



**ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY**

(SERVING ALBEMARLE, CHARLOTTESVILLE, NELSON)

160 Peregory Lane

Charlottesville, Virginia 22902

Phone: (434) 977-6981 Fax: (434) 951-1339

Col. Martin Kumer, Superintendent (ext. 230)

Web: <http://www.acrj.org>

Mrs. Marce B. Anderson, Clerk (ext. 229)

**Board Business Meeting**

**August 10, 2023 (12:00 p.m. – 2 p.m.)**

**Albemarle-Charlottesville Regional Jail, 160 Peregory Lane, Charlottesville, VA**

AGENDA

(Action/Information)

**I. ACRJ Board Meeting – Call to Order**

Adopt Meeting Agenda

Action Item

**II. Consent Agenda**

For Approval:

- 1) Draft Summary Minutes July 13, 2023 ACRJA Board Bi-Monthly Business Meeting

Action Item

Informational

- 1) Administrative Reports
  - a) Personnel Report – thru July 2023
  - b) Out of Compliance Report -June 2023
  - c) Census Report – June 2023
  - d) Work Force Report / VDOT Report / Litter Control Report –July 2023
  - e) Special Management Report – July 2023
  - f) Home Electronic Incarceration Report – July 2023

**III. Matters from the Public – (Time Limit: 3 Minutes / 2 Minutes if more than 9 speakers – no longer than 30 minutes)**

**IV. Matters from ACRJA Attorney – Brendan Hefty**

**V. Matters from ACRJA Board Members**

**VI. Matters from Financial Consultant – Ann Shawver**

- 1) FY 22 Audit
- 2) FY22 Positive Variance

Informational Item  
Action Item

**VII. Matters from the Superintendent – Colonel Martin Kumer**

**VIII. New Business –**

**IX. Closed Session –**

Action Item

**X. Adjourn to September 14, 2023 – 12:00 pm – 2:00 pm**

Action Item

Authority Board

Kaki Dimock (Albemarle)  
 Sheriff Chan Bryant (Albemarle)  
 Jay James (Citizen Rep) (Albemarle) – Vice Chair  
 Diantha McKeel (Albemarle) - Chair

Sheriff James E. Brown, III (Charlottesville)  
 Lisa Draine (Charlottesville)  
 Brian Pinkston (Charlottesville)  
 Ashley Reynolds Marshall (Charlottesville)

Robert Barton (Nelson)  
 Sheriff David Hill (Nelson)  
 Candice McGarry (Nelson)

Bi Monthly Board July 13, 2023

## **DRAFT**

### **Summary Minutes of the Albemarle Charlottesville Regional Jail Authority Board Meeting July 13, 2023**

#### **Jail Board Members Present:**

Ms. Diantha McKeel  
Ms. Lisa Draine (Zoom)  
Ms. Candice McGarry  
Mr. Brian Pinkston  
Mr. Robert Barton  
Mrs. Ashley Reynolds Marshall  
Sheriff Chan Bryant  
Sheriff David Hill  
Mr. Jay James (Zoom)

#### **Jail Board Members Absent:**

Ms. Kaki Dimock  
Sheriff James Brown

#### **Others Present:**

Colonel Martin Kumer  
Ms. Felicia Morris (acting Clerk)  
Mr. Brendan Hefty

The meeting was called to order at 12:00 pm by Chairperson Diantha McKeel.

Ms. McKeel asked for a motion to allow the 2 board members (Ms. Draine and Mr. James) participating virtually to enter the meeting. Mr. Pinkston made a motion to allow Ms. Draine and Mr. James into the meeting. The motion carried. Ms. Draine was physically located in Long Island, NY on vacation. Mr. James was physically located in National Harbor, MD on vacation.

Ms. McKeel had all board members and jail staff members to introduce themselves.

Ms. McKeel asked for a motion to adopt the meeting agenda with 2 amendments; correction of the next meeting date to August 10, 2023 and the YTD financials were for the month of May instead of June. Mr. Pinkston made the motion. Mrs. McGarry seconded the motion. The motion carried.

Ms. McKeel asked for a motion to adopt the consent agenda with a correction to the date listed on the agenda for the minutes from May 8, 2023 to May 11, 2023. Ms. Marshall made the motion. Mr. Pinkston seconded the motion. The motion carried.

