

WESTERN TIDEWATER COMMUNITY SERVICES BOARD
MINUTES
June 12, 2025

The special board meeting for the FY 2026 Operating Budget and Special Considerations meeting of Western Tidewater Community Services Board was called to order June 12, 2025, at 9:37 a.m. Attendance is recorded below:

PRESENT

Cindy Edwards, Board Chair

Lula Holland, Vice Chair

Randy Keaton

Alysia Pack

Sarah Rexrode

Margaret Ann Smith

Rachel Lewis, Emeritus

Vicki Wiggins-Pittman (Emeritus)

ABSENT

Steven Blunt

Audrey Lee

LaRhonda Mabry

Renee Rountree

Melvin Wofford

Angela Vick

STAFF

Brandon Rodgers, Executive Director

Jeff Wilson, Board Attorney

Damara Beckett

Donna Boykin

Amy Byrne

Debbie Dashiell

David Hopkins

Brittany Johnson

Andrew Jurewicz

Justina Lambert

Latril Mariano

Kristen Martwinski

Lara Matthews

Michelle Moore

Sara Thuecks

Vonda Warren-Lilly

Staci Young

GUESTS

No guests were present.

PUBLIC COMMENTS

There were no public comments.

ANNOUNCEMENTS

Ms. Edwards called the meeting to order at 9:32 a.m. She recognized the Board of Directors, Board Attorney Jeff Wilson, senior management staff and Mr. Brandon Rodgers, Executive Director.

MINUTES

Ms. Edwards stated a quorum is present and moved to the approval of this year's minutes. The minutes of the February 4th meeting were presented. Upon a motion made by and seconded by the minutes were approved as presented. The minutes of the March 18th meeting were presented. There were no corrections, so upon a motion made by and seconded by the minutes were approved. Then the minutes of the April 24th meeting were presented. No corrections or additions were noted, therefore, upon a motion made by and seconded by the minutes were approved. Finally, the minutes of the May 20th meeting were presented. As no corrections or additions were presented, upon a motion made by and seconded by these minutes were approved.

RECOGNITION OF RETIREMENT

Both Randy Keaton and Rachel Lewis announced that they are retiring as of July 1. Mr. Keaton expressed appreciation for the opportunity to serve on the board. He was presented with a Certificate of Appreciation for his service to WTCSB. Mr. Rodgers noted that even though his board tenure was short, Mr. Keaton has contributed much.

Rachel Lewis was recognized for her 16 years of service with the Western Tidewater Community Services Board with a Certificate of Appreciation. Ms. Lewis expressed how much she enjoyed her time on the board and wished WTCSB continued success in its innovative and collaborative endeavors.

Finally, Mr. Rodgers announced that Donna Boykin is retiring after 42 years of service. She will be officially recognized at the next Board Meeting. Mr. Rodgers stated Donna has had an impact on just about every part of the agency and thanked her for her contributions.

Mr. Rodgers introduced WTCSB's new social media and Marketing Specialist, Kristen Martwinski.

REVIEW AND APPROVAL OF THE PROPOSED BUDGET FOR FY25-26

Mr. Rodgers presented a review of the FY26 Operating Budget and Special Considerations to the Finance Committee. He thanked the Committee members for their participation. He noted he would present special considerations, including funding expenditures and compensation recommendations. In terms of budget size and revenue sources for the upcoming year, the agency's budget is \$84 million. Last year it was \$81 million, so growth continues. Forty-eight percent (48%) of the budget comes from State revenue, much of which is STEP VA, crisis, and other priorities from the State. Thirty-seven percent (37%) is from fee revenue. The agency has \$8.4 million in reserves. That's about 10% of the budget. The rest is a mix of federal, local, and other funds. Federal is lower this year than what was experienced in years past, primarily due to ARPA sunseting and a few other items.

Mr. Rodgers presented a comparison of FY26 to FY25. State funding went from \$34 million to \$40 million, a difference of \$6.2 million. Mr. Rodgers noted that over the past month and a half, DBHDS has given WTCSB a number of one-time dollars for the close of this fiscal year for crisis funding, training, and other items. The total is around \$8 million. This typically happens at the end of the year and are items DBHDS needs to move off their books and put to use in the community.

