

**Blue Ridge Juvenile Detention Commission Meeting
Friday, January 20, 2023 @ 10:00 AM
Blue Ridge Juvenile Detention Conference Room
195 Peregory Lane, Charlottesville VA 22902**

- I. Call to Order
- II. Adoption of Policy Governing Remote (Electronic) Meeting Participation and Meetings Held Solely Through Electronic Means
- III. Chairperson Rotation
- IV. Matters from the Public
- V. Meeting Minutes – December 15, 2022
- VI. Old Business
 - Compensation Study Recommendations
- VII. New Business
 - November FY23 YTD Unaudited Financial Report
 - FY24 Budget
 - Financial Policies
- VIII. Matters from Director
- IX. Matters from Commission Members
- X. Matters from Commission Attorney
- XI. Adjournment

Blue Ridge Juvenile Detention Commission

Policy Governing Remote (Electronic) Meeting Participation and Meetings Held Solely Through Electronic Means

A. Remote Participation by Commission Members When Quorum Physically Assembled

Virginia Code § 2.2-3708.3 allows Commission members to participate in a Commission meeting electronically provided certain conditions are met. The statute requires that the Commission adopt a written policy before members can do so. The policy of the Blue Ridge Juvenile Detention Commission (“Commission”) shall be as follows:

1. Personal Matter. A member of the Commission may participate in a meeting through electronic communication from a remote location that is not open the public due to a personal matter if:

- a. On or before the day of the meeting, the member notifies the chair of the Commission that such member is unable to attend the meeting due to a personal matter and identifies with specificity the nature of the personal matter.
- b. A quorum of the Commission is physically present at the location of the meeting, and a majority of the quorum votes by motion to approve the electronic participation. The motion to approve the participation shall include the specific nature of the personal matter and the remote location from which the member is participating. The motion and the vote shall be included in the minutes of the meeting.
- c. If the motion is denied because it would otherwise violate this policy, the motion and vote shall also be included in the minutes of the meeting.
- d. Such participation by any member shall be limited each calendar year to two meetings or 25 percent of the meetings held per calendar year rounded up to the next whole number, whichever is greater.

2. Disability or Medical Condition. A member may participate in a meeting through electronic communication due to (i) a temporary or permanent disability or other medical condition that prevents the member from attending the meeting or (ii) a family member’s medical condition that requires the member to provide care for such family member, thereby preventing the member’s attendance if:

- a. The member notifies the chair of the Commission prior to the meeting that the member is unable to attend the meeting due to a temporary or permanent disability or other medical

condition that prevents the member's physical attendance. The specific nature of the disability or medical condition does not have to be disclosed.

- b. A quorum of the Commission is physically present at the location of the meeting, and a majority of the quorum votes by motion to approve the electronic participation. The motion to approve the participation shall include the fact that there is a temporary or permanent physical or other medical condition or a family member's medical condition requiring the member's care that prevents the member from attending and the remote location from which the member is participating. The motion and vote shall be recorded in the minutes of the meeting.
- c. If the motion is denied because it would otherwise violate this policy, the motion and vote shall also be recorded in the minutes of the meeting.
- d. Participation under this provision is not limited to a certain number of times per year.

3. Distance from Meeting. A member of the Commission may participate in a meeting through electronic communication from a remote location that is not open to the public if:

- a. The member notifies the chair of the Commission prior to the meeting that such member's principal residence is more than 60 miles from the meeting location identified in the required notice for such meeting.
- b. A quorum of the Commission is physically assembled at one primary or central meeting location and a majority of the quorum votes by motion to approve the electronic participation.
- c. If participation by a member through electronic communication means is approved pursuant to this section, the Commission shall record in its minutes that the member participated through electronic communication means due to the distance between the member's principal residence and the meeting location.
- d. If the motion is denied because it would otherwise violate this policy, the motion and vote shall also be recorded in the minutes of the meeting.

