

David Ash – Chip Schutte – Michael Hobert - Sharon Keeler – Dr. Michael Murphy

AGENDA

Joint Administrative Services Board
December 17, 2012 1:00 p.m.
Joint Government Center

1. **Call to Order.**
2. **Approval of Minutes. (November 26 Minutes Attached pg. 2).**
3. **Joint Technology Plan.** The attached plan includes modifications made at the November meeting. New information regarding the Energy Management System is included. The plan can be proposed for adoption at this meeting, and sources of funding for the ERP System can be discussed in advance of the FY 14 budget process.
4. **Fraud Prevention Program.** October's discussion of this topic ended with concerns regarding whether hotline tips and subsequent investigations were subject to disclosure under the Freedom of Information Act. Correspondence from the relevant state agency is attached. It appears that such information can be kept confidential, but legal opinion from the County Attorney is recommended.
5. **Budget Calendar.** Proposals are attached for discussion.
6. **Benefit Waivers.** Attached is information concerning benefit waivers, whereby an employee is paid some amount that encourages them to enroll in health coverage with a spouse, thereby reducing the total cost to the employer. This is presented for information only. If the board wishes to pursue the matter, more information can be obtained.
7. **Next Meeting will be January 28th (Budget Request, Health Insurance).**

Charles "Chip" Schutte - Aye

3. Update

Tom Judge provided the following update:

- Circuit Court payroll
 - Joint Administrative Services will assume payroll processing for the Circuit Court.
- Internal Control Recommendations
 - Working on establishing controls to address concerns raised during the FY12 audit.

4. Joint Technology Plan.

The JAS Board should evaluate this draft for further refinement, and make recommendations where needed, especially with regards to timing and priority, because the strongest plan that can be presented to the Boards will be one that will be both technically and financially feasible. The plan can be proposed for adoption at this meeting, and sources of funding for the ERP System can be discussed in advance of the FY 14 budget process.

Tom Judge provided an overview. Highlights of discussion include:

- Reviewed summary table including events, projected costs and time line.
- ComCast: negotiations continue.
- Fiber Optic Network:
 - Currently, trenching and completing connections between DG Cooley and high school.
 - Main link will run down Main Street and picks up all schools terminating at Social Services.
 - It may be necessary to purchase easements.
 - County-owned fiber is buried; ComCast-owned fiber is overhead.
 - Need to include in projected cost estimated annual recurring charges for lease and maintenance.
 - Goal is to negotiations complete for FY 2014 and complete by 2020.
 - Extension of ComCast Lease. Negotiation on the extension of the lease with Comcast is underway and expected to be complete prior to the outset of the FY 14 budget process. The terms of the lease should be compared to the cost of purchase.
- Energy Management System Extensions:
 - Dr. Murphy is meeting with Snyder Electric on Monday.
 - Need to look for most likely vendor.

- Schools have authorized the purchase of an iPad for Bobby Levi to allow remote access.
 - Criteria for selection should be an open system.
 - Ask RRMM, school renovations architect, for recommendation.
 - Approach Bobby Levi, Maintenance Director, and ask him to gather information. Dr. Murphy volunteered to brief Bobby Levi and Randy Trenary.
 - Need to determine whether a consultant should be hired and whether to hire an HVAC employee.
 - Rework section to simplify.
- Telephone System Extensions and Upgrades
- Section straightforward and no rework necessary.
- Building Security Systems
- Grant funds are no longer available; and given the high cost, there are greater priorities.
 - Add statement that issues of cost and to whom data belongs are under investigation.
 - By consensus, agreed that looking at expenditure of funds to address technology is a lower priority while recognizing that targeted expenditures are needed.
- Video Conferencing
- At this time, there is no demand making it a lower priority.
 - It was recognized that this is an evolving priority.
- Network Switches
- Section requires greater elaboration.
 - There are some shared systems with one point of intersection and some overlap. The schools do have more switches.
- Enterprise Resource Planning and Document Management Systems
- While this is a priority, it continues to compete for resources.
- Sort options in timeline order.
- Shared Data Storage
- Data storage costs have decreased over time.
- Information Security

- As a first step, goals need to be defined. This process is anticipated to take approximately a year.

