Minutes

Middle Peninsula Juvenile Detention Commission

Meeting of April 26, 2019

On April 26, 2019 at 10:00 A.M. in the conference room of the Middle Peninsula Planning District Office, Saluda, Virginia, Vice Chair Vivian McGettigan, called the meeting to order. The following persons were present:

Barbara Dameron – Williamsburg City
Sharon Day – James City County
Elizabeth Holt – Charles City (arrived after roll call)
Julie Kaylor – Mathews County
Karen Lewis – Westmoreland County
Michael Lombardo – Essex County (arrived after roll call)
Vivian McGettigan – York County
Luttrell Tadlock – Northumberland County
Bobbie Tassinari – King William County
Frank Tetrick – Lancaster County
Randall Wheeler – Poquoson City

Jeff Gore – Counsel
Gina Mingee – Executive Director
Sandy Schubert – Clerk

ABSENT:
Rodney Hathaway – New Kent County
Alan Partin – Caroline County
Morgan Quicke – Richmond County
Thomas Swartzwelder – King & Queen County
Jim Taylor – Hanover County
Stephanie Tinsley – Gloucester County
Matt Walker – Middlesex County

Ms. McGettigan opened the meeting and determined that a quorum was present and welcomed the representatives of the ABM Corporation, Charlie Barksdale of the Division of Energy, Bill Lindsey of York County, and Bill Orris of the Merrimac Center.

Re: Energy Performance Presentation

Ms. McGettigan explained that Ms. Mingee and some Commission members have been working on the energy performance contracting process for a couple of years, and ABM is now ready to present the results. She also stated that our attorney, Mr. Gore, will explain the options of financing this project should we decide to move forward with this plan.

Ms. Mingee explained that the process began to determine the future needs of the aging building and equipment, including potential energy savings so, with the help of Mr. Barksdale, ABM Industries was chosen to do the investment grade audit.

Nathan Botwright with ABM Industries presented the results of the investment grade audit completed by at the Center. He explained that the capital volatility analysis shows that 97 percent of the equipment is in fair to very poor condition and 48 percent of the equipment was given a “D” rating, meaning that it was at the end of its useful life. It was noted that the utility combined with operational savings would be approximately $27,000 each year. He detailed the three options for the energy project, noting that option one includes all energy conservation measures as well as other upgrades at a cost of $1.4 million which is not recommended. Option two addresses the energy-savings improvements and the most critical, comprehensive facility needs at a cost of $1,032,000; this is the recommendation of ABM Industries for the project. Option three is considered an alternate and would replace selected items at a cost of $803,000 with less overall energy savings. Mr. Botwright noted that there are no prepayment penalties with a tax exempt lease, so the loan could be paid off early. He said that ABM Industries guarantees a firm, fixed price, the

performance of the systems, and the long-term functionality of the systems installed. Ms. Mingee thanked Mr. Botwright for the presentation, and the representatives of ABM departed the meeting. She asked Mr. Barksdale to stay and answer any questions from the Commission. He explained that since the Center has needs greater than energy savings alone, the chosen project would not be revenue-neutral. He also pointed out that the equipment provided by ABM in this proposal is all open book pricing for review at any time. Ms. Mingee thanked Mr. Barksdale, and he departed the meeting.

Mr. Gore explained that the Commission has the authority to issue debt and that the original debt was financed through revenue bonds which have been paid off. He said funding for this project could come from private banks and ABM could help with the RFP for financing as well as provide us with information on the banks familiar with these projects. He suggested that the Commission may want to obtain bond counsel for this process. He suggested the next step would be to pick the project scenario, work out the final terms of the contract and do the RFP for the financing. After review of the contract, it would then be awarded.

Ms. Mingee explained that presently we have $381,000 in a capital reserve account, and we are projecting a possible $400,000 surplus this year. There is also the possibility of an increase of about $300,000 in the community placement program (CPP) revenue in FY20. Ms. McGettigan said that the Executive Committee would review the financing and cash funding from year-end surplus. Ms. McGettigan asked for a motion to move forward on one of the options and award the energy performance contract subject to financing. After a short discussion, Mr. Wheeler moved to select option two of the energy proposal with the intent to award the contract to ABM Industries, seconded by Ms. Dameron. Motion carried unanimously.

Re: Approval of Minutes for January 25, 2019
Ms. Lewis moved to approve the minutes of January 25, 2019 as presented, seconded by Ms. Day. Motion carried unanimously.

