<div align="center">Joint Administrative Services Board</div>

January 28, 2013   Regular Meeting   1:00 pm

At a regular meeting of the Joint Administrative Services Board held on Monday, January 28, 2013 at 1:00 pm in Meeting Room AB, Berryville Clarke County Joint Government Center, 101 Chalmers Court, 2nd Floor, Berryville, Virginia.

Members Present

David Ash [joined 1:09 pm]; Sharon Keeler; Chip Schutte; Michael Murphy; J. Michael Hobert

Members Absent

None

Staff Present

Tom Judge

Others Present

None

1. Call To Order - Determination of Quorum

At 1:02 pm, Tom Judge called the meeting to order having determined that a quorum was present.

Selection of Chairperson

Mr. Judge opened the floor for nominations of Joint Administrative Services Board Chair for 2013.

Chip Schutte nominated Michael Hobert to serve as 2013 Chair.

Michael Hobert, supported by Tom Judge, advised that the Board's practice was to annually alternate between the elected representatives from the School Board and the Board of Supervisors.

In the light of this information, Chip Schutte withdrew his nomination.

Tom Judge, again, opened the floor for nominations.

J. Michael Hobert, seconded by Mike Murphy, moved to nominate and elect Chip Schutte as Chair of the Joint Administrative Services Board for 2013.

With no others names advanced, Tom Judge closed the floor to nominations and called for the vote.

The motion was approved by the following vote:

David Ash	-	Absent
J. Michael Hobert	-	Aye
Sharon Keeler	-	Aye
Michael Murphy	-	Aye
Charles "Chip" Schutte	-	Aye

Following the vote, Tom Judge turned the meeting over to Chairman Schutte.

Selection of Vice-Chairperson

Chairman Schutte called for a motion for nomination of Joint Administrative Services Board Vice Chair for 2013.

Mike Murphy, seconded by Sharon Keeler, moved to nominate and elect J. Michael Hobert as Vice Chair of the Joint Administrative Services Board for 2013.

Being no further nominations, Chairman Schutte called for the vote.

The motion carried by the following vote:

David Ash	-	Absent
J. Michael Hobert	-	Aye
Sharon Keeler	-	Aye
Michael Murphy	-	Aye
Charles "Chip" Schutte	-	Aye

Establishment of meeting calendar

The Board reviewed of the proposed meeting calendar. Highlights include:

- Start time corrected from 12 noon to 1 pm.
- Director evaluation was also added to the October meeting topics.

- January 23, 2014 is a Thursday so as not to conflict with Martin Luther King, Jr. holiday.

David Ash joined the meeting at 1:09 pm.

Mike Murphy, seconded by Michael Hobert, moved to adopt the meeting calendar as noted with the start time being 1:00 PM and the addition of Director evaluation to the October meeting. The motion carried as follows:

David Ash	-	Aye
J. Michael Hobert	-	Aye
Sharon Keeler	-	Aye
Michael Murphy	-	Aye
Charles "Chip" Schutte	-	Aye

2013 Joint Administrative Services Board Meeting Calendar

Date	Time	Location	Topic(s)
02/25/13	1:00 PM	JGC	Health Ins, Budget, Technology
03/18/13	1:00 PM	JGC	Health Insurance, Technology
04/22/13	1:00 PM	JGC	Health Insurance, Technology
05/20/13	1:00 PM	JGC	Health Insurance, Audit, Technology
06/24113	1:00 PM	JGC	TBD
09/23113	1:00 PM	JGC	TBD
10/28113	1:00 PM	JGC	Director Evaluation, TBD
12/16/13	1:00 PM	JGC	Director Evaluation, TBD
01/23/14	1:00 PM	JGC	Organization, Budget

Vice Chairman Hobert requested consideration of amending the bylaws to remove the requirement for a second to lay a motion on the floor.

Chairman Schutte noted that the Joint Administrative Services Board easily met the description of a small board as defined in *Roberts Rules of Order*.

Robert's Rules of Order; Art. IX. Committees and Boards; 50. Boards of Managers or Directors, Boards of Trustees, Executive Committees, etc. . . . .

> *In large boards business is transacted the same as in the society meetings; but in small boards the same formality is not necessary or usual, the informality observed by committees being generally allowed. In a board meeting where there are not more than about a dozen present, for instance, it is not necessary to rise in order to make a motion, nor to wait for recognition by the chair before speaking or making a motion,*

> ***nor for a motion to have a second;*** [emphasis supplied] *nor is there any limit to the number of speeches, nor does the chairman leave the chair when making a motion or discussing a question. The formalities necessary in order to transact business in a large assembly would hinder business in so small a body.*

The Board agreed to carry this matter forward to the February meeting.