Local revenues are up \$315,998. The localities were very generous this year and tried to meet our requests. Southampton and Suffolk fully funded agency requests; Isle of Wight provided about half of the request, and Franklin was not quite able to fulfill the request as they had other budget needs.

Federal dollars saw a \$750,000 decrease. Fees are projected to go up to \$1.2 million. Reserve dollars decreased \$3.5 million and "other" decreased about \$180,000. That puts Western Tidewater overall at a \$3.1million increase for the year.

Mr. Rodgers then presented a broad overview of categorical expenses. Salary and personnel remain the most expensive category. In FY24, this item was \$44 million and last year it was \$51 million dollars. The projection for this year is \$53 million dollars. He pointed out that a large portion of contract services includes costs for nursing contracts for LPNs and RNs. As this is more expensive than hiring them as full-time employees, Mr. Rodgers is hopeful the compensation and classification study will enable the agency to hire these positions at a level that will incentivize them to become full-time employees.

There is a small projected growth in Administrative Overhead that is in line with where the agency will end up in FY25. FY 26 shows an increase in office equipment, maintenance, educational and other operating supplies. Facility expenses are primarily a result of operating more Residential and Day services. As there is more programming at more facilities, expenses have risen for food and other items.

There are a number of positions to fill so recruitment advertising will increase. The agency received some one-time dollars to help with recruiting over the next year, but that item will still increase. Vehicle and travel expenses will remain relatively the same.

As a reminder, there was a 21% increase in the Sentara plan of \$ 213,000 dollars. Fourteen (14) staff moved from the Sentara plan to the Anthem plan that saw no increase. Most employees enroll as “employee only,” and only a few folks enrolled in the “employee plus one” or the family plans. Lara is trying to negotiate and figure out if we can drive that down with wellness initiatives or other opportunities. The agency continues to fund 80% of the cost of employee-only policies. This is true for the other plans; however, additional family members are only funded by the agency at 20%. That is why the cost is so high for the employee. Last year 330 people were covered. Some employees do have insurance elsewhere, and a few are Medicaid and Medicare eligible. The agency’s portion for part-time employees is pro-rated. Fiscal Year 2023 was around \$2 million per month. This year, it is \$2.3 million per month.

There has been an uptick in fee revenues, and the agency continues to be above 95% on collection rates. A couple of identified extra finance staff ensure all money is billed and collected. They also investigate and rebill insurance errors. If this rate continues, the projection for the end of 2025 will be about \$27 million. Andrew looked at this and leveraged the usual increase as well as some of the FTEs associated with billable positions and came up with a conservative increase estimate of \$1.2 million. Mr. Rodgers is hopeful this will be exceeded; however, because of the threats to Medicaid expansion and the possible trigger for an automatic repeal of the expansion, Andrew’s theory is, let’s not create a dinosaur we cannot afford to feed.

Mr. Rodgers then went over some notable things that make up this year's budget. The agency just received \$1.7 million dollars for mental health mobile crisis response. It should be noted the agency had already received almost \$2 million in mobile crisis dollars. This \$1.7 million is additional money and can be spent over the next couple of years. It does not have to be spent in the upcoming fiscal year. On top of that, Western Tidewater also received \$2.1 million in one-time dollars for REACH child and adult, which also does not have to be expended in the current fiscal year. This will help backfill some of the current year's deficit around CTH.

Ongoing payments that come in from DBHDS for adult and child mobile crisis dollars will go up by almost \$340,000 a year. That is welcome news for Mr. Rodgers. One-time dollars can be tricky because staff can’t be paid out of that. How it is spent can be a challenge.

The Peer Wellness Home received \$1.4 million. Next fiscal year, another \$1.3 million will be received for this project. That is what is currently appropriated by the General Assembly and is for the purchase and renovation of the home, then operating expenses going forward. Those dollars can be rolled over if not spent, although Mr. Rodgers anticipates spending it all. There were dollars applied for and provided by DBHDS for around \$450,000. That will help with care coordination in the community and some resource building within the community. Some positions will be paid out of that one-time money, and they will either be able to be absorbed, or they will fall into the CCBHC model if that happens next year for case management positions. These positions will help with stakeholders and public awareness, as well as management of care and responsibilities across multiple disciplines.