B. State of Emergency Declared: Meetings Without Quorum Physically Assembled

Pursuant to Virginia Code § 2.2-3708.2, the Commission may meet by electronic communication means without a quorum physically assembled at one location when the Governor has declared a state of emergency pursuant to Virginia Code § 44-146.17 or Albemarle County, where the facility is located, has declared a local state of emergency pursuant to Virginia Code § 44-146.21, provided that (i) the catastrophic nature of the declared emergency makes it impracticable or unsafe to assemble a quorum in a single location and (ii) the purpose of the meeting is provide for the continuity of operations of the Commission or

the discharge of the Commission's lawful purposes, duties, and responsibilities. In so convening a public meeting, the Commission shall:

1. Give public notice using the best available method given the nature of the emergency, which notice shall be given contemporaneously with the notice provided to Commission members;
2. Make arrangements for public access to such meeting through electronic communication means, including videoconferencing; and
3. Provide the public with the opportunity to comment at such meeting when public comment is customarily received by the Commission. In such instance, the Commission shall make arrangements for the voice of the remote participant to be heard by all persons present at the meeting location.
4. The nature of the emergency, the fact that the meeting was held by electronic means, and the type of electronic communications means by which the meeting was held shall be stated in the minutes.

C. All-Virtual Public Meetings

An "all-virtual public" meeting is a meeting conducted by the Commission, using electronic communication means, during which all members participate remotely, and public access is provided through electronic communication means. Virginia Code § 2.2-3708.3 authorizes the Commission to hold all-virtual public meetings for any regularly scheduled or special meeting provided the following criteria are met:

1. The meeting notice shall indicate whether the meeting will be an in-person or all-virtual public meeting. The notice shall also include a statement that notifies the public that the method by which the Commission chooses to meet will not be changed unless the Commission provides a new meeting notice;
2. Public access shall be provided via electronic communication means;
3. The electronic communication means used shall allow the public to hear all Commission members participating in the all-virtual public meeting and, when audio-visual technology is available, to see the Commission members as well;
4. A phone number or other live contact information shall be provided to alert the Commission if the audio or video transmission of the meeting provided by the Commission fails. The Commission shall monitor the designated means of communication during the meeting and take a recess until public access is restored if the transmission fails for the public;

5. A copy of the proposed agenda and, unless exempt, all materials furnished to the Commission members for the meeting shall be made available to the public in electronic format at the same time that such materials are provided to the Commission members;
6. The public shall be afforded the opportunity to comment through electronic means, including by way of written comments, at those public meetings when public comment is customarily received;
7. No more than two members of the Commission shall be together in any one remote location unless that remote location is open to the public to physically access it;
8. If a closed session is held during an all-virtual public meeting, the meeting shall be reopened to the public before the public body votes to certify the closed portion of the meeting;
9. The Commission shall not convene an all-virtual public meeting (i) more than two times per calendar year or 25 percent of the meetings held per calendar year rounded up to the next whole number, whichever is greater, or (ii) consecutively with another all-virtual public meeting; and
10. Minutes of all-virtual public meetings held by electronic communication means shall be taken as required by Virginia Code § 2.2-3707 and include the fact that the meeting was held by electronic communication means and the type of electronic communication means by which the meeting was held.

Strict Application. This policy governing BRJDC Commission meetings held through electronic communications and member remote participation by electronic means shall be applied strictly and uniformly, without exception, to the entire membership and without regard to the identity of the member requesting remote participation or the matters that will be considered or voted on at the meeting.

This policy was adopted by the Blue Ridge Juvenile Detention Commission on January 20, 2023, and became effective immediately upon adoption.

BRJDC Chair

**Blue Ridge Juvenile Detention Commission Meeting
December 15, 2022**

A scheduled meeting of the Blue Ridge Juvenile Detention Commission was held on December 15, 2022 @ 10:30 AM in the conference room of Blue Ridge Juvenile Detention, 195 Peregrory Lane, Charlottesville VA.

Members Attending: Doug Walker, County of Albemarle; Ashley Reynolds Marshall, City of Charlottesville (arrived @ 10:40 AM); Eric Dahl, County of Fluvanna; Tracy Morris, County of Greene (virtual)

Others Attending: Jay Boland, Jodi Dillow, Jeff Gore (virtual), Ann Shawver (virtual), Shari Constantino, Gallagher (virtual), Dee Smith, Gallagher (virtual)

