



# MIDDLE RIVER REGIONAL JAIL

Serving Staunton, Waynesboro, Harrisonburg and  
the Counties of Augusta and Rockingham

**May 10, 2021, 2:00 p.m.**

Finance Committee Meeting  
350 Technology Drive  
Staunton, Virginia 24401

## **Finance Committee Members:**

Jennifer Whetzel, Augusta Assistant County Administrator  
Cameron McCormick, Waynesboro City Finance Director  
Larry Propst, Harrisonburg City Finance Director  
Phillip Trayer, Staunton City Finance Director  
Patricia Davidson, Rockingham County Finance Director

## **Facility Staff:**

Jeffery Newton, Superintendent, Middle River Regional Jail  
Eric Young, Major of Operations, Middle River Regional Jail  
Lori Nicholson, Major of Support Services, Middle River Regional Jail  
Jeannie Colvin, Finance Director, Middle River Regional Jail  
Beverly Manor, Finance Staff, Middle River Regional Jail

## **Others Present:**

Tyler Moses, IT, Middle River Regional Jail  
Misty Cook, Augusta County Fiscal Agent

Mr. Newton welcomed everyone.

1. **Approval Minutes March 24, 2021:** Ms. Davison made a motion to approve the minutes from the March 24, 2021 with the correction to made reference to the phrase FY 2021 Cares Act Money. The minutes should be change to: available COVID-19 relief funds. Mr. McCormick seconded the motion. Approval was **unanimous**.
2. **FY2021 Budget update:**
  - a. Cyber claim insurance reimbursement – Esitech \$32,921.50: Ms. Colvin reviewed the status of the insurance claim stating that the amount of reimbursement will likely be less than the \$32,921.50 pending further discussions with the insurance company regarding the consulting fees and hardware costs. No budget amendment is anticipated to be necessary.
  - b. Revenue – Per Diem payment loss due to transfer of 180 DOC inmates in April 2021: Ms. Colvin updated the committee on the estimated loss of per diem revenue from the Commonwealth (estimated at \$200,000) for fiscal year 2021 for April, May, and June. The loss is due to the transfer of 180 VADOC inmates from MRRJ. Ms. Colvin stated that MRRJ is anticipating the VADOC to possibly move up to another 90 by June 30, 2021.

- c. Information Technology- 2015 server replacements. Two servers failed on April 20, 2021, which controls the cameras, approximately \$14,710 to replace both servers. Servers to be replaced with the network Key Control System capital purchase: Ms. Colvin updated the committee on the replacement of two servers due to failure of the equipment. Sufficient funds are available to purchase the servers as part of the capital network key control project.
  - d. FY2021 Budget Amendments - (2) need to be posted to the County general ledger system: Ms. Colvin informed the committee that the budget amendments need to be posted to the County general ledger system
    - i. Budget Amendment #1 \$893,700
    - ii. Budget Amendment #2 \$357,100
  - e. Bed rental update- \$68,950 expenses: Ms. Colvin updated the committee on the expenses for bed rental paid to date of \$68,950, leaving a balance of \$181,050 in this expenditure account to partially offset the loss of per diem revenue of approximately \$200,000 for the fiscal year.
3. Professional Services for expansion plan: (Davenport invoice for financial services for debt analysis and Moseley invoice for additional architectural services): Ms. Colvin reviewed the additional financial and architectural services performed by Moseley and Davenport for the expansion plan. The consensus of the committee was to pay the invoice received from Moseley by June 30, 2021, and to pay Davenport, estimated at \$27,500 as of this date, if the Authority Board does not vote to move forward with an expansion plan at the June 1, 2021 meeting. If the Authority Board votes for an expansion plan, then Davenport can be paid at the time of bond closing for all bond issuance and financial services fees.
4. Net Asset Policy:
- a. Final review and schedule for approval at the Authority Board meeting June 1, 2021: Ms. Colvin reviewed the final draft of the Net Position Policy which has been reviewed by MRRJA Legal Counsel and Financial Advisor. Mr. Propst suggested the cash reserve of 8% is not necessary and should be eliminated from the policy stating that these funds could be used for additional amounts for the Repair and Replacement Reserves, capital improvements or more immediate capital needs for the Jail. Ms. Whetzel offered comment on the prior requirement of the cash reserve when the jail was established. The consensus of the committee is to remove the cash reserve section, revise the policy and redistribute the policy to the committee with these changes and schedule the policy for adoption at the June 1, 2021 Authority Board meeting.
5. MRRJA Fiscal Agent Services:
- a. Update on status –
    - i. Ms. Davidson commented that she and Mr. McCormick had been communicating on either Waynesboro or Rockingham County serving as the fiscal agent for MRRJA. Both agreed that the complexities of the software system allowing a separate employer ID number for payroll is prohibiting them from serving as fiscal agent. Both also commented on the additional demand for services required for an additional 200 employees to be added to their human resources staff functions.
    - ii. Ms. Davidson recommended the Jail serve as its own fiscal agent. No other locality offered to serve as fiscal agent.
    - iii. The committee discussed the software needs for banking/treasury services, payroll, human resources, accounts payables and purchase orders, general ledger and budget modules from the software. Ms. Colvin stated the estimate received in January for software was approximately \$485,000 for the basic modules for payroll, general ledger, purchase orders, human resources, accounts payables, budget, and no data conversion costs. Ms. Davidson asked about the procedures for purchase orders. Ms. Colvin responded that the Jail purchased its own purchasing software system in order to