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### **Matters from the Public:**

**Kate Fraleigh** - My name is Kate Fraleigh, I'm a resident of Charlottesville. I have two requests.

The first request is that for transparency sake, The Board should hold one or more work sessions with the municipal governments and the public before the RFP is developed. Connected to that, it was requested that "Mrs. Anderson resend the list of expectations that were determined at the beginning of this process." It would be great if the public could see that.

The second request is that the RFP, when developed will not include requests for plans for a second floor.

As Col. Kumer pointed out at the last Board meeting, the people in the jail have higher level charges, are staying longer before their trials, aren't eligible for workforce programs, need to be supervised at a higher level. These changes will continue. Programs to reduce recidivism, prevent incarceration for parole violations or for societal violations are being developed not to mention restorative justice and diversion programs. And there will be new creative programs to prevent incarceration in the next 27 years. 27 years is the projected term of the municipal payback of the loan the jail will get for the renovation/construction project. And in addition to those programs, the root causes of incarceration will be addressed. Housing opportunities will be expanded as will mental health emergency and wrap around services, interventions for substance use and for violence prevention. These are just the solutions we know about now. There will be more! For instance, Neal Goodloe pointed out that 43% of the jail population stays 2 days or less. That's a lot of work for the jail staff! There must be solutions for those 43% of people so they never enter the jail. For those reason I'm opposing the demolition and building of the second floor part of the renovation/construction project. Square foot expansion is expensive and unnecessary. Creative solutions within the existing spaces can be found. For instance since much of the 2000 space is not being used, why can't some simple flex spaces be made within those cell blocks. And the workforce space was expanded in the past-if that won't be used as much that space could be reconfigured. Also, there are other spaces not in use.

### **Matters from Brendan Hefty, ACRJA Attorney:**

Mr. Hefty advised the board that the General Assembly has not acted on the full budget. The "skinny" budget was passed but that did not include the 25% funding for the renovation project. Mr. Pinkston asked how we proceed or if the process is on hold until the budget including the 25% reimbursement has been approved. Ms. McKeel advised that Albemarle County BOS would leave the approval for interim financing on their agenda because it's easier to take items off of the agenda as opposed to adding.

### **Matters from the ACRJA Board Members:**

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There were no matters.

### **Matters from Ann Shawver, Business Manager:**

#### **Summary:**

The financial report presents May FY23 year-to-date results, a projection for the year once it is complete and a comparison of this projection against the budget.

The current projection anticipates FY23 revenues approximately \$650,000 higher than expenditures. This represents positive performance at 4% of the ACRJ annual budget. This analysis does not project the impact of accounting entries required as part of the upcoming year-end close and audit readiness process. Those are expected to reduce this amount.

Revenues are projected to fall slightly (1%) below their estimate, a shortfall of approximately \$115,000. This is the result of excess funding from the Compensation Board which offsets shortfalls in housing of federal prisoners, state per diems and telephone system revenues.

Expenditures are projected to be 5% or approximately \$764,000 below budget, driven by savings in the salaries and benefits area which more than offset overages in other categories.

While the amounts fluctuate as the year unfolds, the trends noted in this report for revenues and expenditures are consistent with those observed throughout the fiscal year.

#### **Revenues for FY23 are projected to total approximately \$16.5 million; \$115,000 or 1% below estimate**

Compensation Board funding was increased after the FY23 budget was adopted and is expected to exceed the revenue estimate by almost \$400,000

Housing of State-responsible prisoners has declined considerably, therefore State per diems and Department of Corrections Rx Reimbursements are expected to fall short of the estimates.

A contractual revision causes the telephone system revenue to fall below estimate for the year.

Housing of federal prisoners and those from other jurisdictions have declined based on recent census trends.

Grants are boosted by a federal grant in the amount of \$118,000 that ACRJ has recently been awarded through the American Rescue Plan Act.

Affecting Other revenue, there has not been a Work Release Program and minimal VDOT work crew during FY23.

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### **Expenditures for FY23 are projected to total approximately \$15.8 million; \$764,000 or 5% below budget**

Salaries and benefits are expected to be 9% or almost \$1.2 million below budget. This is the result of a high vacancy rate experienced throughout most of the fiscal year.

Contractual Services are expected to significantly exceed the budget due to extensive use of contract nursing services. This has been necessitated by vacancies in employed positions.

Administrative expenses and costs for financial and software consulting services are also exceeding budget.

Inmate food and medical costs are both expected to fall below budget. A lower inmate population impacts this.

The Inmate Other category is reflective of spending on large supplies of inmate clothing, laundry and linens which exceeded budget.

Employee food and uniform costs will exceed budget as a result of inflationary impacts on food costs.

