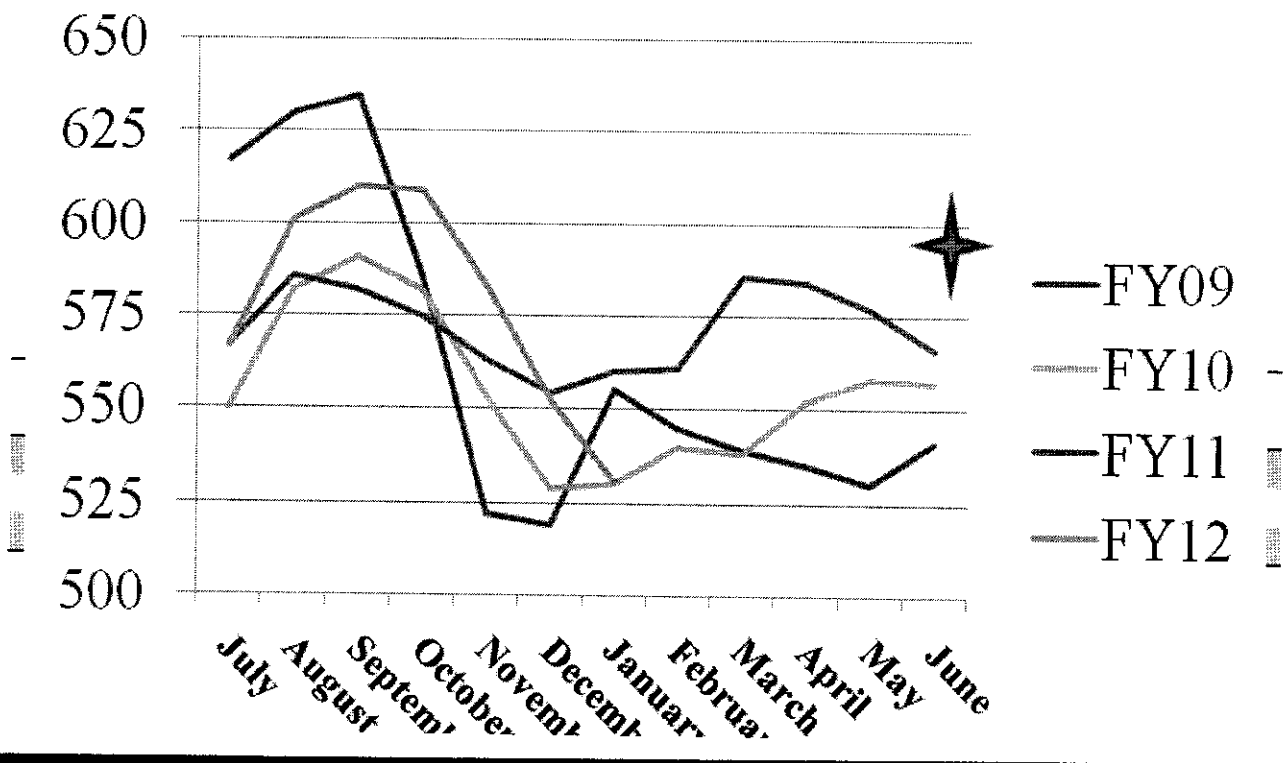
3. Defer Positions & Increase Fund Balance Draw

- 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.

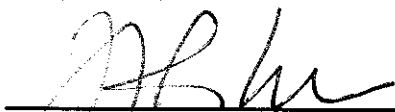
A motion was made by Mr. Ewing to approve the recommendation made by the Finance Committee on the FY13 Budget. Sherriff Williamson seconded the motion. The Authority unanimously approved.

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

NORTHWESTERN REGIONAL JAIL AUTHORITY
Minutes
Meeting of Members
January 19, 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

Clarke County

David L. Ash

Barbara Byrd

James Wyatt

Fauquier County

Sheriff Charlie Ray Fox, Jr.

Katherine Heritage

ABSENT:

Sheriff Anthony Roper

Sheriff Lenny Millholland

Art Major

Chester Stribling

STAFF PRESENT:

Bruce Conover, Superintendent

Capt Dave Pitts

Capt Allen Barr

Capt Ron Werdebaugh

CSO Gene Boyce

Capt Kathy Sasser

Lynn Dougherty

Tabitha Taylor

Jennifer McDonald

Kim Wilson

VISITORS:

Alex Bridges, Northern Virginia Daily

Sarah Greenhalgh, Winchester Star

Melissa Boughton, Winchester Star

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 agenda. The motion was seconded by Mayor Minor. The Authority unanimously approved.

III. APPROVAL OF THE MINUTES FROM OCTOBER 2011

Mr. Riley solicited a motion to approve the minutes from the October 20, 2011 meeting. A motion was made by Ms. Heritage to approve the minutes. The motion was seconded by Sheriff Williamson. The Authority unanimously approved.

IV. ELECTION OF NEW OFFICERS

Mr. Ewing recommended Mr. Riley as Chairman. The motion was seconded by Sheriff Williamson. The Authority unanimously approved.

