

At the regular meeting of the RSW Regional Jail Finance and Personnel Committee Meeting held on February 28, 2019 at 1:00 pm:

Present: Mary Beth Price (County Administrator, Shenandoah County), Douglas Stanley (County Administrator, Warren County), Garrey Curry (County Administrator, Rappahannock County), Brendan Hefty (Hefty Wiley and Gore: Legal Counsel) Russell Gilkison (Superintendent, RSW Regional Jail), Steven Weaver (Deputy Superintendent, RSW Regional Jail), Stephanie Smith (Finance Manager, RSW Regional Jail), Mary O'Connor (Administrative Assistant, RSW Regional Jail) Ted Cole (Davenport and Company), Mitch Brigulio (Davenport and Company) (via telephone).

Absent: None.

Welcome and Introductions

Ms. Price called the meeting to order at 1:00 pm.

Adoption of Minutes

On a motion by Mr. Stanley, seconded by Mr. Curry, and by the following vote, the RSW Regional Jail Finance and Personnel Committee adopted the minutes of the January 24, 2019 meeting as presented:

Aye: Curry, Price, Stanley

Superintendent's Report

Mr. Gilkison reported on the following items:

Average Daily Population

Rappahannock	24	6.5%
Shenandoah	159	43%
<u>Warren</u>	<u>187</u>	<u>50.5%</u>
Member Jurisdiction ADP	370	
Prince William County Contract Beds	5	
Page County Contract Beds	67	
Culpeper County Contract Beds	31	
Total Facility ADP	473	

Mr. Gilkison mentioned next month there would be a substantial increase in Page County contract beds. He stated RSW is holding close to 95-100 inmates for Page County currently. Mr. Gilkison explained the facility was close to capacity.

Ms. Price asked what Page County could hold at their local jail. Mr. Weaver explained they could hold about 80 inmates which included double bunking. Mr. Gilkison stated Page County used to have a contract with Middle River Regional Jail but that has stopped almost completely and the inmate population from Middle River Regional Jail has been transferred to RSW.

Mr. Curry asked if Page County was paying for medical care separate from per diems. Mr. Gilkison said they do. Ms. Price asked if Page County paid for transportation, Mr. Gilkison answered that they do pay if RSW does any transports of Page County inmates.

Vacancies

28 Officer Vacancies: This includes the eight positions held for vacancy savings.

2 Licensed Practical Nurse Vacancies

1 Nursing Director Vacancy

Mr. Gilkison explained there is a candidate going through background for the Nursing Director vacancy as well as another interested applicant.

Facility Grounds and Maintenance

RSW Workforce has built side extensions for the dump trailer to allow larger loads and help eliminate excess trips, painted and assisted with the assembly of new bunks to house additional inmates, utilized broom attachments for the mowers to sweep the facility parking lots and sally port, and cleaned and detailed all of the facility vehicles twice since February 8, 2019.

Inmate Programs and Services

Workforce picked up 142 bags of litter along Airport Road and Route 340 in Warren County on February the 14th and 15th.

RSW Workforce has continued to work with Shenandoah County Parks and Rec to assist with clearing of brush and general landscaping.



In addition, the Work Force has been to Rappahannock County Park four times to assist with clearing and hauling away brush, building and maintaining existing trails, and overall general landscaping to prepare for spring.



Financial Report

Ms. Smith reported on the following items:

\$399,885.40 was received from the Compensation Board in January for the December 2018 salaries and benefits reimbursement, of which \$57,570.34 was for vacancy savings.

Contract bed rental billing for December 2018 and January 2019 was as follows:

	December 2018	January 2019
Culpeper County	\$33,486.00	\$31,911.00
Page County	\$58,795.97	\$72,398.23
Prince William County	\$ 8,234.50	\$ 5,016.98

The total bed rental revenue year to date for FY19, including revenue from medical, housing, commissary, and telephone fees is \$784,584.29.

January marks 58.33% of the year. Expenditures are at 54.74% used and Revenue is at 68.83% realized.

Ms. Price asked when the numbers for Page increased, as they were billed much more in January than in December. Mr. Gilkison explained it was probably two and a half weeks ago.

FY 2020 Budget

Ms. Smith explained a few things that had changed since it was presented at the January board meetings.

The change in revenue reflects the compensation board’s change to a 3% raise effective July 1, 2019, rather than 2%. Ms. Smith explained on the budget summary page, instead of including an option for a 2%, a 2.5%, and a change to minimum salary increase, only a 3% and a change to minimum salary increase was included.

Included in expenditures a few capital expenses were added such as \$100,000 for bullet proof vests. Mr. Gilkison explained 50% of the cost for the bullet proof vests should be reimbursed by the Bureau of Justice grant.