Capital outlay will exceed the budget due to vehicle purchases related to the aforementioned grant funding of \$118,000. This was not incorporated in the budget.

### **Matters from Colonel Martin Kumer, Superintendent:**

#### **Telephone RFP -**

The Jail has decided to submit a Request for Proposal, RFP, for inmate phone and tablet services in order to ensure the facility, our inmates and the public receive the most current technology and pricing structure.

Therefore on February 16, 2023, Jail staff were instructed that we would be preparing an RFP for inmate phone and tablet services. The incumbent's initial 2 year contract ends September, 2023. The current contract with IC Solution, has three one-year renewals.

The full RFP is available on the jail's website [www.acrj.org/departments/solicitations](http://www.acrj.org/departments/solicitations)

The following time-line is as of today, July 5, is not all inclusive and may change as needed. May 15, the RFP was posted.

June 15, the Jail hosted a pre-conference meeting with potential vendors to review the RFP and answer any questions from the companies present.

July 27 at 1000, all proposals from vendors are due.

September 7, vendors will present their proposals in person to jail staff RFP committee.

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September 20, vendor will be selected and a Notice of Intent will be issued.

Mr. Barton expressed the importance of phone contact with their families. It has been recognized that it is expensive to maintain that contact. Mr. Barton also asked if the jail was looking to make the cost of phone calls more available to inmates. Colonel Kumer advised that because this is an RFP and they are in a public forum, he did not want to get into specifics regarding what the jail is looking for in a phone provider. There will be a negotiation phase. The jail has always sought the lowest rate possible. Mr. Barton also asked if the calls are a revenue source for the jail. Colonel Kumer advised that it is a revenue source. Mr. Barton asked if the jail was looking to lower that profitability in order to lower the cost to inmates. Colonel Kumer advised that the jail has reduced commissions considerably over the course of several years from \$600,000 to \$250,000 in order to reduce the cost to inmates. Ms. Draine wanted to know since the RFP had already been created could there still be a request to charge \$0 to the inmates. Colonel Kumer advised that at this point that would not be possible due to the fact that the budget was approved in March with revenues of \$250,000 from commissions. Colonel Kumer advised that the vendors are expecting to pay a commission. The discussion would need to take place before next year's budget is approved. Ms. Draine requested that a discussion take place next year before we get to this point. Mr. Pinkston asked if it would be possible to have a discussion in the fall about merits of having no cost for phone calls. Looking at things such as the consequences of zero cost for phone calls and how the phones are used here. Ms. Marshall asked Mr. Hefty if the board could make a determination to get the funds from those commissions from somewhere else in the budget and not necessarily having the RFP reflecting \$0 for the cost of the calls. We would just make sure that the budget covered it. The commission is more of a budgetary decision not a procurement decision. Mr. Hefty advised yes. Mr. Hefty also stated that the contract that we will be entering into will be in place for 2 or 3 years. Ms. Marshall asked if the contract could be amended. Mr. Hefty believes the contract could be amended. Ms. Marshall stated that it would make the company's day to amend the contract. Colonel Kumer advised the board that he shares the public's concern over the cost of phone calls and has reduced the amount of commissions received along with the per minute fee. Colonel Kumer further stated that he has several things to consider; Budget, Jurisdictions, Taxpayers along with Inmates and their Families. I must work with all of those groups to satisfy everyone to the degree possible. Ms. Draine stated that she does appreciate the fact that the rates and commissions have gone down, she would just like to see it go down further. Mrs. McGarry asked how the commissions relate to the charges for the inmates. Colonel Kumer advised Mrs. McGarry that there is a cost to the company. If a tablet breaks, they have to provide a replacement at no cost to us. We have received hundreds of tablets. They have to provide internet, wireless hotspots, customer service centers, software, kiosk machines; if a technician has to come out and make repairs. Someone is going to have to pay for that service. Inmates would still have to pay something for the infrastructure. The alternative is that we pay someone to come in and provide the service so, now you have no commissions/revenue and whatever it costs the company to provide the service we are now paying that cost. There is a

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significant cost to provide that service. Ms. McKeel stated that we will have a discussion regarding the pros and cons and how the jail will move forward. Ms. McGarry asked if this board would approve or negotiate the contract. Colonel Kumer advised that he negotiates and approves the contract.

### **Additional 1% -**

At the March 2023 Board meeting the Board approved a 4% raise for all staff for Fiscal Year 2024 effective July 1, 2023.

