



Michael Murphy	-	Absent
J. Michael Hobert, Vice Chair	-	Aye
David Ash	-	Aye

### Update from Director

Updates given by Tom Judge include:

- Turn over in Payroll and Benefits: Karen Shade's last day was Thursday, April 21; and Sally Sheckels, previously employed in the Office of the Commissioner of the Revenue, assumed that position beginning Monday, April 25. Some level of training was possible that should ease the transition.
- OPEB [other post employment benefits] actuarial study may be necessary due to the line of duty act. The line of duty act will require the County to provide coverage of health insurance benefits for employees if killed or injured. Whether the study is needed for the current fiscal year has yet to be determined. An actuarial study would determine the liability that the County would have so it could be put on the annual financial report as a liability as required by generally accepted accounting principles. The cost of the study will be approximately \$7,000 per year.
- Account structure modification for Maintenance was identified in the RDA report as a potential to reduce the need for auxiliary accounting by the Maintenance Department. Discussion has begun to determine the importance, costs and practicality of tracking /accounting by building for such items as utilities, maintenance contracts, labor, etc.
- Multi-year capital appropriations: Auditors have only included the annual appropriations in the audit report. In this circumstance, with continuing appropriations for projects such as the high school, in the report, it appears to show that expenditures exceed the appropriation. Auditors have recommended booking with notation. GFOA opines that there is no standard practice to account for multi-year appropriations. Mr. Judge suggested booking the combined appropriations in the annual report showing the true available balance in the capital project but include a new table that shows how much was spent in the prior years and expenditures in the current year to clarify the issue.

### Technology Update

Tom Judge informed the Board that the Board of Supervisors Finance Committee had reviewed the GFOA report. The recommendation from the Committee was to find and visit with a similar sized community in Virginia with an ERP system to seek cost, benefits and process recommendations. Mr. Judge put forth that the closest he had been able to find was Isle of Wight County; and while they have implemented a system, they are about double in size and have not implemented all the modules. He advised that he would continue to search.

Vice Chairman Hobert put forward that it might also be useful to visit a locality that is using a "best of breed" system.

In response, Mr. Judge said that Gloucester might be a good candidate noting that they organize all their data in a single location; and while they are open to departmental applications, data must integrate with all other systems. He further advised that the Loudoun County IT Director is willing to address the Board at their next meeting concerning that county's effort to implement an ERP system noting that they are in the RFP stage.

*Next Steps:*

Chair Rhodes expressed support for site visits. She contributed that her husband has been involved in developing and implementing several ERP's with college boards and similar institutions. She opined that from all that she has heard this is the best way to go; and while it will cost more up front and implementation may cause employees more discomfort during transition, the systems currently in place for the county and schools are so cumbersome and archaic that the benefits of a new system would soon be realized.

Vice Chair Hobert put forth review and establishment of best practices. He also put forward consideration of evaluation of "cloud" computing. He also questioned the proposed ERP budget asking that it be clarified. Mr. Hobert informed the Board that he had spoken with Delegate Joe May about this issue in an effort to enlist aid on a state level to generate a path for the smaller communities.

David Ash suggested looking at small area businesses that have implemented similar systems. Chair Rhodes offered to check on possible contacts.

Sharon Keeler, Treasurer, confirmed that this August IBM ceases to support the AS400 server currently used in her office. Tom Judge contributed that the estimated replacement cost was approximately \$26,000.

*Deferred Compensation Plan.*

Tom Judge explained the current tax deferred retirement program offered by the County. He advised that there has not been significant participation over the years with only 25 employees currently contributing and 18 of those are contributing \$100 or less per month. He asked the Board to consider the plan offered by the Virginia Retirement System as an alternative to Nationwide for the following reasons:

- a) The fees are significantly lower.

**Comparison of Nationwide and VRS Deferred Compensation Fees**

<u>Program Manager</u>	<u>FUND</u>	<u>Mutual Fund Fee</u>	<u>Program Fee</u>	<u>VRS Fee*</u>	<u>Fee on \$20K Balance</u>
ING	VRS S&P 500 Index Fund	0.02%	0.18%	8	48
Nationwide	SEI S&P 500 Index	0.30%	0.95%	0	250
ING	Long Term Growth Fund	0.05%	0.18%	8	54
Nationwide	NW Inv Dest Mod Aggr Svc	0.88%	0.70%		316

\* VRS Fee is per participant

- b) It can be offered to both government and schools and, though each board would need to approve a separate agreement, it could be administered as a single plan.
- c) The Governor proposed providing this plan to all State and Local employees as an alternative to the VRS defined benefit plan. The General Assembly rejected this, but it is expected to be reintroduced.
- d) The options provided are highly diversified, and employees can access VRS for all their retirement planning.

Following discussion, by consensus, the Board instructed Tom Judge to develop further information and recommendations for consideration at the May meeting including follow up on whether there will be a charge to disengage.

### Pay-Out Annual Leave

Tom Judge informed the Board that as a result of the recent turn over in Joint Administrative Services they would be paying out approximately \$5,000 in annual leave that, having significantly trimmed his departmental budget due to funding constraints, threatened his ability to fund operations. He stated that he would be proposing that Joint Administrative Services avail itself of prior year savings to fund this one-time, unexpected annual leave payout.

**Vice Chairman Hobert moved to support Joint Administrative Services in moving forward with this supplemental appropriation. The motion carried by the following vote:**

- Sharon Keeler - Aye
- Emily Rhodes, Chair - Aye
- Michael Murphy - Absent
- J. Michael Hobert, Vice Chair - Aye
- David Ash - Aye

### Next Meeting

The next meeting of the Joint Administrative Services Board is scheduled for Monday, May 23, 2011 at 12:00 noon in Meeting Room AB of the Berryville Clarke County Joint Government Center.

**Adjournment**

At 1:16 pm, Chair Emily Rhodes adjourned the meeting.

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Minutes Recorded by: David Ash  
Prepared By: Lora B. Walburn