— Employee Training

- Move employee training closer to ERP.
- Tom Judge will ask General Government IT to add training to its FY2014 budget.
- No shared budget is recommended at this time.
- Develop goals over the next 6 to 12 months.
- Schools will invite General Government to next software training.

— Software Adoption and Replacement

- Need to review future needs for shared systems.
- Many disparate software systems could be replaced with an ERP.

Tom Judge will rewrite and bring back to the group for further review.

5. Fraud Prevention Program.

Last month's discussion of this topic ended with concerns regarding whether hotline tips can subsequent investigations were subject to disclosure under the Freedom of Information Act. Correspondence from the relevant state agency is attached. It appears that such information can be kept confidential, but legal opinion from the County Attorney is recommended.

Due to time constraints, this item was moved forward to the next scheduled meeting.

6. Budget Calendar

The Board may wish to discuss the budget calendar, especially with respect to the constraints on the process, and the timing of the School Board's request.

The Board discussed the timing of the budget calendar. Various examples were given of changes in requirements that negatively impacted the budget that came late in the budget season; and it was agreed that such actions have fostered a reluctance to act early.

By consensus, Tom Judge, David Ash and Mike Murphy were tasked with drafting the calendar.

7. Benefit Waivers.

Attached is information concerning benefit waivers, whereby an employee is paid some amount that encourages them to enroll in health coverage with a spouse, thereby reducing the total cost to the

employer. This is presented for information only. If the board wishes to pursue the matter, more information can be obtained.

Due to time constraints, this item was moved forward to the next scheduled meeting.

8. Director Evaluation

The Board may wish to convene a closed session for personnel matters in order to consider the evaluation of the director.

Dr. Murphy called for process clarification.

David Ash, seconded by Chip Schutte, moved to convene into Closed Session pursuant to §2.2-3711(A1) Specific Employees or appointees of the Board. The motion carried as follows:

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

The members of the Joint Administrative Services Board being assembled within the designated meeting place, with open doors and in the presence of members of the public and/or the media desiring to attend, **Chip Schutte, seconded by Mike Murphy, moved to reconvene in open session.**

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

It was further moved to execute the following Certification of Closed Session:

CERTIFICATION OF CLOSED SESSION

WHEREAS, the Board of Supervisors of the County of Clarke, Virginia, has convened a closed meeting on the date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and,

WHEREAS, Section 2.2-3700 of the Code of Virginia requires a certification by the Board of Supervisors of the County of Clarke, Virginia that such closed meeting was conducted in conformity with Virginia law.

NOW, THEREFORE BE IT RESOLVED, that the Board of Supervisors of the County of Clarke, Virginia, hereby certifies that, to the best of each members knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which the certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Board of Supervisors of the County of Clarke, Virginia.

The motion was approved by the following roll-call vote:

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

Following Closed Session, the matter was remanded to staff for resolution.

8. Next Meeting

The next regularly scheduled meeting is set for Monday, December 17, 2012 at 1:00 p.m. in Meeting Room AB at the Berryville Clarke County Government Center.

Adjournment

At 3:15 pm, Mike Murphy, seconded by David Ash, moved to adjourn the meeting. The motion carried by the following vote:

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

Minutes Recorded and Prepared by: Lora B. Walburn

Draft Joint Technology Plan Expenditure Plan

12/10/12

Source: Joint Administrative Services

<u>EVENT</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Notes</u>
Enterprise Resource Planning System (ERP)	600,000										Includes Document Management System
Telephone System	50,000							60,000			
Information Security	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	Disaster Recovery System
Energy Management System		100,000	100,000	100,000	100,000	100,000					Requires reengineering to obtain budget estimate
Building Security System		70,000									
Fiber optic infrastructure			165,000								Quote from Vendor
Network Switch Upgrades			100,000	100,000	100,000	100,000	100,000				
System-Wide Training				10,000	10,000	10,000	10,000	10,000	10,000	10,000	ERP training included above in initial three years
Shared Data Storage					35,000					35,000	
Video Conferencing							25,000				Need and cost not defined
TOTAL	675,000	195,000	390,000	235,000	270,000	235,000	160,000	95,000	70,000	35,000	