- I. **Call to Order**
The meeting was called to order by Mr. Walker at 10:35 AM.
- II. **Matters from the Public**
None.
- III. **Meeting Minutes**
A motion was offered by Mr. Dahl and seconded by Ms. Morris to approve the July 14, 2022 meeting minutes. The motion was approved by a 3-0 voice call vote. (Ms. Marshall was not present for the vote)
- IV. **Old Business**
None
- V. **New Business**
 - Gallagher Compensation Study – Ms. Constantino presented the general results of the study and detailed recommendations will be presented at the January meeting.
 - FY22 Unaudited Financial Report – Ms. Shawver presented and discussion followed.
- VI. **Matters from Director**
Mr. Boland gave an update to the Commission on the following items:
 - Information regarding a resident we received with a gunshot wound
 - No recent staff or resident COVID cases
 - Considering returning to in-person visitation depending on COVID trends
 - Vacancies – 10
 - Resident population has recently increased; separation issues with gang members
 - Detention facilities across the state are experiencing staffing shortages
- VII. **Matters from Commission Members**
None
- VIII. **Matters from Commission Attorney**
Discussion regarding the Governor's proposed budget amendments
- IX. **Adjournment**
The meeting adjourned @ 11:50 AM.

Respectfully submitted,
Jodi L. Dillow, Recording Secretary

BLUE RIDGE JUVENILE DETENTION COMMISSION

EXECUTIVE SUMMARY

AGENDA TITLE: Compensation Study	AGENDA DATE: January 12, 2023
SUBJECT/PROPOSAL/REQUEST:	FORMAL AGENDA: INFORMATION: XXX ACTION: Yes
STAFF CONTACTS: Boland, Dillow	ATTACHMENTS: Yes
	REVIEWED BY:

BACKGROUND

In spring of 2022, I contracted with Gallagher Consulting to provide a comprehensive salary study for BRJD to correct compression issues, ensure we remain a competitive employer, and to establish hiring practices that will prevent compression issues moving forward. Our last salary study took place approximately 5 years ago with HR Diversified Solutions, LLC. The provided final report includes a detailed overview of the study and its recommendations. Some key points are as follows:

- Pay ranges/salary structure now based on job title.
 - Resident advisor base salary adjusted from \$35,052 to \$41,000.
- Total implementation cost is approximately \$70k for the FY24 budget.
- Compression issues are largely resolved with Time-in-Seat method.
 - Brought those whose fell below 90% of market to a competitive market position or will be once the 5% state mandated salary increase takes effect July 1, 2023.
 - Recommending a \$2,000 bonus for 20-year employees whose current market position is above 100% (prior to 5%) and doesn't meet established criteria for Time-in-Seat method (fiscally responsible, salary study survey results/study goals, etc.).
- Impact to the FY23 budget is \$42k and is easily absorbed by vacancy saving.

Recommendations:

It is my recommendation that the salary adjustments and \$2,000 bonus for 20-year employees be approved and take effect January 28, 2023.

BLUE RIDGE JUVENILE DETENTION COMMISSION

EXECUTIVE SUMMARY

AGENDA TITLE: November FY23 YTD Unaudited Financial Report	AGENDA DATE: January 12, 2023
SUBJECT/PROPOSAL/REQUEST:	FORMAL AGENDA: INFORMATION: XXX ACTION: No
STAFF CONTACTS: Ann Harrity Shawver, CPA, PLLC	ATTACHMENTS: Yes
	REVIEWED BY:

Revenues are performing as expected:

- Total revenues through November are slightly ahead of target at 47% of the estimate
- Funding from the member jurisdictions is exactly on target at 42% or 5/12^{ths} of the year
- The revenues from the Department of Juvenile Justice block grant and the CPP program are both at 50% of their estimate, as expected since funding from these sources is received on a quarterly basis.
- Several small revenues are performing well ahead of their conservative estimates including interest earnings, phone system revenues and State per diems.

Expenditures are performing as expected:

- Total expenditures are 40% of the budget, just below the 42% target of the five-month mark of November
- In the compensation category, expenditures are at 39% of budget in total, reflective of savings generated by vacancies
 - A contra budget of \$124,000 is included in the FY23 budget in anticipation of these savings and vacancies are tracking to exceed this amount
 - Also driven by vacancies, overtime and holiday pay are a bit high through November at 66% of the budget
 - The entire workers' compensation insurance premium has been paid for the fiscal year and is slightly over budget

- Operating expenses are slightly ahead of expectation through November at 46% of the budget
 - The professional services line includes the compensation study which was not budgeted.
 - Half of the fiscal agent fee has been paid to Albemarle County as of November
 - Higher electric utility costs of the summer months cause the percent of budget to be high; this will level as the fiscal year progresses.
 - Increased costs have impacted the food area where expenses through November are 56% of the budget.
 - Medical/pharmaceutical costs and laundry/ janitorial supplies are high as a percent of budget as impacted by continued purchase of masks, gloves and cleaning supplies to combat the spread of COVID.
- No capital expenditures have occurred through November with \$55,000 budgeted for the year

Year to date revenues exceed expenditures by \$287,107. As the fiscal year continues to progress, a projection of the FY23 surplus will be developed.