There is additional funding for ID Support Coordinators and crisis stabilization for ID/DD children. While the CTH is being built, there will be money available for respite care, crisis respite,

and care for any DD child that needs it over the next year. There will be an additional \$50,000 for an ID Support Coordinator, or to contribute towards recruitment, retention, and support of coordinators.

The agency was asked to hold on to \$2 million for training on behavioral health redesign coming from Medicaid. Western Tidewater will assume responsibility as a fiscal agent for those funds which comes with \$316,000 for managing those dollars for the department. A 3% increase in waiver rent was approved for an extra \$52,000.

ARPA funding terminated in March instead of September. That will result in a few months without access to those Federal dollars. The agency did plan for that. The Fox Suicide Prevention Grant is uncertain. The news has gotten better. There is an actual notice of an RFP for another extension to this grant, so the agency will apply and hopefully get that grant back. Otherwise, contingency plans will be made for those staff. That grant is approximately \$750,000 in Federal dollars from Virginia, and it supports a few peer specialists, a vocation and education specialist, a manager, and a clinical trainer position. It is all prevention related work designed to prevent suicide risk amongst veterans. The veteran must screen positive on a suicide risk assessment before services can begin, and then they must go through several screenings including social determinants of health to qualify. Great ideas to engage families were developed; however, the law and the administration by the VA negated 75% of what was planned. Services that may be provided include helping the spouse get a job, which alleviates some financial pressures that are on the family, which in turn alleviates some of the risk factors for suicide. For the veteran, it promotes more wellness. The program has adapted and has done a good job of carrying out the work.

Mr. Rodgers reported that around the beginning of May, DBHDS informed the agency that next the agency will experience a \$12,000 decrease across three STEP VA steps. This includes outpatient primary care, and same day access which is a small portion of the total dollars available for those three steps. This is being watched closely. Mr. Rodgers wants to be aware of what the plan is for the funding formula, so plans can be made. DBHDS has committed to informing Boards early next year, so budget preparations can be made. There was concern expressed from many boards as these dollars do pay for positions as they are ongoing dollars. For instance, Same Day Access staff get paid out of this because there is not a lot of reimbursement for the assessments. The agency is experiencing a really small reduction of \$6,000 and that is for implementation of fidelity monitoring across the State for all the PACT teams. DBHDS is taking a little bit from everybody to pay for that.

Mr. Rodgers then talked about what is being done for staff. Previously, vacancies and turnover rates have been discussed as well as compensation rates and classification of positions. In 2024, the Board set aside \$1.5 million for extras such as referral bonuses for existing employees who recommend someone for a position which results in that person being hired. There is also a retention incentive for direct support professionals who work in Tidewater Cove or residential group homes. A quarterly retention bonus of \$300 is given for a total of \$1,200 throughout the year. That is contingent on job performance and remaining with the agency. Mr. Rodgers recommends two discretionary awards - one at the end of this fiscal year, and another one in November.

He then discussed COLA. The last two years saw \$700,000 and \$975,000 increases. Mr. Rodgers recommends re-evaluating this in November. How this decision will impact on staff morale and satisfaction was discussed in the Finance Committee meeting. Mr. Rodgers explained that this is a placeholder to allow re-evaluation when more is known about Medicaid, which could result in a \$3 million loss if expansion is repealed. That is one of the reasons for recommending a larger end-of-year bonus.

The next item is early release. This occurs when Mr. Rodgers approves release a few hours early on a certain day. This is the cost incurred for a small amount of overtime for people who stay and take care of clients. It's another thing that's good for morale. Everybody can go home early for Father's Day weekend for example, provided client care is taken care of.

License Promotion OP work is projected to be about \$55,000 again this year, and targeted case management caseload overage compensation is projected to be \$64,000. That is to compensate case managers carrying more than their caseload cap. In mental health services, that is 36 cases and in ID. Hybrid case managers were implemented as it was determined that a case manager cannot carry more than 5 cases over the maximum cap; otherwise, they get burned out. People wanted the stipend but were getting burned out and leaving.

FY 2026 BUDGET PRIORITIES

Mr. Rodgers and Andrew met to review the Strategic Plan and discuss the needs for the coming year.