Sheriff Williamson recommended Sheriff Millholland as Vice-Chairman. The motion was seconded by Mayor Minor. The Authority unanimously approved.

COMMITTEE APPOINTMENTS

Mr. Riley requested those members currently serving on the Jail Authority Committees to remain on those committees and assigned members to fill existing vacancies. Mr. Stribling was appointed to replace Mr. Nyhouse on the Construction Committee.

Finance

Bill Ewing – Chairman
James Wyatt
Elizabeth Minor
David Ash
Katherine Heritage
Charles DeHaven

Personnel

Art Major – Chairman
Sheriff Robert Williamson
James Wyatt
Sheriff Lenny Millholland
Sheriff Anthony Roper

Construction

David Ash – Chairman
Sheriff Robert Williamson
Sheriff Charlie Fox, Jr.
Chief Kevin Sanzenbacher
Chester Stribling

V. EMPLOYEE OF THE QUARTER RECOGNITION

The Authority recognized Jennifer McDonald as the Jail's Fall 2011 Employee of the Quarter.

VI. OPERATIONS UPDATE

Mr. Conover provided the Authority with an update of Jail operations. He reported that since September there has been a rapid decline in population. He noted that the current population is 530. The ADP in September was 612. The rapid decline in the population has caused Mr. Conover not to hire against the five (5) vacant positions the Authority authorized at the last meeting. He advised that he not hire against those positions until

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the population increases to approximately 580. Mr. Conover reported each jurisdictions population as follows: Winchester consists of 32% of the population, Clarke 33%, Fauquier 15% and Frederick County 47%. Mr. Conover drew a comparison between the current population spread and the percentages used to build the FY13 projected shares:

- Clarke – 4.91%
- Fauquier – 14.09%
- Frederick – 44.33%
- Winchester – 36.67%

Mr. Conover reported that the ADP for the first 6 months of the year was 571, which is consistent with what we had last year at this time. He explained however that much of that is attributable to the significant increase experienced at the start of the FY.

Mr. Conover reported that the weekend population is down, which reduces the turbulence that the Booking Staff experiences. The Out-of-Compliance population in December was 41, which was up significantly. This morning that number is 29.

Mr. Conover reported a drop in the number of public inebriates brought to the Jail which has helped reduce the ADP.

The Superintendent reported that the current Work Release population is 61 and the Home Electronic Monitoring Program is up, which helps reduce the institutional population. He added that the Community Inmate Workforce population is 37.

Mr. Conover reported a significant increase in the number of major health care costs. He noted that to date, the Jail experienced 105 inmate hospital days and of that total, the cost of the 54 most costly days was approximately \$286,546. Mr. Conover felt it important to note that the FY12 Anthem Budget is \$416,000, which was based upon previous year's experiences. He reported that at this time last year, we had accumulated only 62 hospital days.

Mr. Conover reported that when the Authority meets again in March, the staff will have had additional time to evaluate whether additional health care funds will be required. He reported that it's quite possible he will need to ask for additional money out of fund balance to complete the year if the current trend continues. As an example, we currently have an inmate who has been incarcerated for 2 months. He is a hemophiliac and his medication is costing \$20,000 per month. Mr. Conover reported that his brother, who is also a hemophiliac, was incarcerated four (4) days ago also. If he also requires medication, will require an additional \$20,000 a month.

The Superintendent reported that we currently have 12 Officer vacancies, five (5) of which are funded with the remaining seven (7) unfunded. The seven (7) were planned as part of this year's budget.

He also reported eight (8) civilian vacancies, one (1) of which is a funded nurse position that the Authority authorized during the last meeting. Seven (7) are unfunded positions that are a part of the planned FY12 budget.

Mr. Conover reminded the Authority that Financial Disclosure Statements were due by January 15, 2012 (VA Code § 2.2-3118).

The Superintendent reported that the Chairman dispatched a letter in October 2011 to the Center for Medicare & Medicaid Services commenting on the Affordable health Care Act of 2010. He explained that Medicaid & Medicare coverage now stops upon incarceration regardless of whether the incarcerated person has been convicted of a crime. This procedure transfers the burden of health care costs unfairly from the state to the localities. A copy of the letter requesting an appropriate change to the Act was provided to each member and another is attached.

The Superintendent also explained that a letter to Delegate Sherwood was sent by the Chairman to requesting that there be no change to the Governor's budget submission in regards to staff salary assistance and inmate per diem from the state. A copy of the letter was provided to each member. A copy of the letter is also attached to these minutes..

Mr. Conover reported the discovery of a major problem with drainage from the holding cells constructed in the Booking Area at the time of Jail expansion. He reported that Shockey & Sons has accepted responsibility for the extensive repairs that will be required. He observed that the problem was just now discovered because the additional cells had not been used until just recently upon closure of the Inebriate Center and their use to house inebriates brought to the Jail.