comply with the timeliness of processing purchase orders in response to the audit comments.

- iv. Mr. Newton added that the Jail has already purchased and implemented KRONOS for payroll separate from the County. Ms. Davidson suggested we continue to break away systems from the County in preparation for purchasing its own software system.
- v. The committee recommended establishing a budget for software, a transition plan, and budget for capital and operating costs for the software implementation to be reviewed by the committee. The committee suggested possible monthly meetings during the implementation process to establish and provide guidance for policies for internal controls, audit requirements and procedures for the Jail to serve as its own fiscal agent.

6. SAW Health Consortium Middle River membership status and timeline:

- a. Ms. Whetzel reported the status on the Jail becoming a member of the SAW Health Consortium. Discussion included the review of consulting fees, health insurance fees, stop loss coverage, and the amount of the self-funded health insurance reserve account held by Augusta County, approximately \$2.4 million. Ms. Whetzel reported the consultant has the data required to perform an analysis and should be completed by the August meeting for the Jail to determine if it can become a member by January 1, 2022.
- b. Mr. Propst asked why the Jail was seeking its own membership status. Mr. Newton replied based on the number of employees, the age factor of the employees, the Jail could possibly see lower premiums for the Authority.
- c. Mr. Newton noted that the Authority Board would need to take action for approval. The goal is to have analysis and any subsequent action completed in time for Open Enrollment for Calendar Year 2022.

7. Review of Draft Pay and Classification Plan:

- a. Ms. Colvin presented the first Draft MRRJA Pay and Classification Plan to the committee for review. Ms. Colvin noted staff has been in the process of finalizing the plan over the past two years taking into consideration the revised organization chart, changes in salary from the Compensation Board, promotions/turnover changes.
- b. Mr. Trayer asked what the plan was going to cost to implement. Ms. Colvin replied that the plan takes into consideration the current employee salaries with the exception of adjustments for a few employees to adjust their salary to the minimum pay grade. Ms. Colvin noted the on-going promotion process and that the any promoted employee's salary will be equal to at least the minimum pay grade level for that rank.
- c. Ms. Colvin stated that data for the pay plan was derived from existing pay plans for officers and nurses established by the Compensation Board or the Authority Board, and salary survey information from the Virginia Association of Regional Jails, and Indeed hiring information.
- d. Ms. Colvin stated the plan does include the FY2022 5% pay increase and since it is based on the current employees' salaries, it will be implemented July 1, 2021 and become a part of the budget approval process in the future.

8. Expansion Plan Update:


- a. Mr. Newton informed the Committee that he had received guidance from the MRRJA Chairman to focus on a Jail expansion plan focusing on the rehabilitation of the facility and additional support services space, approximately \$18 million. Discussion included the cost of the project to be limited to \$18 million or does this amount include the bond issuance and debt reserve costs in addition to \$18 million for the debt. The committee decided to meet again May 25, 2021 to discuss debt options for an expansion plan.

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- 9. Finance Committee meeting schedule:
  - a. Ms. Whetzel suggested the finance committee establish a schedule to meet two weeks prior to the bi-monthly Board meetings.
  - b. Mr. Newton will have staff prepare a schedule and distribute to the finance committee.

**The next Finance Committee meeting is scheduled for May 25, 2021 at 2:00 pm**

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Secretary