Mr. Gilkison stated it was new equipment that the facility had not had before. Each officer would be issued a vest that would serve dual purpose as bullet proof and stab resistant. Mr. Curry asked what the lifespan was for the vests. Mr. Gilkison stated it was five years.

Mr. Stanley mentioned the high turnover rate and asked if the vests would be able to be reissued after they were fitted. Mr. Gilkison explained the vests are being fitted but they also have sizes which means as long as the vest is serviceable they could be reissued to someone who wears a similar size. Mr. Stanley asked if the vest sat unused for five years if they would last through another five years of use. Mr. Gilkison said that would have to be asked of the specific manufacturer, as he was not sure what caused them to need to be replaced after five years.

Mr. Stanley asked if the localities could be reimbursed for the cost of the vests if there is money left over from vacancy savings at the end of the year. Mr. Gilkison said yes. Ms. Price asked if the vests would be worn underneath the uniform shirts. Mr. Gilkison answered that they would be worn exterior to uniform shirts.

Mr. Curry asked if all the capital expenses such as the vests, transportation vehicles, and resealing and striping the parking lot were being budgeted to come from the annual operating budget or if the costs could come out of the capital fund. Mr. Gilkison explained that currently it was all being shown as part of the annual operating budget; some could come from capital fund but all the items are new not replacements and he was not sure how that affected the committee member's opinion toward the use of the capital fund.

Ms. Price asked what was meant by "change to minimum" on the budget summary. Mr. Gilkison stated it was the proposal to change the minimum starting officer salary to \$41,463 in order to stay competitive with local jurisdictions and other jails in the area. The current starting salary for officers is \$38,225.

Mr. Gilkison explained that at the January Authority Board meeting there was a discussion with the Shenandoah and Warren County Sheriffs in regard to what they pay their officers to start. Mr. Gilkison stated that with the 3% compensation board salary increase RSW would still be below local agencies in terms of starting pay, but the gap would be much smaller.

Ms. Price asked how the budgeted numbers for raising the starting salary to \$41,463 accounted for compression. Mr. Gilkison explained the budget option of raising the minimum salary accounted for all of the compression including raising the higher ranking officers and the officers who had been employed for longer.

Ms. Price asked how the starting salary of \$41,463 was arrived at. Mr. Gilkison explained a salary study of local sheriff's offices and jails in the area was conducted. Mr. Curry asked if \$380,000 was the difference between the 3% salary increase and the change to minimum salary. Ms. Smith said for the locality contribution that was correct.

Ms. Price stated Shenandoah County hires officers at a certain salary and then raises their salary after they have been employed for one year. She asked if this could work for RSW. Mr. Gilkison answered that the problem was getting officers in the door in the first place. He explained the number and quality of officer applications are back down to being low. He stated NRADC and

the local Sheriffs Offices are what RSW is competing against. He stated NRADC's starting salary was around \$40,000. If RSW had a much lower starting salary people would not even apply.

Mr. Curry noted that the vacancy chart has gone from 16 vacancies to 28 in the course of a year, which can inhibit the ability to rent bed space. He did not want to see what could happen in another year if the vacancies continued to rise.

Mr. Stanley stated the health insurance numbers have not been received yet and hoped they will be received in time for the March Finance and Personnel Committee meeting so they can make a recommendation to the full Authority Board meeting right after. Ms. Smith stated that while they have not received the health insurance premiums yet, a 15% increase was included as a placeholder. She stated the premiums could be higher or lower.

Mr. Curry asked if there was any interest in pulling money out of the Capital Reserve Account to pay for items such as the vans. Mr. Stanley stated there was only \$408,000 in the Capital Reserve Account, he said if there was a million or million and a half in the account he would be more inclined to use it to fund capital expenses. Ms. Smith stated at the last meeting it was approved to move money into the account from the end of year revenue, but she had not moved it because she was awaiting Davenport and Company's True-Up discussion.

Ms. Smith stated that an additional \$50,000 was added to the expenses side to account for another position through Northwestern Community Services Board. Mr. Gilkison stated it was being driven by House Bill 1942 which requires regional jails to have staff dedicated to reentry services.

Mr. Gilkison stated Northwestern Community Services has asked counties for more money for RSW Regional Jail which is unnecessary as all the funding needed is being provided for in RSW's budget.

Mr. Gilkison mentioned the need for all the internet facing computers to be replaced to accommodate the Windows 10 upgrade. He stated the current computers will not support the new operating system. The operating system upgrade is made necessary as Windows 7 end of life is slated for January 2020. The cost for replacing the necessary computers is \$30,000, which Mr. Gilkison stated was not accounted for in the budget.

Mr. Gilkison asked if the committee would like him to start purchasing the computers with excess revenue from the previous year's budget. Ms. Price asked if the budget included replacing all the computers. Mr. Gilkison stated that the security system computers do not have internet access, and in theory will not have to be replaced. He stated they may be replaced in the future but it is still only about 15 workstations. Mr. Gilkison stated the replacement budget included replacing the acorn maintenance system as well.