Recommendations: None at this time.

Blue Ridge Juvenile Detention Commission			
November FY23 Year-to-Date Financial Report (Unaudited)			
Account Name	FY23 Nov YTD	FY23 Nov YTD as % FY23 Revised Budget	FY23 Revised Budget
Revenues:			
Interest	13,842	692%	2,000
Albemarle County	224,373	42%	538,496
Charlottesville	331,962	42%	796,709
Culpeper	194,948	42%	467,874
Fluvanna County	64,370	42%	154,487
Greene County	103,911	42%	249,386
Phone System	5,555	93%	6,000
Miscellaneous Revenues	191	NA	-
Region Ten	4,200	53%	8,000
Recovered Cost - Compensation	27,500	99%	27,850
State Per Diem	1,700	170%	1,000
Department Juvenile Justice/Block Grant	471,666	52%	901,169
CPP Program/other DJJ programs	420,960	50%	850,000
US Dept. of Agriculture	21,965	73%	30,000
Total Revenues	1,887,143	47%	4,032,971
Compensation:			
Salaries	853,374	36%	2,376,348
Vacancy savings	-	0%	(124,000)
Overtime wages/Holiday Pay	66,293	66%	100,000
Pay exceptions	2,525	NA	-
Part-time wages	4,516	50%	9,000
Accrued annual leave	10,979	NA	-
FICA (7.65%)	70,314	37%	190,129
VRS Retirement	35,192	30%	118,342
VLDP (disability)	1,561	31%	5,000
VRS Hybrid	3,607	28%	13,000
Early retirement VREP	1,872	33%	5,640
Health insurance	114,286	32%	357,430
Dental insurance	3,170	33%	9,600
HSA contribution	2,463	37%	6,624
VRS group life	10,129	36%	28,279
Unemployment insurance	225	5%	5,000
Workers' compensation	26,946	112%	24,000
Leave payouts	6,332	NA	-
Clothing allowance	-	0%	6,000
Total rewards	-	0%	10,000
Total Compensation	1,213,784	39%	3,140,392

Blue Ridge Juvenile Detention Commission			
November FY23 Year-to-Date Financial Report (Unaudited)			
Account Name	FY23 Nov YTD	FY23 Nov YTD as % FY23 Revised Budget	FY23 Revised Budget
Operating expenses:			
Professional Services	44,210	177%	25,000
Health services	4,578	31%	15,000
Wellness program	882	22%	4,000
Prof services - legal	12,500	42%	30,000
Prof services - audit	-	0%	5,500
R&M Buildings	18,354	46%	40,000
R&M - vehicles	-	0%	900
Maint contract - equip	38,686	33%	116,000
Maintenance contract - IT equipment	-	0%	2,701
Maint contract - buildings & Grounds	7,173	48%	15,000
Printing & Binding	-	0%	1,000
Advertising	424	42%	1,000
Employee physicals	1,170	39%	3,000
Contract - refuse	1,260	63%	2,000
Contract - fiscal agent 3% of budget (2% through FY22)	58,712	50%	117,424
Data processing	13,765	46%	30,000
Electrical service	35,473	59%	60,000
Gas service	4,149	30%	14,000
Water & sewer	6,082	55%	11,000
Postal services	290	29%	1,000
Telecommunications	9,314	34%	27,000
Property/Auto Insurance	3,920	10%	38,000
Training	140	3%	5,500
Travel - subsistence	532	11%	5,000
Curry School Grant	-	0%	5,000
Miscellaneous	221	19%	1,154
Dues & memberships	324	22%	1,500
Employee recognition	608	20%	3,000
Materials & supplies	1,317	38%	3,500
Office supplies	2,587	34%	7,500
Food supplies	73,358	56%	131,000
Expenses ACRJ & BRJD	-	0%	18,000
Meals for Meetings	435	22%	2,000
Agricultural supplies	-	0%	2,500
Medical & Pharmaceutical	11,320	103%	11,000
Laundry & janitorial supplies	10,949	73%	15,000
Linen supplies	-	0%	2,000
Uniforms - detainees	5,872	98%	6,000
R&M supplies	6,316	53%	12,000
Vehicle & equip fuel	1,914	96%	2,000
Vehicle & equip supplies	346	7%	5,000