2. Approval of Minutes

   Mike Murphy, seconded by Michael Hobert, moved to approve the December 17, 2012 meeting minutes as presented. The motion carried as follows:

David Ash	-	Aye
J. Michael Hobert	-	Aye
Sharon Keeler	-	Aye
Michael Murphy	-	Aye
Charles "Chip" Schutte	-	Aye

3. Update from Director

   - Joint Technology Plan:

     o Adopted by Supervisors. Supervisor David Weiss requested analysis on return on investment for the different projects.

     o The School Board will consider the plan at its January 28, 2013 meeting.

   - Fraud Tip line: FOIA impact of an anonymous tip line is under review by the County Attorney.

   - Health Insurance Renewal:

     o No information received as of yet.

     o For now, a 10% increase has been factored into the budget.

     o Last year, the County had a 19% loss.

     o Received a memorandum regarding disability insurance program for persons in the new hybrid program.

4. Zimbra and BoardDocs Pilots

   The Government has successfully used Zimbra for email, calendaring, and management of central address databases. The Schools have successfully used BoardDocs to develop and publish board agendas, minutes, and other documents for viewing by the general public. Each organization could potentially benefit by exploring each other's technology solution, and certain synergy benefits such as shared address databases, combined community calendars, shared training and a single source for board and commission documents would result. It is recommended that a limited number of users in

each organization test, or pilot, the application they currently do not use to further discussion of the potential benefits of sharing these applications.

Tom Judge led the discussion. Highlights include:

- Joint Technology Plan speaks to software adoptions and sharing of software that would be beneficial.

- Zimbra:

  o The Schools use Microsoft Outlook but are researching other email programs. Staff would benefit from additional training on how to make the program more efficient.

  o The County uses Zimbra.

  o Joint use could provide a single address database, shared calendars.

  o Gordon Russell suggested piloting the Zimbra program with the schools.

  o Dr. Murphy will identify a select group of power users to pilot the program.

  o Gordon Russell and David Baggett will coordinate.

  o Dr. Murphy would also like to look at the Google exchange product.

- BoardDocs

  o Dr. Murphy would like to demonstrate BoardDocs to County Administration.

  o BoardDocs stores the data in Atlanta, Salt Lake City and one other location.

  o The Schools annual cost is $2,700 through VSBA.

  o The Schools return on investment analysis considered the cost of delivery for 5 packets every 2 weeks, cost of printing, and 20 additional copies.

  o Two search features: search local documents; and search meta documents accessing documents in the sphere.

  o BoardDocs is archived by the vendor for a period of ten years. The content cannot be downloaded as a data file to an external drive. The text of the full or detailed agenda can be viewed but each embedded document must be downloaded and printed separately.

  o Dr. Murphy offered to assist County Administration and create a test meeting of BoardDocs, publish it, put it live on the School's website and email Administration for its review.

  o David Ash offered to test BoardDocs to determine if 1) it presents additional work load; 2) there is benefit from using the same agenda management vendor.

5. Bright and RDA Upgrade Situations.

Both Bright and RDA are recommending upgrades, which it is expected will be mandatory in the near future. Neither would be necessary with the ERP system implementation, though the implementation timing could be tricky. Without the ERP the RDA code compliance will, at a minimum be required.

A. Bright: Pay $1,700 by January 31, or pay $2,500 plus $250 per user annually after January 31. Would gain a third party graphical interface to existing system.

B. RDA: Pay $32,000 for code compliance, graphical interface, and some increased functionality or pay $4,000 for code compliance only.

Highlights of Board discussion include:

- Bright and RDA are pressing for upgrades.

  o The Bright system is used by the Treasurer and the Commissioner of the Revenue.

  o The RDA system is by Joint Administrative Services for payroll, finance, purchasing and utilities.

- Both are trying to provide a graphical interface and asking customers to pay for the graphic overlay.

- The upgrades are intended to make the systems more user friendly without adding great deal of functionality.

- Bright:

  o Dropped its price to $750 by January 31.

  o Bright is making its change to facilitate the addition of other business partners.

  o Gordon Russell opined that the add-on piece was unnecessary barring anything more compelling from the vendor.

  o Sharon Keeler stated that the add-on piece for the Commissioner of the Revenue has not yet been developed.

- RDA:

  o $32,000 would provide the new graphical interface added to its existing code.

  o This amount would be in addition to the current an annual maintenance fee.

  o Some added functionality such as enabling employees to change their addresses.

  o The $4,000 option would give code compliance but would not include any new functionality or graphical interface.

- The Board of Supervisors at its January 15, 2013 meeting agreed with the concept of the Technology Plan; however the Supervisors did set forth funds for an ERP.

- It was agreed that members of the Board would press the importance of implementing an ERP to their respective bodies.

- The Board agreed to hold payments for the upgrades.