#### Current Situation:

The revenue from the Virginia State Compensation Board (Comp Board), which provides funding to local jails to offset salaries and benefits for Compensation Board funded positions, was estimated to be \$6,142,500. The Jail uses an estimate since the Comp Board does not release their budgets to Superintendents until April of each year and the budget is approved in March of each year.

In April, the Comp Board released the Superintendent's budget which is \$6,420,000. This is an unexpected increase in revenue of \$278,000. In addition, the Comp Board in its budget release letter also stated that all Comp Board funded positions **shall** receive a 5% increase. This is the intent of the additional funding.

The 5% increase technically only applies to those positions authorized and funded through the Comp Board which is approximately 94 employees. There are an additional 28 employees who are solely funded by the local jurisdictions and would otherwise not be eligible for the 5% increase.

Historically the Board has authorized the Superintendent to provide the same Comp Board raise to all Jail Board Authority employees.

If approved the cost of the additional 1% increase including salary and all other cost associated with the increase is approximately \$115,000.

The additional comp board funding of \$278,000 will more than offset the 1% salary increase for all staff.

Note: The Jail uses a prorated basis for staff employed for less than a year.

Sheriff Hill made a motion to approve the additional 1% increase for all staff. Sheriff Bryant seconded the motion. The motion carried.

### **New Business:**

There was no new business.

### **Closed Session:**

Ms. McKeel asked Mr. Frith to provide instructions to the board members participating via zoom to enter closed session. After providing the instructions, Sheriff Hill asked Ms. Draine if she was being driven in a vehicle. Ms. Draine stated yes. Ms. McKeel inquired about Ms. Draine getting earbuds to

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prevent anyone other than her from hearing what was taking place in the closed session. Ms. Draine stated that she would leave the meeting to acquire the earbuds then reenter the meeting.

Mr. Hefty stated that we needed a motion to go in to closed session Virginia Code Section 2.2-3711-A1 in order to discuss a personnel matter concerning the evaluation of the Superintendent. Mr. Pinkston made the motion. Mrs. Marshall seconded the motion. The motion carried and the meeting was in closed session.

Roll Call was as follows:

Sheriff Bryant	Yes
Mrs. Marshall	Yes
Mr. Pinkston	Yes
Ms. McKeel	Yes
Sheriff Hill	Yes
Mrs. McGarry	Yes
Mr. Barton	Yes
Mr. James	Yes

Mr. Hefty stated the need for a motion to return to open session and certification by roll call vote that only the matter identified in the motion to convene in closed session and lawfully permitted by the Virginia Freedom of Information Act was heard discussed or considered.

Roll Call was as follows:

Sheriff Bryant	Yes
Mr. James	Yes
Ms. Draine	Yes
Mr. Pinkston	Yes
Ms. Marshall	Yes
Mr. Barton	Yes
Sheriff Hill	Yes
Ms. McGarry	Yes
Ms. McKeel	Yes

The meeting reconvened in open session.

Ms. McKeel adjourned the meeting to August 10, 2023 at 12:00 pm.

The meeting was adjourned at 1:47pm.

**DRAFT**



## CONSENT/AGENDA

### PERSONNEL/NEW HIRES:

Brenda Gough	Laundry/Canteen/Supply Coordinator	07/06/2023
Whitney Johnson Taliaferro	Medical Office Manager	07/06/2023
Laura Gibson	Nurse Practitioner	07/10/2023
Avyonne Cobbs	Corrections Officer	07/24/2023
Tristan Bragg	Corrections Officer	07/24/2023
Ashley St. Mark	Corrections Officer	07/24/2023
Timothy Brown	Corrections Officer	07/24/2023

Lids Reconciliation (State Bonus Payment Breakdown) and Final Out of Compliance Figures

	8/1/2023	6/29/2023	5/4/2023	3/3/2023
<b>Total number of inmates the jail received a \$8.00 bonus payment</b>	43	49	51	67
<b>The number of inmates who have been released or transferred</b>	28	25	26	40
<b>The number of inmates participating in jail sponsored programs*</b>	0	2	0	0
<b>The number of inmates with less than 60 days until their scheduled release**</b>	0	2	1	0
<b>The number of inmates who are being held as courtesies for other jurisdictions.</b>	0	0	0	0
<b>Total number of state sentenced ACRJ inmates who are eligible for intake</b>	15	20	24	27
<b>Percentage of State Responsible inmates compared to jail's total inmate population</b>	5.43	6.82	8.6	9.54

\*These are state sentenced inmates who are not transferred to DOC because they are participating in jail sponsored programs.