Blue Ridge Juvenile Detention Commission			
November FY23 Year-to-Date Financial Report (Unaudited)			
Account Name	FY23 Nov YTD	FY23 Nov YTD as % FY23 Revised Budget	FY23 Revised Budget
Security supplies	2,312	77%	3,000
Uniforms & apparel - employees	212	4%	6,000
Books & subscriptions	270	14%	2,000
Resident Education	1,190	8%	15,000
Recreation Supplies & Equipment	2,084	42%	5,000
Other operating supplies	379	47%	800
Copy supplies	-	0%	600
Lease/Rent Equipment	2,624	37%	7,000
Total Operating Expenses	386,252	46%	837,579
Operating Capital:			
Machinery & equipment	-	0%	15,000
Furniture & fixtures	-	0%	10,000
Building Alterations	-	0%	30,000
Total Operating Capital	-	0%	55,000
Total Expenses	1,600,036	40%	4,032,971
Excess of Revenues Over Expenses	287,107	NA	-

BLUE RIDGE JUVENILE DETENTION COMMISSION

EXECUTIVE SUMMARY

<p>AGENDA TITLE: FY24 Budget</p> <p>SUBJECT/PROPOSAL/REQUEST:</p> <p>STAFF CONTACTS: Ann Harrity Shawver, CPA, PLLC</p>	<p>AGENDA DATE: January 12, 2023</p> <p>FORMAL AGENDA: INFORMATION: XXX ACTION: Yes</p> <p>ATTACHMENTS: Yes</p> <p>REVIEWED BY:</p>
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The total budget for FY24 is recommended at **\$4,406,203** which reflects an increase of 9% or \$373,232 from the FY23 amended budget.

Revenues

- Department of Juvenile Justice block grant funding of \$946,772 is \$45,603 higher than the amount estimated for FY23, an increase of 5%
- USDA funding is estimated to increase \$10,000 based on recent trends
- Revenues from member jurisdictions are determined by subtracting all other forms of revenue from total budgeted expenses. Overall, member contributions will increase 14% in FY24.
- Three-year average occupancy is applied to determine the required contribution from each member:

Locality	FY23 Adopted/ Revised Budget	FY24 Recommended Budget	\$ Increase/ (Decrease)
Albemarle	538,496	390,047	(148,449)
Charlottesville	796,709	1,150,008	353,299
Culpeper	467,874	382,498	(85,376)
Fluvanna	154,487	271,775	117,288
Greene	249,386	322,103	72,717
Total	2,206,952	2,516,431	309,479

Compensation of \$3,520,467 reflects an increase of 12% or \$380,075. The main items contributing to the change in compensation are as follows:

- Recommendations from the compensation study are incorporated along with a 5% state mandated pay increase effective July 1, 2023, which results in increased FICA.
- Employer medical insurance costs reflect an increase of \$105,516 or 30% due to shifts in enrollment trends and rate increases furnished by Albemarle County for budgeting purposes.
- The total rewards budget of \$70,500 includes a bonus for all employees of \$1,500 to acknowledge challenges of recruitment and retention and to mirror a similar bonus recommended in the Governor's budget for employees of the Commonwealth.
- Vacancy savings are again incorporated into the budget using a contra-expense account. A budget of (\$134,000) is conservative in light of recent trends with staff vacancy.

Operating Expenses of \$860,736 reflect an increase of 3% or \$23,157. Most line items remain consistent with the FY23 budget. The items most contributing to the overall increase are as follows:

- The fiscal agent fee paid to Albemarle County is increasing \$10,912 in FY24. The fee is 3% of the remaining lines of the expense budget.
- Hefty, Wiley & Gore's rates will increase \$6,000 in FY24.
- Slight increases are anticipated in utility costs and property/auto insurance, adding \$6,000.
- Medical and pharmaceutical costs are budgeted to increase \$4,000 based on recent trends. This line item includes the expenses of masks and gloves necessitated by COVID-19.

Operating Capital of \$25,000 reflects a decrease of \$30,000

- Capital projects can vary from year to year based on planned projects and replacement needs.
- Budgeting of \$15,000 and \$10,000 for machinery and equipment and furniture and fixtures, respectively, allows for some capital investment in each area annually
- In FY23, \$30,000 was included for building alterations. These may carry forward into FY24 but additional funding is not required.