DRAFT

JOINT TECHNOLOGY PLAN

Enterprise Resource Planning and Document Management Systems

A study completed in 2010 by the Government Finance Officers Association recommended implementation of an Enterprise Resource Planning System and Document Management System to replace many of the disparate and duplicative government and school software applications. The two systems are discussed as a single unit because they would be used in close conjunction: the ERP system could attach documents to database records (such as an employment application to a personnel record, or an invoice to a financial transaction) but could also have the ability to index documents not related to database records (board minutes, agendas, recordings, & photographs).

The cost estimate for this system is \$550,000 for implementation of components recommended in the GFOA report, conversion, and training. An additional \$50,000 would be budgeted as a contingency for hardware needs. Annual recurring costs for software maintenance are estimated to be \$62,000. If approved, this budget would be expended over a three year period, with a large expenditure upfront to implement primary financial and human resource applications, and then regular recurring expenditures for additional modules. One scenario might be:

Year 1	Year 2	Year 3
General Ledger	Fixed Assets	GIS Integration
Accounts Payable	Building Permits	Work Orders Fleet, and Facilities
Revenue Collection	Document Management	Vendor Self Service
Payroll	Human Resources Management	Citizen Self Service
Purchasing	Employee Self Service	Project and Grant Accounting
Utility Billing	Student Activity Funds	
Personal Property Assessment	Permits and Code Enforcement	
Real Estate Assessment	Central Store (Inventory)	
Leave Management	Applicant Tracking	

Consideration of Project Manager for the implementation of this system would be required because it will involve nearly a full-time devotion to ensure the adoption of best practices, the

optimal allocation of staff and financial resources, and continuing communication among all parties.

Documents:

1. GFOA Study.
2. FY 13 Budget Request

Telephone System Extensions and Upgrades

The telephone system originally purchased from Avaya for certain government buildings has since been extended to include most school buildings and the Town of Berryville. Extension to the following buildings will complete the system:

Building	Timeline	Cost	Notes
Boyce Elementary	Summer 2013	Already budgeted	
Old High School	During renovation	40,000	From construction budget
Johnson-Williams MS	2014	50,000	

In addition, it will be necessary to replace the central switch (aka PBX) in 6 to 8 years.

Information Security

The School Division and the Government each have separate connections to the internet, so security elements such as firewalls, spam filters, and antivirus are funded through each organization's IT budget. Maintaining separate internet connections is a security feature in itself because it permits redundancy. The Government utilizes an off-site backup service in California for certain data, and the School Division is considering the same.

The budget includes funding for a disaster recovery system. This would provide a mechanism for putting government and school computer systems back into operation within a short period of time after a disaster such as theft, fire, weather events, etc.

Energy Management System Extensions

An energy management system would tie together a network of sensors and control devices installed over the County's major buildings (schools, recreation center, courthouses, Joint Government Center) to a central software application. This software application could be managed by the Joint Maintenance department to optimize the energy consumption of

buildings though an additional HVAC technician position with extensive training would probably be more practical than a maintenance contract to keep it running. Such a system was installed by TAC Americas (later Schneider) for the Clarke County Public Schools in 2005.

The TAC system has never operated correctly despite good faith efforts on the part of Schneider and the Joint Maintenance department. However, the system is expensive to replace wholesale if the current system of sensors and controls cannot be used. A procurement effort in May 2011 sought to engage a vendor that would tie the current system of sensors and controllers to a new software system, in hopes of finally making the system fully operable, but in the end proprietary elements in these devices made them incompatible with AERO Integrated Solutions' software. The need remains to fully engineer a long-term solution. In the meantime, advice is being sought from RRMM (School Division architect), Schneider (current system vendor), the State Department of General Services, and Riddleburger (current HVAC system contractor). In addition, the School Division is monitoring the success of the new high school system, and a cost/benefit analysis of a position devoted to HVAC systems is being performed.