Workforce Development & Retention

A priority is making sure the agency keeps its best employees and figures out the best way to recruit good employees. Staff development in collaboration with community partners such as community colleges is an option. An example of that is the Bridges Children's Crisis Stabilization unit which opened several years ago. There has been no increase in funding since it opened except for when it was expanded from 6 beds to 8 beds. There has been quite a cost increase for both staff, supplies, and everything else since. The agency will ask for a raise in this and a couple of other projects.

DBHDS Restricted Fund Operational Review

COLA increases provided by the General Assembly are applied to agency general funds. They do not apply to restricted dollars. Though complaints have been voiced, nothing has changed. When the Youth CTH application was completed, instead of \$1 million which was received for Bridges, the agency asked for \$3 million in operational funding, which was agreed to. Though these services are similar, that is a big disparity in funding.

Capital Improvement

Several projects are underway. The Crisis Receiving Center renovations, the Crisis Stabilization Unit, the build out of the two Crisis Therapeutic Homes and now the Peer Wellness Home. Mr. Rodgers will also discuss Southampton County and the Franklin Service Center. There is a need for a big investment in capital improvement work. That will lay the groundwork for the ongoing agency operations.

Targeting Commercial Insurance

Capital improvements result in the need for an increase in the agency's commercial insurance. A goal of 20% of the agency's payer mix has been set for this to help diversify to be less Medicaid. This will also allow expansion of the agency's footprint, which will help serve more of the population that is not currently being reached. This led to how to negotiate with those commercial insurance companies to pay for services they don't currently pay for. There are opportunities to do that in contract renewals. FEP is a good example. As the agency serves over 6,000 individuals each year and can show positive outcomes, this is a place to start. Natalia will lead this effort.

Fleet Modernization

Fleet modernization was discussed. Some current vehicles need to be disposed of. When COVID struck, several vehicles sat unused as not much was going on in the community. Transportation has done a good job of determining which vehicles are in use. Once the disposal process is complete, replacements will be researched. Transportation is also updating key lock boxes to better track who is using vehicles and when. GPS is also being installed on each vehicle, so the location can be determined. This will provide information needed for fleet management. The goal is to put staff in safe and reliable vehicles and allow travel to remote areas such as Southampton County.

Southampton County Presence and Franklin Service Center

A new afterschool program will begin in the coming school year in the Courtland area. Hopefully, this will allow space for clinical services to be provided also. Vonda is working extremely hard on this project. The County made it clear in town hall meetings that they want and need more services and supports for children and youth. The agency has offered free services in the past around suicides and similar situations, but has been politely told, "thanks but no thanks." Isle of Wight has taken advantage of them. Mr. Rodgers thinks progress is being made in breaking down the stigma in rural localities. The main presence in Southampton County to this point has been the Main Street Opportunities ID Day support service. Everything else has been served out of the Franklin Service Center. The Courtland space will be in the Shands Shopping Center. Vonda commented that the agency does serve quite a few adults and children from Southampton County, but out of the Franklin clinic. Being able to provide services in their locality will be very beneficial, especially to those experiencing transportation issues. Vonda said there are some things planned for the summer to assist and engage the community at large. Community Days will be held on

Fridays in August. Vonda is on the CPMT and FAPT Team in Southampton County and runs the coalition comprised of 75 businesses across Southampton and Franklin. She will share information on the Community Days with Sara who can share with Board members. Space for a new location in Franklin hasn't been determined yet.

Compensation Recommendations

Mr. Rodgers presented Compensation Recommendations. He provided background information explaining the reasons behind this recommendation. As the status of Medicaid is unknown, Mr. Rodgers and Mr. Jurewicz came up with the option of awarding a \$1500 end of year discretionary award to all salaried full and part time staff. This would occur on June 22, which is the last day of the last payroll before the end of the fiscal year. This is offered as a COLA is not recommended at this time. A \$1,500 to \$2,500 increase would be where the normal COLA falls. When divided by 26 paychecks, not much is realized. This will provide a decent bonus. Last year, \$700 was given in November. The total cost for the agency will be about \$1 million. This will be paid out of retained earnings at the end of this fiscal year. Mr. Rodgers would like to revisit COLA consideration in November when more is known about the possible Medicaid expansion repeal. If it seems the repeal will not happen, then consideration for a COLA would happen then. This is a more conservative approach which will allow time to see what happens before deciding.