\*\*The DOC will not accept inmates with less than 60 days to serve.

- (1) This number represents 5.43% of the jail's population (276) as of 6:53am on Tuesday, Aug. 1, 2023
- (2) This number represents 6.82% of the jail's population (293) as of 9:40am on Thursday, July 6, 2023
- (3) This number represents 8.60% of the jail's population (279) as of 7:52 am on Thursday, May 4, 2023
- (4) This number represents 9.54% of the jail's population (283) as of 1:17 pm on Friday, March 6, 2023

The primary driver for the sharp increase in the State Responsible population is the closure of DOC facilities around the state. This greatly reduced the number of beds available for the intake of state responsible inmates from local jails. In addition there has been an ever increasing backlog of state responsible inmates in local jails all across the state. Last year the DOC instituted a policy to focus on receiving inmates with more than two years to serve as opposed to one year.

<b>2022-2023</b>	<b>COA</b>	<b>City</b>	<b>Nelson</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
<b>July 2022</b>	3,946	3,983	1,636	417	255	10,237
August	3,712	3,829	1,700	365	272	9,878
September	3,497	3,709	1,491	299	235	9,231
October	3,626	3,479	1,253	230	194	8,782
November	3,588	3,307	1,279	269	165	8,608
December	3,873	3,614	1,283	281	156	9,207
<b>January-23</b>	4,329	3,556	1,137	286	154	9,462
February	3,382	3,341	1,012	228	77	8,040
March	3,451	3,678	1,255	231	134	8,749
April	3,610	3,408	1,276	176	151	8,621
May	3,616	3,632	1,328	237	155	8,968
June 2023	3,555	3,498	1,191	214	156	8,614
<b>Total FY 22/23</b>	44,187	43,038	15,841	3,233	1,948	108,247
<b>ADP</b>	<b>121</b>	<b>118</b>	<b>43</b>	<b>9</b>	<b>5</b>	<b>323</b>
<b>Percent</b>	40.82%	40.82%	40.82%	40.82%	40.82%	100.00%
<b>Local Share</b>	<b>42.87%</b>	<b>41.76%</b>	<b>15.37%</b>	<b>15.37%</b>	<b>15.37%</b>	100.00%

# ICWFP STATS 2023

Departments	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Hours
<b>ALBEMARLE COUNTY</b>	22	29.25	44	21	23.25	10.75	0						
<b>VDOT</b>	16	17	35.5	0	0	0	0						
<b>PROGRAM TOTALS</b>	<b>38</b>	<b>46.25</b>	<b>79.5</b>	<b>21</b>	<b>23.25</b>	<b>10.75</b>							
<b>DOLLAR CREDITS</b>	<b>\$275.50</b>	<b>\$335.31</b>	<b>\$576.38</b>	<b>\$152.25</b>	<b>\$168.56</b>	<b>\$77.94</b>							

## **Special Management Housing at ACRJ**

During the month of July 2023, special management housing stats are as follows:

- 23 inmates were assigned to Administrative Segregation
- 4 inmates assigned to General Detention
- 31 inmates were assigned to Medical Segregation
- 12 inmates were assigned to Pre-Hearing or Disciplinary Detention

**Albemarle-Charlottesville Regional Jail Authority Board  
Executive Summary**

**Subject: HEI Update**

**Total number of inmates placed on HEI: 743**

**Current total number of HEI participants: 34**

**Total number of inmates recidivate: 14**

7 were removed from the program after being charged with a criminal offense while on HEI.

Violation of protective order, guilty-	1
Simple assault / strangulation-	1
Simple assault, damage / prevent phone line-	1
Possession of a firearm, marijuana PWI sell-	1
Domestic assault 3 <sup>rd</sup> offense-	1
Actual or simulated masturbation in public-	1

135 participants have been removed from HEI for violations including the 7 above.