Recommendation: Adoption of the FY24 budget in the amount of \$4,406,203

Blue Ridge Juvenile Detention Commission				
Recommended Budget				
Fiscal Year 2024				
Account Name	FY21 Unaudited*	FY22 Unaudited	FY23 Revised Budget	FY24 Recommended Budget
Revenues:				
Interest	4,707	7,126	2,000	5,000
Albemarle	444,328	544,658	538,496	390,047
Charlottesville	576,880	586,716	796,709	1,150,008
Culpeper	492,868	546,761	467,874	382,498
Fluvanna	160,556	176,646	154,487	271,775
Greene	192,293	248,145	249,386	322,103
Phone System	6,152	11,292	6,000	9,000
Miscellaneous Revenues	681	467	-	-
Region Ten	5,250	1,050	8,000	8,000
Recovered Cost - Compensation	27,850	27,850	27,850	30,000
State Per Diem	1,200	750	1,000	1,000
DCJS Grant (COVID)	-	48,082	-	-
Department Juvenile Justice/Block Grant	921,098	957,960	901,169	946,772
CPP Program/other DJJ programs	882,675	845,566	850,000	850,000
US Dept. of Agriculture	25,739	57,322	30,000	40,000
Total Revenues	3,742,277	4,060,391	4,032,971	4,406,203
Compensation:				
Salaries	1,951,762	1,920,724	2,376,348	2,557,138
Vacancy savings	-	-	(124,000)	(134,000)
Overtime wages/Holiday Pay	71,994	111,691	100,000	110,000
Pay exceptions	77	674	-	-
Part-time wages	7,800	7,538	9,000	9,000
Hazard pay	47,039	117,000	-	-
Accrued annual leave	(25,971)	10,979	-	-
FICA (7.65%)	160,239	162,156	190,129	204,724
VRS Retirement	102,842	111,649	118,342	127,346
VLDP (disability)	3,431	4,321	5,000	5,000
VRS Hybrid	9,942	9,767	13,000	10,800
Early retirement VREP	15,980	6,483	5,640	5,640
Health insurance	276,680	243,506	357,430	462,946
Dental insurance	8,701	63,873	9,600	10,320
HSA contribution	9,752	6,146	6,624	6,624
VRS group life	25,231	25,845	28,279	30,429
Unemployment insurance	8,424	5,124	5,000	5,000
Workers' compensation	27,019	26,946	24,000	25,000
Leave payouts	36,081	13,493	-	5,000
Clothing allowance	-	-	6,000	9,000
Total rewards	9,750	7,550	10,000	70,500
Total Compensation	2,746,773	2,855,465	3,140,392	3,520,467

* The FY21 audited revenues from member jurisdictions were reduced by refunds of the FY20 surplus that were made in FY21. To enhance comparability, the amounts shown in this report are gross of those refunds.

Blue Ridge Juvenile Detention Commission				
Recommended Budget				
Fiscal Year 2024				
Account Name	FY21 Unaudited*	FY22 Unaudited	FY23 Revised Budget	FY24 Recommended Budget
Operating expenses:				
Professional Services	12,094	20,890	25,000	25,000
Health services	12,828	12,951	15,000	15,000
Wellness program	3,001	3,560	4,000	4,000
Prof services - legal	24,000	30,000	30,000	36,000
Prof services - audit	5,009	5,159	5,500	5,500
R&M Buildings	29,929	37,417	40,000	40,000
R&M - vehicles	-	-	900	-
Maint contract - equip	105,439	108,175	116,000	116,000
Maintenance contract - IT equipment	-	-	2,701	-
Tech Replacement and Licensing	2,701	-	-	-
Maint contract - buildings & Grounds	13,866	14,102	15,000	15,000
Printing & Binding	242	118	1,000	1,000
Advertising	593	-	1,000	1,000
Employee physicals	2,264	1,638	3,000	3,000
Contract - refuse	2,418	2,633	2,000	3,000
Contract - fiscal agent 3% of budget (2% through FY22)	77,023	75,459	117,424	128,336
Data processing	30,254	26,513	30,000	30,000
Electrical service	60,495	56,092	60,000	60,000
Gas service	14,466	19,152	14,000	16,000
Water & sewer	12,677	12,474	11,000	13,000
Postal services	47	25	1,000	1,000
Telecommunications	24,419	21,891	27,000	27,000
Property/Auto Insurance	33,472	34,858	38,000	40,000
Training	1,020	5,644	5,500	5,500
Travel - subsistence	1,597	2,798	5,000	5,000
Curry School Grant	5,000	5,000	5,000	5,000
Miscellaneous	245	409	1,154	1,000
Dues & memberships	1,409	1,101	1,500	1,500
Employee recognition	1,834	243	3,000	3,000
Materials & supplies	2,916	3,167	3,500	3,500
Office supplies	7,150	8,063	7,500	7,500
Food supplies	119,191	162,210	131,000	131,000
Expenses ACRI & BRJD	36,000	27,000	18,000	18,000
Meals for Meetings	647	141	2,000	1,000
Agricultural supplies	1,995	1,348	2,500	2,500
Medical & Pharmaceutical	9,203	13,752	11,000	15,000
Laundry & janitorial supplies	12,120	21,784	15,000	15,000
Linen supplies	2,875	73	2,000	2,000
Resident clothing	2,097	6,550	6,000	6,000
R&M supplies	10,077	11,934	12,000	12,000