New High School. The system installed at the new high school in 2012 is manufactured by Siemens, but includes its own software system for its management. It is not clear whether the Siemens software application can be made compatible with the original TAC equipment. However, it will be important to quickly evaluate the effectiveness of the Siemens system before major HVAC upgrades are undertaken. With the renovation of Cooley Elementary, the old High School, and possibly the primary school, there may be opportunities to build toward an integrated system, but away from the TAC equipment. Further research is needed to determine whether there is a truly open standard for sensor and controller signals, and whether the Siemens software application will accept these signals without expensive adaptation. If so, the Siemens software would be the logical candidate for a single software application to integrate the County's buildings, as these buildings are renovated, or HVAC systems refurbished.

Energy Management Systems are often justified on the cost savings from energy usage, but these savings are difficult to prove. The School system has twice signed "energy performance contracts" whereby the vendor must prove that the energy savings paid for the cost of the equipment, the financing, and the maintenance over a term of 10-15 years. In neither case was the proof considered convincing, leaving open the question of just how much expenditure can be justified by implementation of these systems, though it is recognized that reduced energy consumption satisfies environmental goals as well.

Building Security Systems

The federal *Secure Our Schools* grant of \$328,235 obtained in 2007, along with a local match of the same amount, led to an expenditure of \$656,470 to provide security systems in the schools. The consultant, Kimball, reviewed the security needs of the schools and various configurations of door access systems, video surveillance systems, and weapon detection systems at each of the five buildings. The final decision implemented extended video surveillance systems at JWMS and (old) CCHS consisting of cameras, switches, recorders, and monitors. This was considered the most effective use of the funds. Most of the local match went toward upgrading the network infrastructure to accommodate video signals.

The original plan called for extending security systems to other buildings, and connecting them to the Sheriff's dispatch office to permit monitoring during emergency events (the "head-end" of the system). A security design for the Joint Government Center and the Circuit Courthouse were developed but not implemented due to budget limitations in those capital budgets. The new high school is equipped with an extended video system, leaving the old high school system available for the elementary school renovation.

The estimated cost of the "head-end" at the Sheriff's Office is \$70,000. However, this would connect only JWMS, new CCHS, and Old CCHS, all of which are currently monitored by the School Resource Officer. The Sheriff is seeking grant funding for this head-end. Data ownership issues between the School Division and the Sheriff's office are being investigated.

Although the Joint Administrative Services Board believes building security itself to be important, completion of this system to additional buildings is not a high priority at this time due to the expense. Opportunities to improve security will be assessed on a case by case basis as needs arise.

Fiber Optic Network

The Schools and Government utilizes a network of fiber optic lines to connect all buildings, with the exception of Boyce Elementary School. This network carries voice, video, and data packets for a variety of computer applications. Some of these lines are owned, and some are leased through the Cable Television Franchise agreement with Comcast (previously Adelphia). This lease agreement expires December 19, 2015. The attached schematic shows the network of fiber optic lines and distinguishes the leased lines.

The high cost of leasing fiber optic lines, and the relatively short distances between the buildings, has made County ownership of the complete fiber optic network a longstanding goal.

The County will need to procure a solution to the replacement of the leased lines within 24 months to permit a period of testing prior to expiration of the lease. The following three options have been identified:

- A. **Extension of Comcast Lease.** Negotiation on the extension of the lease with Comcast is underway and expected to be complete in spring 2013. The terms of the lease should be compared to the cost of purchase (item C, below).
- B. **Purchase of Comcast Fiber Optic Lines.** Although this option has not been ruled out, it is considered unlikely that Comcast would sell Clarke County the fiber strand(s) it uses, which is bundled to their other strands.
- C. **Installation of new, County-owned fiber optic lines to replace Comcast lines.** Discussions with Rappahannock Electric are underway, and there is reason to be optimistic that space on their poles can be made available. If so, a contractor would be hired to install the replacement lines. Maintenance of the lines in ensuing years would be performed on a time and materials basis with costs ranging from \$2000 to \$10,000 depending on the number of fiber strands that have been severed. Otherwise the lines require no maintenance, and have a long useful life.