6. Response to John Staelin's Questions Regarding ERP System

Please find responses to John Staelin's questions and concerns regarding the procurement of an ERP system which he presented to the JAS Board at this time last year.

TO: Joint Administrative Services Board
FR: Thomas J. Judge, Director
DT: 12/17/2012
RE: Responses to Matters Raised by John Staelin

Attached is John Staelin's memo from March 25 stating concerns over implementation of an ERP system in Clarke County. The purpose of the memo is to respond to these concerns where possible, while not ignoring that fact that the implementation of an ERP system contains risks which must be carefully managed to bring about the desired results.

1. We do not know what an ERP system would ultimately cost. An industry vendor has since provided a quotation for the ERP system configuration described in the GFOA report. The quotation for software licensing, installation, data conversion, and training is $550,309. The IT departments believe that no additional hardware would be required, but the Joint Technology plan includes $50,000 as a contingency for hardware needs.

2. The payback is unclear. A weakness of the GFOA report is that it makes a strong case for return on investment, while remaining mute on precisely where the savings would occur. Consultants frequently infer on sensitive subjects such as position eliminations to preserve their reputation for future clients. It is more "politically correct" for a consultant to note that productivity improvements will mean that fewer additional positions will be required in the future, rather than pointing to specific positions in the future. That said; the payback is a risk that must be managed. The report states that an additional IT staff will be required, but the reference to "two to four positions" could not be located under the recommended alternative.

3. We do not know who the winners and losers will be in the ERP Industry. There has been a great deal of consolidation of local government ERP vendors. The major Tier II local government firms are Tyler Technologies (10,000 clients), New World Systems (1,000 clients), and Sungard Public Sector (1,500 clients).

4. Technology is changing rapidly. Purchasing software that is not "future-proofed" is another risk that must be managed. Access by handheld devices, citizen access, cloud vs. server, open source vs. proprietary, best practices methods, are all issues that must be addressed. Also, as Mr. Staelin says, options must be kept open. Certain of our current systems are examples of software applications that have lagged behind widely adopted improvements. It is hoped that Joe May's effort to provide Clarke County assistance with this complex task is successful, and recent communications provide confidence that it will be.

5. Clarke is too small to be a leader in the ERP area. The obstacles mentioned at the VACO/VML meetings last year, and again during a survey of surrounding communities' plans, all revolve around the institutional resistance of Schools vs. Government, or Constitutional Officer independence, as the primary impediments to implementation of an ERP system. This led the IT Director of a large community to our east to state that Clarke County was far ahead of their community in achieving the political groundwork necessary to move forward. Apparently, size is a disadvantage in this regard. Clarke County's efforts at cooperation have, over many years, made it unusually qualified to take advantage of the benefits of an ERP system. There are issues of data ownership and access to be worked out, and there are policies and procedures that must be improved across organizational boundaries, but in general we can manage this situation more nimbly than larger communities, and may therefore become a leader in the area.

Tom Judge summarized his memorandum dated 12/17/2012.

Highlights of Board discussion include:

- The governing bodies must make the long-term commitment necessary for successful implementation.
- Additional personnel may be needed to implement and train.
- The Board authorized Tom Judge to provide his response to John Staelin as reviewed.

7. Response to David Weiss's Questions Regarding the Return on Investment of Joint Technology Plan Projects (to be presented at the meeting).

ROI

ERP System Implementation   12/17/12
Source: Joint Administrative Services

Assumptions:
1. Costs are the average of low and high from page 34 of the GFOA Report. Assumes applications on local server.
2. Total hours estimated to be saved from ERP implementation is 4500 annually (mid range GFOA Study, pg. 35)
3. 4160 hours have been eliminated through Treasurer and Commissioner, leaving an additional 350 still to be saved.

	YEAR 1	2	3	4	5	6	Total
DIRECT COST OF NEW ERP							
Software License (HR, GL, Revenue, Documents)	165,065						
Professional Services	265,282						
Project Contingency	63,078						
Maintenance and Support	32,777	32,777	32,777	32,777	32,777	32,777	
Travel	82,532						
TOTAL	608,734	32,777	32,777	32,777	32,777	32,777	772,620
COST AVOIDANCE (costs incurred if no ERP)							
Commissioner Position*	42,195	42,195	42,195	42,195	42,195	42,195	
Treasurer Position*	36,810	36,810	36,810	36,810	36,810	36,810	
Additional Hours Estimated in GFOA Study	13,713	13,713	13,713	13,713	13,713	13,713	
Bright and XPERT Maintenance		18,250	36,500	36,500	36,500	36,500	
Revenue Modules to XPERT	60,000						
Forced XPERT Front-End Upgrade		15,000					
XPERT Module to Archive Finance Documents			15,000				
Personnel Module Training and Applicant Tracking	30,000						
TOTAL	182,718	125,968	144,218	129,218	129,218	129,218	840,560

ROI in approximately 5.5 years.