* The FY21 audited revenues from member jurisdictions were reduced by refunds of the FY20 surplus that were made in FY21. To enhance comparability, the amounts shown in this report are gross of those refunds.

Blue Ridge Juvenile Detention Commission				
Recommended Budget				
Fiscal Year 2024				
Account Name	FY21 Unaudited*	FY22 Unaudited	FY23 Revised Budget	FY24 Recommended Budget
Vehicle & equip fuel	1,405	1,916	2,000	3,000
Vehicle & equip supplies	6,738	627	5,000	5,000
Security supplies	2,932	1,584	3,000	3,000
Uniforms & apparel - employees	799	6,118	6,000	6,000
Books & subscriptions	689	323	2,000	1,000
Resident Education	15,243	2,408	15,000	15,000
Recreation Supplies & Equipment	4,605	4,528	5,000	5,000
Materials supplies COVID	38,471	-	-	-
Other operating supplies	-	-	800	800
Copy supplies	-	157	600	600
Lease/Rent Equipment	5,113	5,940	7,000	7,000
Total Operating Expenses	758,608	777,925	837,579	860,736
Operating Capital:				
Machinery & equipment	2,020	9,605	15,000	15,000
Furniture & fixtures	-	216	10,000	10,000
Building Alterations	-	-	30,000	-
Total Operating Capital	2,020	9,821	55,000	25,000
Total Expenses	3,507,401	3,643,211	4,032,971	4,406,203
Excess of Revenues Over Expenses	234,876	417,180	-	-

* The FY21 audited revenues from member jurisdictions were reduced by refunds of the FY20 surplus that were made in FY21. To enhance comparability, the amounts shown in this report are gross of those refunds.

BLUE RIDGE JUVENILE DETENTION COMMISSION

EXECUTIVE SUMMARY

AGENDA TITLE: Financial Policies Review	AGENDA DATE: January 12, 2023
SUBJECT/PROPOSAL/REQUEST:	FORMAL AGENDA: INFORMATION: Yes ACTION: No
STAFF CONTACTS: Ann Harrity Shawver, CPA, PLLC	ATTACHMENTS: No
	REVIEWED BY:

At its meeting on July 14, 2022, Commission member Walker asked about a review of the financial policies as part of my work with the Commission.

Financial policies are a cornerstone of a system of strong financial management. For government organizations, some of the most important financial policies address the topics of investing, debt management, establishment and maintenance of reserves and budgeting. Typically, financial policies are adopted by the governing body of the organization and are infrequently altered.

A review of BRJD financial policies determined that there is one financial policy entitled Operating Reserve Fund that is included as section 4.3 of the 2007 Service Agreement. That section is as follows:

Section 4.3 Operating Reserve Fund. The Commission agrees to provide for an Operating Reserve Fund in each of its Annual Budgets in an amount equal to not less than 90 days of its projected Annual Budget for each year less debt service. The Operating Reserve Fund shall be established as a separate account and shall be used to cover periods of revenue shortfall when the Commission's revenues are not sufficient to cover its Net Expenses associated with the operating of the Detention Center (non-debt charges). The initial Operating Reserve may be funded with the proceeds of Obligations; however, annual additions to the Operating Reserve shall be treated as an Operating Expense.