VI. FINANCIAL UPDATE

Mr. Conover reported on the FY11 Audit. He observed that the audit noted no transactions for which there is lack of authoritative guidance and that it reported no material misstatements, individually or in aggregate. The audit revealed that absent depreciation, FY11 revenues exceeded expenses by \$534,482 and that FY11 inmate costs decreased from \$30,013 per Annum in FY10 to \$27,990 in FY11 or \$78.66 per day/per inmate.

Mr. Conover reported the mid-year revenue collection status and indicated that we will meet our revenue target as long as we keep those additional vacancies vacant.

FY12 Revenue

	FY12 Budgeted	As of December 31, 2011	5 Mid-Year
Inmate Per Diem	\$1,013,820	\$519,535	51% (est)
Compensation Board (Salaries)	\$4,995,153	\$2,588,181	52%
Housing Fees	\$414,064	\$202,040	49%
DCJS Grant	\$249,551	\$71,190 (1 st Quarter)	29%
Medical Co-Pays	\$50,000	\$27,994	56%
Telephone Commissions	\$90,000	\$66,657 (est)	74%
Other ***	\$187,500	\$75,084 (est)	40%
Total	\$7,000,088***	\$3,560,269	50%

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Mr. Conover provided a review of the FY12 expenditures. The mid-year inmate health care expenses are 56%: (\$532,031) obligated - \$418,752 still available. He noted that health care bills are usually 30-60 days late, so the amount currently obligated may be significantly different at the next meeting since most of the more significant costs have been incurred in the last 60 days.

Mr. Conover reported that Food Service mid-year expenditures are at 57%: \$474,253 obligated with \$364,970 still available. He noted that the unexpected increase in population earlier in the year is the reason why we have overspent in the Food Service account. However, if the population remains at current levels for most of the remaining portion of the year, he expects the account to balance.

Mr. Conover reported that utility expenses at mid-year are approximately 71% of budget: \$402,886 obligated with \$168,328 available. He noted that these numbers do reflect December, but that this has been a mild winter up to this point. He observed that we will need to monitor utilities very carefully since the weather has gotten colder. He reported that utility funds may fall short.

Mr. Conover reported the mid-year Repair & Maintenance expenses at 43% of budget: \$86,664 obligated with \$116,793 available.

Mr. Conover reported the mid-year Security/Surveillance Maintenance & Equipment costs at 85% of budget: \$33,861 obligated with \$6,139 available. He reported that the account looks worse than it really is. Approximately \$20,000 of the \$40,000 budgeted was intended for an upgrade in the Control Room and that upgrade has been accomplished. We will finish the year in this area within budget.

Mr. Conover reported that personnel costs are 49% of anticipated: \$3,864,433 obligated with \$3,997,376 available. The monies that are not spent for the five (5) vacant positions approved this FY will continue to accrue. Mid-year Non-Holiday Overtime is at 21% of planned level: \$21,450 obligated with \$78,550 available.

The Superintendent reported the Jail's Unreserved Fund Balance as \$2,024,889.

Mr. Conover provided an overview of the FY13 Draft Budget. He reported that the following planning assumptions were used in developing the budget:

- 600 Inmate ADP
- Annex Remains Closed
- No Pay Increase
- No Change in Governor's Budget
- Includes \$1m Fund Balance Draw

He noted an anticipated cost increase in the FY13 budget of 5.43% (\$894,020) which includes the following:

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- Personnel Cost Increase - \$432k (VRS/Life Ins/5 Additional Staff)
- Operating Cost Increase - \$304k (Medical/Food Service/Operating Reserve)

The Superintendent reported that the FY13 planned budget includes the following operationally-required initiatives:

- Intercom System Replacements (\$125k)
- Key Control System (\$27k)
- Dental Equipment (\$40k)
- Radios (Radio upgrade from analogue to digital \$27,000 – Federal Government requires upgrade by FY13)
- Live Scan (fingerprints) – State has also mandated an upgrade - \$15,000

Mr. Conover highlighted proposed changes to the inmate fee schedule. 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:

- Housing Fee from \$1.00/day to \$1.25/day (State allows up to \$3/day)
- Work Release Fee from \$15/day to \$416/day
- HEM Fee from \$15/day to \$17.25/day

The Superintendent provided the following FY13 budget and revenue comparison:

Expenses

	FY11	FY12	FY 13 (Draft)
Personnel	\$12,305,899	\$11,958,334	\$12,390,246
Operating	\$3,366,673	\$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

Revenue

	FY11	FY12	FY13 (Draft)
Fees	\$1,981,949	\$1,491,115	\$2,112,665
State/Federal	\$5,929,179	\$6,008,973	\$5,978,850
Local	\$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

FY13 Shares (Proposed)

	FY12 % Share	FY12 Share	FY13 % Share	FY13 Proposed	Increase From FY12
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
Total		\$8,895,664		\$9,262,209	+\$366,545


Mr. Conover recommended the Jail Authority's Finance Committee meet to review the Proposed FY13 Budget prior to the March 2012 meeting.

It was decided that the Finance Committee will be Tuesday, January 24, 2012 at 11:00 A.M.

VII. ADJOURNED

The meeting was adjourned at 10:36 a.m.

Respectfully Submitted,



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