On a motion by Mr. Stanley, seconded by Mr. Curry and by the following vote, the RSW Regional Jail Finance and Personnel Committee chose to use funds from the FY19 budget to pay for upgrading the computers:

Aye: Curry, Price, Stanley

True Up Discussion

Ted Cole of Davenport and Company and Mitch Brigulio of Davenport and Company (via telephone call) gave a presentation on the three-year rolling average of the end of fiscal year true up.

Mr. Curry said that by using numbers that are a year out of date to calculate percentages for budget contributions, one runs the risk of having a large gap in percentages that will need to be trued up. Mr. Curry suggested using data available through part of the current fiscal year when creating the budget for the next fiscal year.

Ms. Price stated that was not the way the true up and budgeting process was conducted in the beginning and it should stay the same. Mr. Stanley explained the numbers used to determine each locality's original contribution were from the annual jail reports that were based on fiscal years which is why RSW's true up was based on fiscal years as well. Mr. Stanley stated the Jail Authority Service Agreement only stated the true up would be calculated based on year, not specifically fiscal year, so it could be changed at the discretion of the Authority.

Mr. Curry said he wanted there to be as little time as possible between the date the percentages are calculated and the date of the true up to minimize the effect of a significant rise or fall in usage.

Mr. Cole explained that the presentation Davenport and Company put together was two-part. The first part breaks down the percent budgeted and the percent used for fiscal year 2018 based on the formula currently in place. The second part breaks down the return to localities based on information received from Robinson Farmer Cox Associates.

Mr. Cole explained the Authority had a surplus of \$343,286 in FY18 (as calculated by Robinson Farmer Cox Associates). Mr. Stanley explained the number that Mr. Cole quoted was very different than the number Ms. Smith had put in the true up of \$1,321,809. Ms. Smith explained she used the same formula that had been used in last year's true up.

Mr. Cole explained the difference between the numbers is the principal payments are not included in Ms. Smith's version of the true up. Ms. Price stated that the debt payments, both principal and interest, are included in the localities' budgeted contributions, to which Mr. Cole agreed. Mr. Cole explained the principal, unlike the interest, does not show up in the operating expenses which is why it needs to be brought back and added as an adjustment at the end.

Mr. Brigulio stated "the audit is done on a full accrual basis which means it does not account for principal as an expense." He explained if they take out depreciation, principal needs to be added back. Mr. Brigulio stated he had spoken with James Kelly, RSW's auditor from Robinson Farmer Cox Associates, and he had confirmed that it is done on a full accrual basis and principal is not counted as an expense item. Mr. Brigulio stated that Mr. Kelly conducted the calculation shown in the presentation by Davenport and Company.

Mr. Cole said he believed that in the audit the principal was listed as a “reduction of a liability.” The principal is not included as an “operating expense,” rather it is on the balance sheet as a “reduction of a liability,” as the debt is considered a liability. Mr. Cole stated that to truly understand the cash flow and surplus of the Authority, the debt payment has to be accounted for.

Mr. Curry stated that he was not interested in continuing to use a formula for the true up if it is not correct, simply because it is precedent.

Ms. Price asked if the \$922,000 that was calculated to be returned to localities last year based on the Fiscal Year 2017 true up should have actually been much lower, and stated that she did not agree with Mr. Curry, and if the formula was going to be changed then every year should be recalculated based on the same formula. Mr. Curry stated he was not arguing that every year should be recalculated, he simply wanted the true up to be calculated the correct way starting now.

Mr. Stanley asked Mr. Hefty what the Jail Authority Service Agreement stated about how the true up and budgeting process should be conducted. Mr. Hefty read from the service agreement, “the payments from each Member Jurisdiction shall be adjusted at the end of each Fiscal Year based on the Member Jurisdictions’ respective usage of the Regional Jail for the preceding three years.”

Mr. Hefty explained that each county was budgeted an amount in Fiscal Year 2018 and each county paid that amount. He stated that the counties are supposed to adjust that amount based on the average of the three previous years; for Fiscal Year 2018 it would be Fiscal Years 2017, 2016, and 2015. Mr. Hefty said that during the true up the amount paid and the actual population of inmates is compared to the three year rolling average. He explained that if the difference between the actual and the average result in an excess, the county would receive a credit, and if it results in a deficit, the county owes. Mr. Hefty said using a three year rolling average is supposed to even out any high or low spikes in the graph of one anomalous year.

Mr. Stanley stated that currently the authority is building the Fiscal Year 2020 budget with the Fiscal Year 2018 numbers. He explained this causes a gap year in between when the percentages were determined and when they take effect. Mr. Stanley said he liked Mr. Curry’s idea of using the calendar year rather than the fiscal year because the inmate population percentages will be six months more current.