RE: FINANCIAL REPORT
Ms. Mingee reviewed the utilization report and stated that the highest users of the Center were Hanover, Gloucester, and York Counties. The average daily population (ADP) for members was 20 with the addition of the state juveniles being 35. The leading charges to detain juveniles were contempt of court and assaults. It was noted that the Center received four juveniles charged with murder; three were sent to other detention centers in order to keep them separated as co-defendants.

Ms. Mingee said that the cash account includes three additional months of community placement program (CPP) payments, an overage of CPP bed days, and an increase of $33,000 from the Department of Juvenile Justice (DJJ) block grant. The state ward revenue reflects the delayed pickup of juveniles going to a state correctional facility. She explained that the miscellaneous revenue reflects a change in accounting procedure of funds reimbursing the Center for work completed by our technology manager. Due to a computer error at DJJ, the funding for our USDA reimbursement has been delayed, but we expect it to be resolved by year-end. Except for prepayments in the insurance line item, most expenses are below budget, but we have made purchases of computers, desks, a steamer, and resident and staff clothing which will be reflected in the final quarter of the year.

RE: ATTORNEY REPORT
Mr. Gore explained the amended state budget includes a three percent salary increase as of July 1, 2019, and it implies that detention centers supported by the block grant from DJJ must pass this increase through to employees. Ms. Mingee said that the Isle of Wight Board of Supervisors reversed its decision to have the new DJJ facility built in that area. She also noted that DJJ Director, Andrew Block, has resigned, and the governor has appointed the current director of community services to replace Mr. Block.

RE: OLD BUSINESS
None

RE: NEW BUSINESS
Ms. McGettigan asked Ms. Mingee to cover the nominations for the Executive Committee. Ms. Mingee explained that, with the exception of Ms. Tinsley, the other members have agreed to continue for another term. She asked for nominations from the floor to fill the opening on the committee, and Ms. Day nominated Ms. Dameron. There being no other nominations, Ms. Day moved for the reappointment of the current Executive Committee members with Mr. Quicke as Chair and Ms. McGettigan as Vice-Chair with the

exception of Ms. Tinsley, who will be replaced with Ms. Dameron. Ms. Lewis seconded the motion and it carried unanimously.

Ms. Mingee said that, in the past, DJJ paid a flat per diem on a guaranteed number of beds for the CPP juveniles, but this year they have requested a CPP budget breakdown to determine the per diem rate. If a detention center would accept the current per diem with a one and one-half percent increase, no budget would need to be submitted. However, since DJJ placed more requirements for services with only an increase of $20,000 for us, we decided to do the CPP budget. Using the FY18 utilization, we determined that CPP made up 34 percent of the overall population. Ms. Mingee met with DJJ representatives on Wednesday to review the proposal and budget. As a result of the meeting, we have made some revisions which still allow for a funding increase from CPP of about $360,000. We are unsure if that rate will be approved, but we did find out that, of all the detention centers offering the CPP program, Merrimac has the lowest recidivism rate. We hope to finalize the CPP FY20 per diem rate within the next few weeks.

Ms. Mingee reported that she met with Director of the Colonial Behavior Heath, who provides mental health services to the Center with in-house case manager, a mental health therapist, and the services of a doctor for psychiatric medication. He informed us that all services would cease on July 1 due to budget shortfall. But with the help of Mr. Tetrick, Ms. Mingee was able to speak with the Department of Behavior Health and Disability Services, and now we will be able to retain the services of the mental health therapist at the Center.

Ms. Mingee said that, at the last Executive Committee meeting, the members discussed changing the budgeted staff increase from two percent to three percent as indicated in the revised state budget. The cost of the extra one percent would be about $31,000 and could be easily covered by the offset from the increase expected in the CPP revenue.

Mr. Wheeler moved to change the FY20 budget salary-increase expense from two percent to three percent with the revenue balance to be from the CPP budget increase, seconded by Ms. Day. The motion carried unanimously.

Ms. Mingee explained that the Virginia Retirement System (VRS) has offered to its members a long-term care insurance program at no cost to the Commission. It would not be a payroll deduction and would be paid directly by the employee. We would like to offer this benefit to the staff and ask for a motion from the Commission to do so.

Mr. Wheeler moved to enter into an agreement with VRS to offer long-term care insurance program to the employees of the Merrimac Center and authorize the vice-chair to execute it. The motion was seconded by Ms. Holt and carried unanimously.

DIRECTOR'S REPORT
Nothing more to report.

RE: ADJOURNMENT

There being no further business, the meeting adjourned at 11:35 A.M.

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Vivian McGettigan, Vice-Chair
Middle Peninsula Juvenile Detention Commission