The best long-term solution to serving Boyce Elementary School and the Sanitation Authority has not been determined. Microwave service was ruled out as lacking in reliability. Boyce Elementary is currently served by agreement with Comcast.

Documents:

1. Fiber Optic Network Schematic.

Network Switches

Network switches route internet traffic, data application communications, telephone communications, and energy management system communications. As such, these devices are critically important to the functioning of all other software and hardware in the County. The network switches consist of 12 "core" switches, but 100s of switches total. Many of these switches were replaced or added four years ago, but should start receiving scheduled replacement in 3 years. This replacement can be phased in over 5 years at a cost of \$100,000 per year. The replacement is recommended because the maintenance contract cost on the older switches is likely to make that the more expensive option in the long run. It will be

practical to coordinate the replacement of network switches with any changes to the fiber optic network.

Employee Training

The ERP system cost estimate, above, includes initial training for that system. Beyond that it is critically important that end users of the ERP system receive continuing training to take advantage of upgrades, and that new employees receive basic training. In addition, IT and HVAC technicians will require training to keep abreast of system upgrades. Much of this training can be delivered across the internet to groups or individuals from the County's various organizations, adding an economy of scale, and saving on travel costs.

In addition, it is important that employees receive training in office applications, web page maintenance, and email/address/calendar applications. There is general agreement that the full capabilities of these systems are underutilized.

Shared Data Storage

Both the School Division and the Government have each had a 6.5 terabyte data storage unit. Each unit housed the organization's data, and backed up that data to the other's unit each night in a configuration known as a Storage Area Network (SAN). Recently, the Schools and Government jointly purchased a 15 terabyte unit housed at the Joint Government Center at a cost of \$35,000, and shared this cost equally. This new unit will free the two 6.5 T units to back up to a third unit, rather than each other. This additional capacity should be adequate for several years, after which it will be necessary to purchase a fourth unit

Video Conferencing

Consideration should be given to the costs and benefits of video conferencing among school and government employees to reduce time and the cost of travel between buildings. The need is not imminent, though the technology exists in a wide variety of options. Two important considerations are: 1) the quality of the video signal should be very high; 2) our local intranet should be utilized, and connection to the internet avoided, to prevent hogging the bandwidth utilized by other users communication to the internet.