Mr. Rodgers is asking the Board to approve two options for November. One would be another midyear discretionary award of \$1,500, but no COLA, which would be the same cost. The second option would be if Medicaid expansion does not look like it will be repealed and things are going well, a tiered COLA would be implemented, most likely, the same 3%, 2.5% and 2% as in previous years and in addition, provide a \$1,000 discretionary award or bonus. That projection works out to a \$933,073 ongoing expense for that COLA and an \$847,000 expense on the one-time bonus at that point in the year.

Mr. Rodgers laid a little bit of groundwork regarding delaying the COLA in the ED Hot Seat forums. He made staff aware of the threats to the budget, particularly around Medicaid expansion and the possible impact. There have been no direct discussions regarding COLA. If the Board approves this plan, he will present it to staff just as it was presented to the Board. Staff have been generally receptive to one-time bonuses in the past. It's good to bump up salaries for VRS but for younger and newer staff, which is not a huge consideration which is understandable. The one-time bonuses do not count towards compensable VRS wages but give them money now.

The question was raised asking how the one-time expense would be funded. Mr. Rodgers explained it comes from higher than projected revenues, vacant positions, and areas where the agency did a good job controlling costs and reducing expenses.

Lastly, Mr. Rodgers highlighted the proposed continuation of the \$1,200 a year retention bonus which is given quarterly (\$300/quarter) to ID Residential, ID Day and Tidewater Cover staff. He also proposed continuation of the \$2,000 annual retention bonus for staff of the mobile crisis teams. The agency has an actual fund that's been provided to support mobile crisis recruiting and retention. Mobile crisis staff get a \$2,000 sign-on and also an annual retention bonus. That was a

statewide initiative. They also receive other things such as training and wellness initiatives. Money has been used to outfit some cars with better workstations for staff on the road most of the time. There is a note at the bottom clarifying that incentive payments are always contingent upon affordability.

The Finance Committee reported their recommendation was to support the budget as presented. Their questions were satisfactorily answered. They understand that all staff will not be happy. There was discussion around the tiered COLA and just a flat COLA. Andrew was kind enough to work on those numbers in the meeting. It wasn't a huge change to do a flat rate for everybody, but it's an ongoing expense. The consensus was with the unknown changes to Medicaid; the Finance Committee supported giving Mr. Rodgers and the executive team the liberty to make that decision later in the year.

Mr. Rodgers shared with the Finance Committee that all lower-salaried staff have now been brought up to \$15/hour. It was decided to do this proactively this year anticipating it would become a requirement. This is also necessary as hiring individuals able and willing to care for consumers, which is a hard job, competes with the going rates for Chick-Fil-A or Royal Farms as examples. Special people are needed for these kind of positions, and it is important to retain these individuals.

The COLA start date will be determined in November. Mr. Rodgers intends to pay the discretionary award before the Thanksgiving holiday. The end of year award is designed to help cover the time between July 1 and the end of the year. Andrew gave averages for each tier. The 2% tier would average an additional \$1,600/year increase, the 2.5% tier would average \$1,200/year, and the 3% increase would average \$1,038 /year. If broken down by per pay period, the average would be \$61 for 2%, \$47 for 2.5% and \$40 for 3%.

Mr. Rodgers is looking forward to reviewing steps and grades, and other ways to value experience year over year based on the changing environment as part of the compensation study.

The Finance Committee unanimously recommended that the Board of Western Tidewater Community Services Board adopt the proposed WTCSB Operating Budget and Special Considerations as presented to include continuation of planned retention incentives, year-end discretionary award and Executive Director finalization of a midyear discretionary award and COLA consideration. Ms. Edwards noted that since this is coming from the Finance Committee, a second is not needed. Mr. Rodgers stated that he would keep the Board apprised. As there were no further questions, the FY 2026 Operating Budget and Special Considerations was adopted.

Closed Session

Upon a ***motion*** made by Alysia Pack and seconded by Lula Holland, the board moved into closed session pursuant to Virginia Code 2.2-3719 to obtain legal counsel regarding a proposed amendment to WTCSB bylaws.

ADJOURNMENT

As there was no further business, Ms. Edwards thanked everyone for their attendance. The meeting was adjourned at 11:38 a.m.

Respectfully submitted,