My observations regarding this reserve are as follows:

- A 90-day reserve equates to 25% of the budget and this is a fairly conservative level of operating reserve for an entity of the nature of BRJD. (The Government Finance Officers Association of the US and Canada cites as a best practice the maintenance of a reserve of two months of budget or approximately 17%.¹) However, BRJDC does not have a policy in place addressing the potential need for a capital reserve nor any other reserves.
- The current language addresses periods of revenue shortfall as a condition that might trigger allowable use of the reserve but does not cite excess expenditure as a triggering condition. For BRJD, there is more risk that expenditures will exceed budget than there is of revenue shortfall.
- The current language does not touch upon eligible uses of the reserve (it is presumed that any operating need is acceptable.)
- The current language does not identify required approval for use of the reserve.
- The current language does not include the framework for replenishment of the reserve should it fall below the required level.
- The current language does not cite a ceiling for the reserve.
- The wording could be improved for greater accuracy in a financial context. For example, it is not accurate to state that "annual additions to the Operating Reserve shall be treated as an Operating Expense."

As of June 30, 2022, the unaudited balances held by the Commission in reserve were as follows:

Accounting Fund	Amount	% of Budget
Operating Fund	\$ 473,587	12%
Construction Fund	400,300	10%
FY23 Operating budget is \$4,032,971		

Therefore, the current reserves fall below the required 90-day amount, even if combined. If the Operating Fund reserve is examined separately, it holds less than half of the required amount. Another fund, the Debt Service Fund, holds a fund deficit of \$34,192 as of June 30, 2022. The deficit is the result of pension and retiree medical long-term obligations which exceed assets devoted to fund them.

¹ Government Finance Officers Association Best Practice "Fund Balance Guidelines for the General Fund" (<https://www.gfoa.org/materials/fund-balance-guidelines-for-the-general-fund>)

Recommendations:

- 1) Revise the language regarding the Operating Reserve Fund as follows:

Section 4.3 Operating Reserve Fund. The Commission agrees to provide for an Operating Reserve Fund in each of its Annual Budgets in an amount equal to not less than 90 days twenty percent of its projected Annual annual Budget budget, for each year less debt service. The purpose of the reserve is to serve as a source of funds in the event of an unforeseen decline in revenues or unexpected increase in expenditures that cannot be managed within the existing operating budget. The reserve may only be used upon authorization and appropriation of funds by the Commission. Should the reserve fall below the 20% level, the Director shall develop and submit to the Commission a plan for replenishment within three (3) years. The operating reserve shall not exceed 30% of the annual adopted budget. The Operating Reserve Fund shall be established as a separate account and shall be used to cover periods of revenue shortfall when the Commission's revenues are not sufficient to cover its Net Expenses associates with the operating of the Detention Center (non-debt charges). The initial Operating Reserve may be funded with the proceeds of Obligations; however, annual additions to the Operating Reserve shall be treated as an Operating Expense.

- 2) Develop a plan to achieve the required minimum level within three years. Adding the FY22 (unaudited) surplus of \$417,180 to the reserve would bring the level to 22% of budget.
- 3) Other matters to consider:
 - A) The Commission may wish to consider establishment of a separate Capital Reserve for the purpose of addressing unforeseen capital needs that cannot be managed within the annual operating budget. Alternatively, the Commission could expand its existing reserve to address both operating and capital needs. If this is done, the Commission may wish to leave the 90-day reserve requirement in place by setting the required level at 25%.
 - B) The Commission may wish to consider the need for additional financial policies covering topics such as investing, debt management and the budget.
 - C) Currently, the Operating Reserve Fund policy is part of the Service Agreement which means it requires approval by the governing bodies of each of the participating entities. The Commission may wish to adopt a separate Financial Policies document that is approval only by the Commission. Note that Section 3.8 of the 2007 Service Agreement states, in part, "The Commission shall also establish and maintain adequate financial policies and procedures to ensure the safeguarding of Commission assets."
 - D) The Service Agreement is currently in two parts. There is a sixteen-page document effective July 1, 2007 that is comprehensive, other than the fact that certain sections have been amended. There is also a four-page document effective July 1, 2014 that modified certain sections of the aforementioned document. The next time the Commission alters the Service Agreement, it may wish to develop one comprehensive document that incorporates all provisions.

Commission member feedback regarding these observations and recommendations will influence the next steps in this project.