Notes: *These positions have been eliminated, but would need to be replaced when activity increases, unless technology is introduced that offers productivity improvements. XPERT offers some productivity improvement, but is not sufficient, and requires greater training and internal technical support.

**It should also be noted that extension of XPERT does not include the breadth of modules, or technical capabilities (such as on-line payments, and time and attendance) available from the ERP System.

***There is much debate about how much Software as a Service, aka SaaS or Cloud, would save. Studies reviewed indicate that over 5 years the costs of SaaS are approximately 75% of maintaining the software locally. This factor is expected to continue to decline, making SaaS progressively cheaper relative to local server operations. However, it has yet to be determined whether this option is feasible for Clarke County.

Tom Judge included review of his analysis of return on equity with Item 6 - Response to John Staelin's Questions Regarding ERP System.

8. JAS FY 14 Budget.

Please find a proposal attached. This may be discussed, modified, and adopted for inclusion in the Board of Supervisors FY 14 Budget.

JAS FY 14 BUDGET PROPOSAL

1/24/2013

	FY 11 ACTUAL	FY 12 ACTUAL	FY 13 ADOPTED	FY 14 REQUEST	VARIANCE	NOTES
FUNC 12240 INDEPENDENT AUDITOR						
3120 PROFESSIONAL SERVICES	30,650	30,650	33,500	34,500	1,000	Held them for years, but new contract.
FUNC 12510 DATA PROCESSING						
3100 PROFESSIONAL SERVICES	1,600	-			-	
3320 MAINTENANCE SERVICE CONTRACT	23,092	24,181	24,500	26,100	1,600	Held them for years, but no more.
5540 TRAVEL CONVENTION & EDUCATION					-	
6001 OFFICE SUPPLIES	53				-	
8207 EDP EQUIPMENT					-	
12510 DATA PROCESSING	24,745	24,181	24,500	26,100	1,600	
FUNC 12530 FINANCE & PURCHASING						
1100 SALARIES - REGULAR	348,570	343,960	368,036	367,598	(438)	
1300 SALARIES - PART TIME					-	
2100 FICA BENEFITS	26,203	25,555	28,156	28,121	(35)	
2210 VSRS BENEFITS	33,030	38,971	42,913	42,862	(51)	
2300 HEALTH INSURANCE BENEFITS	27,670	26,577	27,895	25,044	(2,851)	10% increase but one dropped coverage
2400 LIFE INSURANCE	970	963	4,380	4,374	(6)	
2750 RETIREE HEALTH CARE CREDIT			4,085	4,080	(5)	
2800 OTHER BENEFITS	4,562	150	-	-	-	
3000 PURCHASED SERVICES	643		-	-	-	
3320 MAINTENANCE SERVICE CONTRACTS	143	-	175		(175)	
3500 PRINTING AND BINDING					-	
3600 ADVERTISING	-	196		200	200	
4300 CENTRAL PURCHASING/STORE	(1,360)	(1,292)			-	
5210 POSTAL SERVICES	2,837	2,688	2,850	2,800	(50)	One cent rate increase, but more EFT
5230 TELECOMMUNICATIONS	1,228	1,309	1,300	1,339	39	
5510 TRAVEL MILEAGE	174	620	100	700	600	
5540 TRAVEL CONVENTION & EDUCATION	821	1,320	800	700	(100)	
5810 DUES & MEMBERSHIPS	544	864	600	900	300	GFOA, IPMA-HR, ACFE, VAGP, Costco
6001 OFFICE SUPPLIES	8,484	2,209	3,000	3,000	-	
6012 BOOKS AND SUBSCRIPTIONS	220	159	230	200	(30)	Star, GAAP Guides
6014 OTHER OPERATING SUPPLIES	13	-			-	
8201 MACHINERY AND EQUIPMENT					-	
12530 FINANCE & PURCHASING	454,751	444,249	484,520	481,920	(2,600)	
TOTAL	510,146	499,080	542,520	542,520	(0)	

Tom Judge briefly reviewed the FY2014 budget.

Mike Murphy moved to approve the Joint Administrative Services FY2014 budget as presented. The motion carried as follows:

David Ash	-	Aye
J. Michael Hobert	-	Aye
Sharon Keeler	-	Aye
Michael Murphy	-	Aye
Charles "Chip" Schutte	-	Aye

9. Next Meeting

The next regularly scheduled meeting of the Joint Administrative Services Board is Monday, February 25, 2013 at 1:00 pm in Meeting Room AB at the Berryville Clarke County Government Center.

Adjournment

At 3:08 pm, Chairman Schutte, hearing no objections, moved that the meeting be adjourned.

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Minutes Recorded by Tom Judge and Recording Transcribed by: Lora B. Walburn