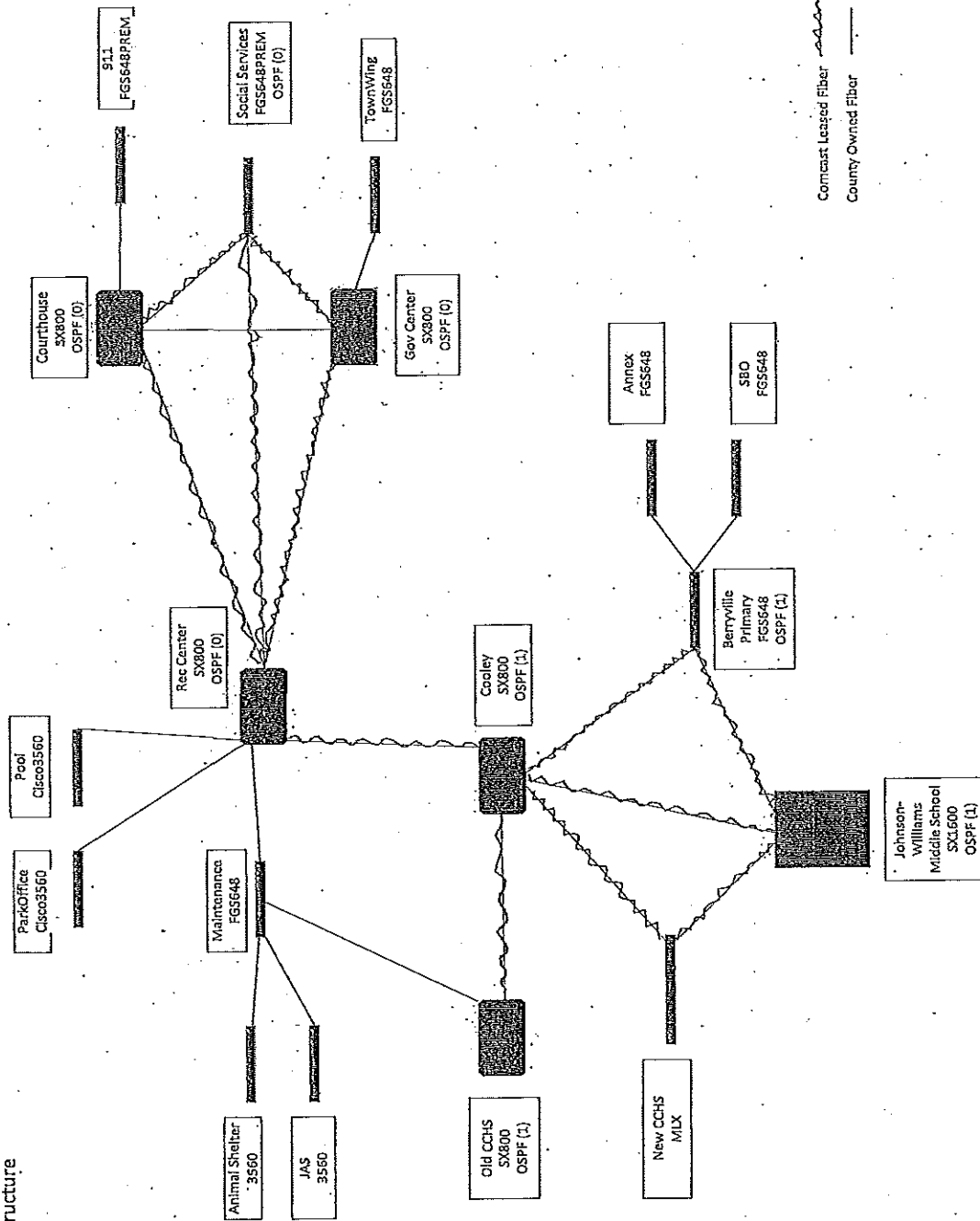
Software Adoption and Replacement

There are currently only a few shared software applications (Xpert, schooldude) However, there may be advantages to sharing software systems such as:

1. Email, calendaring, address book.
2. Facility scheduling.
3. Citizen alert.
4. Web development tools.
5. Productivity software licensing (word processing, spreadsheets, etc.)
6. Project Management.

No budget estimates are provided for this category, other than the ERP system, as software system charges do not currently span organizations budgets. However, the Joint Administrative Services Board will continue to seek opportunities for sharing software and seeking volume pricing where practical.

Clarke County Core Network Topology
And Fiber Infrastructure



MEMORANDUM

TO: Clarke County Board of Supervisors

FR: Thomas Judge, Director of Joint Administrative Services

DT: February 2, 2012

RE: *ERP System Budget Request*

Over the past eighteen months the Joint Administrative Services Board has researched a long term plan for the replacement of aging computer applications. Many of these systems were originally implemented, some as far back as the 1980's, as the automation of paper processes for specific functions of the Government and School. These systems are inadequate because: 1. their electronic data is available only to persons associated with that function; 2. these applications have not kept pace with widely available technology advances; and 3. Maintenance of the variety of applications, associated operating systems, and associated hardware is not the best use of the time of Information Technology personnel. The Joint Administrative Services Board has concluded that an Enterprise Resource Planning (ERP) System should be procured, and a governance structure established to make decisions regarding the implementation of this system. Further, the board proposes that the cost of this system should be equally shared between the Board of Supervisors and the School Board.