Mr. Stanley suggested sending all pertinent financial documents to Robinson Farmer Cox Associates to determine if the formula for the true up and the numbers themselves are correct. Mr. Stanley said he would like to wait until the March meeting to make a decision regarding the true up and return to localities.

Mr. Stanley asked Mr. Gilkison if he could do a three year rolling average comparison between the fiscal year and calendar year.

Ms. Price stated that she was not against making a change if one was necessary, but the current system works for the Juvenile Detention center and the current system was adopted by the board when RSW first opened.

Mr. Gilkison stated that due to the complexity of the true up calculation, he requested that the auditors calculate the percentages and take that responsibility off of RSW staff. He explained that due to the dollar amounts being calculated he would prefer to leave it in the hands of the professional accountants. Mr. Stanley and Mr. Curry agreed.

Mr. Curry stated that at the next board meeting the localities would have to carefully consider their contributions and either budget for a larger contribution in their county budgets, or use more current percentages so the percentages are closer to actual usage during next year's true up.

Ms. Price thanked Mr. Cole and Mr. Brigulio for their presentation.

RSW Officer Vacancy Chart

Mr. Gilkison explained the chart was an informational look at the officer vacancies that was included at the request of Mr. Curry.

Mr. Curry explained that at every meeting he had sensed a trend of the officer vacancies rising. Mr. Gilkison stated that it is clear from the chart that the last raise that went into effect two years ago reduced the number of vacancies significantly; as the salary has not changed since, it has become less competitive causing the vacancies to rise.

Mr. Stanley thanked Mr. Gilkison for putting the chart together and including it for the committee members to see.

Discussion: Shenandoah University Student Documentary

Mr. Gilkison explained that he had received a request from a senior at Shenandoah University who wants to do a documentary of inmate programs and services as her senior project. Mr. Gilkison stated a potential positive outcome would be the positive publicity from the documentary, however, Mr. Hefty had advised Mr. Gilkison that if RSW allows one group to film it opens the door for additional groups to request to film documentaries at RSW. Mr. Gilkison said it is a discussion over the authority's opinion of opening the door to documentaries.

Mr. Hefty explained there were two types of documentaries. The first would be if the person interviewed staff and inmates by going through the normal channels and requesting to visit with specific people. The second scenario would be if RSW allowed special access into the secured part of the jail for filming or interviewing. Mr. Hefty stated for the second scenario there needs to be an agreement to protect RSW and the authority. Mr. Hefty said generally his team does not recommend the second type of documentary to take place in the jails they represent.

Mr. Gilkison explained that the intent from the student is the second type, to film and document programs with special access into security. Mr. Stanley stated he was more comfortable with the first type rather than the second. Mr. Curry explained he did not like the first or second type of documentary, as he was risk averse. Ms. Price stated she follows Mr. Hefty's recommendation.

Mr. Hefty asked Mr. Gilkison to ask the student to give a detailed proposal so that he and the board may look it over. Mr. Hefty explained when other jails Hefty Wiley and Gore represent are

approached by *Scared Straight* and other similar programs, he recommends they do not participate.

Closed Session

On a motion by Mr. Stanley, seconded by Mr. Curry, and by the following vote, the RSW Regional Jail Finance and Personnel Committee went into closed session pursuant to Code Section 2.2-3711.A.1 for the discussion of a personnel matter involving consideration of an employee grievance:

Aye: Curry, Price, Stanley

On a motion by Mr. Stanley, seconded by Mr. Curry, and by the following roll call vote, the RSW Regional Jail Finance and Personnel Committee returned to open session and certified that only public business matters lawfully exempted from the open meeting requirements of the Freedom of Information Act and identified in the motion to go into closed session were heard, discussed, or considered in the closed session:

Aye: Curry, Price, Stanley

On a motion by Mr. Curry, seconded by Mr. Stanley, and by the following vote, in the matter of the grievance hearing for E.P. held on February 28, 2019, and upon consideration of the evidence presented, the decision to terminate was upheld with the following modifications:

1. Eliminate the reference to the December 26, 2018, verbal counseling
2. Add violation of General Order 300.11 section III.E.18, "Abuse of Supervisor Authority," to the violation for the communication with a subordinate officer on Google Hangouts between November 30, 2018, and January 17, 2019.

Aye: Curry, Price, Stanley

Other Outstanding Issues

There were no outstanding issues.

Meeting Schedule

- March 28, 2019 at 1:00 pm
- April, 25, 2019 at 1:00 pm
- May 23, 2019 at 1:00 pm

Adjournment

With no further business to discuss the regular meeting of the RSW Regional Jail Finance and Personnel Committee was adjourned at 4:55 pm.

Mary Beth Price, Chairman
RSW Regional Jail Finance and Personnel Committee

Date Approved