

Minutes

Middle Peninsula Juvenile Detention Commission

Meeting of October 25, 2019

On October 25, 2019 at 11:05 A.M. in the conference room of the Middle Peninsula Planning District Office, Saluda, Virginia, Chair Morgan Quicke, called the meeting to order. The following persons were present:

Barbara Dameron – Williamsburg City
Sharon Day – James City County
Brent Fedor – Gloucester County
Julie Kaylor – Mathews County
Vivian McGettigan – York County
Alan Partin – Caroline County
Morgan Quicke – Richmond County
Luttrell Tadlock – Northumberland County
Bobbie Tassinari – King William County
Jim Taylor – Hanover County
Frank Tetrick – Lancaster County

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

ABSENT:

Rodney Hathaway – New Kent County
Elizabeth Holt – Charles City
Karen Lewis – Westmoreland County
Michael Lombardo – Essex County
Thomas Swartzwelder – King & Queen County
Matt Walker – Middlesex County
Randall Wheeler – Poquoson City

Mr. Quicke opened the meeting and determined that a quorum was present.

Re: Approval of Minutes for July 26, 2019

Mr. Partin moved to approve the minutes of July 26, 2019 as presented, seconded by Ms. McGettigan. Motion carried unanimously.

RE: FINANCIAL REPORT

Ms. Leslie Roberts, a partner with the accounting firm Brown & Edwards, called into the board meeting to present the findings of the FY 2019 audit of the Merrimac Center. She stated that the year ended very well with a clean, unmodified opinion. She gave a page-by-page overview of the audited financials and explained the changes that occurred since the last audit, noting that revenues were up, and expenses were down resulting in a surplus for FY2019. She also explained the changes to the financial statements as a result of establishing a separate Virginia Retirement System account in January.

Ms. Mingee reported that Hanover County had the most child-care days so far this year, followed by Williamsburg and York Counties. The member's average daily population (ADP) is 16 and the state ADP is 14 for the total ADP 30. The leading charges are assault, burglary and contempt of court

Ms. Mingee explained that the final journal entries for FY19 are not reflected on the period three balance sheet, but the accountant has provided the expected ending balance of \$1,083,578 in our cash reserve account. Revenue reflects three months of pre-payment from the Community Placement Program (CPP) for the guaranteed beds along with additional funds for bed days above the guaranteed amount. She

noted that although we were not expecting to receive any re-entry juveniles this year, we did have one juvenile showing an increase in revenue by \$5,000. The overall expenditures are close to budget, but some line items are over and reflect pre-payments for the year. Others such as on-call are high due to staff shortages and the use of the on-call staff rather than pay for overtime.

RE: ATTORNEY REPORT

None

RE: OLD BUSINESS

Mr. Gore said that with the Commission's approval at the July meeting, the Executive Committee, with the help of bond counsel, reviewed all financing proposals for the energy project and determined that the SunTrust proposal was most favorable. At the September 27th meeting, the Committee issued an intent to award the financing to SunTrust Bank subject to the final approval of the full Commission. The Resolution to authorize the financing and execution of the project to the Executive Director, the Chairman or Vice Chairman was distributed for review.

Mr. Gore said that although we wanted to present the final loan documents today, they were not ready, so a templet document with the same terms and conditions was sent. Mr. Gore said that he and bond counsel reviewed the documents and found no issues.

After a short discussion, Mr. Partin moved to award the financing of the energy project, totaling \$1,031,919 at a rate of 2.524 percent, to SunTrust. Motion was seconded by Ms. Dameron and carried unanimously.

Mr. Partin moved to adopt the presented Resolution authorizing the loan and authorizing the Chair, Vice Chair, and Executive Director to execute the closing documents of the loan. Motion was seconded by Ms. Dameron and carried unanimously

RE: NEW BUSINESS

Mr. Quicke explained that the FY21 Draft Budget reflects the first debt service payment, reduced by the annual energy savings, from the capital reserve account balance. He explained that although the five-year average daily population (ADP) has dropped from 28 to 26, the Committee wanted to keep the per diem rate near FY20 Budget rate. He stated that the income from the state programs allows for the lower costs to the members.

Ms. Mingee noted the reduction in the block grant revenue from the Department of Juvenile Justice (DJJ) is directly reflective of the lower member population at the Center. The \$125,925 increase in revenue from the Community Placement Program (CPP) is from the two-year Memorandum of Agreement signed on July 1 with DJJ. This agreement removed reimbursements for transports and most group counseling, which must be absorbed by the Center.

The salary expense line is reduced by two line-staff positions but includes an average merit increase of three percent for employees. It was noted that although the health insurance line was based upon the September census, it did not allow for a possible increase to the insurance rate. Nor was a possible rate increase to the Virginia Retirement System (VRS) considered, so both line items need to be increased. It was also noted that a few of the upgrades listed under furniture and equipment are capital expenditures and may be paid from the capital reserve funds. Mr. Fedor recommended that we restore the contingency expense line item in order to cover any unforeseen expenses.

Mr. Quicke suggested that the per diem rate remain the same as FY20, which would reduce member's cost in the FY21 Budget year. A lengthy discussion ensued regarding identifying the different fund balances and how to cover the increases to the expenses in the budget. It was decided that the budget should reflect two new fund balance lines, Capital Reserve Balance-Debt Service for the annual debt service payment and Capital Reserve Balance-Capital Expenditures for major capital improvements. The increases to insurance, VRS and contingency accounts may be taken from the fund balance. This amended budget will be sent to all members within a week.

Ms. McGettigan moved to accept the FY21 Budget as amended from previous discussions, which reflects a per diem of 174.09 and a total budget of \$4,778,208. Motion was seconded by Mr. Fedor and carried by unanimous vote.

Ms. Mingee said that the FY19 Annual Report has been sent to the members for their review and can also be found on the Merrimac Center website.

DIRECTOR'S REPORT

Ms. Mingee announced that for the first time since opening, the Merrimac Center passed our three-year Department of Juvenile Justice audit and our Prison Rape Elimination Act audit with 100 percent compliance. A celebration of this achievement was held for the staff during the regular quarterly meeting.

CLOSED SESSION

The closed session to discuss the Executive Director's contract was delayed until the January meeting.

RE: ADJOURNMENT

On the motion made by Mr. Partin and seconded by Ms. Dameron, the meeting was adjourned at approximately 12:55 P.M.

Morgan Quicke-Chair
Middle Peninsula Juvenile Detention Commission