**HEI Participants by Court**

Albemarle County Circuit Court-	123	Charlottesville City Circuit-	141
Nelson County Circuit Court-	34	Nelson General District-	6
Albemarle General District-	178	Charlottesville General District-	108
Albemarle J&DR-	3	Charlottesville J&DR-	26
Nelson J&DR-	2	Department of Corrections-	4
Combined Courts-	34		
<b>Total-</b>	<b>659</b>		

**Other Cities/Counties**

Waynesboro-	2	Staunton City-	1
Cumberland-	1	Fluvanna-	7
Orange-	2	Buckingham-	5
Greene-	9	Louisa-	6
Sussex-	1	Prince Edward	1
<b>Total-</b>	<b>34</b>		
<b>Misc. (Hospital, etc.)-</b>	<b>50</b>		



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**Communication with Those Charged with Governance**

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**To the Board Members**

**Albemarle-Charlottesville Regional Jail**

We have audited the financial statements of the business-type activities and aggregate remaining fund information of Albemarle-Charlottesville Regional Jail for the year ended June 30, 2022. Professional standards require that we provide you with the following information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 9, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Albemarle-Charlottesville Regional Jail are described in Note 2 to the financial statements. As described in Note 14 to the financial statements, Albemarle-Charlottesville Regional Jail changed accounting policies by adopting Statement of Governmental Accounting Standards (GASB Statement) Nos. 87, *Leases* and 92, *Omnibus 2020*. We noted no transactions entered into by Albemarle-Charlottesville Regional Jail during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Authority's financial statements were related to capital assets, compensated absences, and pension and OPEB related items.

Management's estimates of the useful lives of capital assets, depreciation expense and related accumulated depreciation and compensated absences are based on accounting and industry guidelines for similar capital assets and compensated absences are based on established guidelines and experience. Pension and OPEB estimates were determined by a valuation performed by an actuary contracted by the State. We evaluated the key factors and assumptions used to develop the estimated useful lives of the capital assets, compensated absences, and pension- and OPEB-related items in determining that such information is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result of audit procedures were corrected by management: adjustment to Pension and OPEB related balances based on actuarial calculations and adjustments to reflect implementation of GASB 87, *Leases*.

### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated May 9, 2023.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

We applied certain limited procedures to management's discussion and analysis and the schedules of pension and OPEB funding, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the budgetary schedule and summary of changes in miscellaneous items, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

### Restrictions on Use

This information is intended solely for the use of the Board members and management of Albemarle-Charlottesville Regional Jail and is not intended to be, and should not be, used by anyone other than these specified parties.

*Robinson, Farnell, Cox Associates*

Charlottesville, Virginia  
May 9, 2023



# ALBEMARLE-CHARLOTTESVILLE REGIONAL JAIL AUTHORITY EXECUTIVE SUMMARY

<p><b><u>AGENDA TITLE:</u></b> FY22 Funding to Operating Reserve</p> <p><b><u>SUBJECT/PROPOSAL/REQUEST:</u></b></p> <p><b><u>STAFF CONTACTS:</u></b> Martin Kumer, Superintendent Ann Shawver, Financial Consultant</p>	<p><b><u>AGENDA DATE:</u></b> August 10, 2023</p> <p><b><u>FORMAL AGENDA:</u></b> <b><u>ACTION:</u></b> Yes      <b><u>INFORMATION:</u></b></p> <p><b><u>CONSENT AGENDA:</u></b> <b><u>ACTION:</u></b> No      <b><u>INFORMATION:</u></b></p> <p><b><u>ATTACHMENTS:</u></b> No</p>
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**Background:**

Section 5.3, Operating Reserve Fund, of the Amended and Restated Albemarle-Charlottesville Regional Jail Authority Service Agreement calls for an Operating Reserve to be maintained in an amount not less than twenty percent of the annual budget for the year, less debt service.

In November 2022, the ACRJ Board took action to approve transfer of the construction reserve to the operating reserve and to use the FY22 positive variance to fund the operating reserve.

**Current Situation:**

With the FY22 external audit complete, the FY22 positive variance of \$602,687 may now be formally allocated to the Operating Reserve. The following summarizes the reserve upon allocation of this amount:

Operating Reserve (as of June 30, 2021)	2,316,571
FY22 excess revenues over expenditures*	602,687
Total operating reserve	2,919,258
Reserve as % of budget	18%
FY24 Adopted Budget (Operating, excludes Debt Service)	16,662,000
Required reserve at 20% of budget	3,332,400
Remaining amount to be funded	413,142

\* Schedule of Revenues and Expenditures, Budgetary Basis, excess of revenues over expenditures  
Albemarle-Charlottesville Regional Jail Authority Financial Report, Year Ended June 30, 2022, page 58

It should be noted that the FY23 unaudited excess revenues over expenditures on the budgetary basis is expected to fully fund the Operating Reserve at 20% of budget. This will allow ACRJ to surpass its goal of fully funding the reserve by FY24.

**Recommendations:** Approve allocation of the FY22 excess revenues over expenditures of \$602,687 to the Operating Reserve.