The purpose of the ERP System is to replace diverse systems and business processes with a single database and standardized business processes. Implementation would require several years. The following research led the JAS to make this recommendation:

Chronology

April 2010	Board of Supervisors appropriate \$50,000 for software integration.
May 2010	JAS begins discussion on solutions to administrative data system problems.
August 2010	RDA, Financial Systems vendor, presents their new system OpenRDA. It supports only modules that interface with General Ledger. RDA agrees to perform study of Clarke systems. JAS research begins into communities using ERP systems. Clarke Technology Directors state that infrastructure is currently in place to support ERP.
November 2010	Report on ERP systems used by Gloucester and Isle of Wight. List of current Government and School applications developed.
January 2011	RDA presents Best Practices Report calling for further implementation of RDA software. JAS Director delivers response. JAS Board selects GFOA to provide "business process analysis" and "business case development" at a cost of \$24,100.
February 2011	Nine Gov/School Focus Groups meet to discuss business processes and automation.
March 2011	GFOA Study states business case, recommends ERP System implementation. Cost range \$383K-\$1,078K. Return on investment in 3.8 to 6.6 years through recapture of \$250K to \$350K per year in lost productivity with current systems.
April 2011	Supervisors appropriate additional \$50K for software integration, leaving 7/11 balance of \$75,900. Finance Committee directs JAS to schedule an opportunity to

	pose questions to a similarly sized community that has implemented an ERP system (Staunton).
May 2011	Update on communities implementing ERP: Loudoun, Winchester, Prince George.
July 2011	Phone conference with City of Staunton on their ERP experience. JAS directs that a draft proposal for ERP System be developed for the FY 13 budget process. Work begins on revising Government and School business processes related to personnel.
August 2011	Commonwealth HJ130 study determined that local government business practices too dissimilar for single software specification. HJ645 study is underway to create central database of local government software implementations to assist with local government procurement. Includes input from VACO, VML, and VALGITE.

Options

Status Quo. The County (Government and Schools) could continue upgrading its current systems. This involves the least cash outlay in the next few years, but the highest cost over the mid and long term. Vendors will force upgrades, and certain systems will continue to fall behind on the latest technology developments. IT staff will continue to overextend in supporting disparate systems. Agencies will continue performing processes that could be automated. Example 1: the building permit system contains building value information that is printed out then rekeyed into the real estate assessment system. Example 2: the Treasury system prints out revenue information that is rekeyed into the Finance system.

Share ERP with another community. Communities sharing ERP computer applications is increasingly common. It saves money, provides offsite data backup, and permits communities to share best practices. Thus far attempts to find such a partnership for Clarke County have been unsuccessful. The primary reason is the complexity of trying to coordinate an ERP implementation with another community or communities.

ERP Software as a Service. ERP vendors will run their application on their own computer for multiple communities. They provide hardware, software updates, operating system updates, and data backup. The communities connect through a communication link. This solution has been frequently mentioned as superior by IT Directors because highly trained IT staff working for the vendors are ensuring the integrity of the data and application. In addition, the initial investment is reduced. The problems raised include concerns about the security and consistent availability of public data held on the computers of a private company.

ERP Local Server. Providing the ERP application on a local server would require the largest near term investment. It would also require a greater maintenance effort by IT staff. However, it would provide autonomy over the security and availability of the data. The cost estimates and return on investment periods provided in the GFOA report are premised on implementation of this option.

Best of Breed. Each application could be replaced with the best application available at the time the current application needs replacement. This would gradually improve the quality of computer applications, but would not resolve integration, hardware, and IT staff workload issues. Nevertheless, the GFOA study did recommend continued use of certain systems like Parks and Recreation program

management, and maintenance work order management because the cost savings associated with integrating these modules were not offset by savings at the current time.

Requested Option

The Joint Administrative Services Board recommends that the Clarke County Board of Supervisors include \$650K in its 2013 budget for implementation of an ERP system, whether shared, service, or on a local server. This is the mid-point of the cost estimate provided by GFOA, less the \$75,900 already budgeted. This would be used to convert as many current applications as possible to the new ERP system. First priority would implement Treasury, Property Assessment, General Ledger, Accounts Payable, Payroll, and Purchasing, and Utilities. Second priority is for Document Management and Human Resources (including Applicant Tracking, Time and Attendance, and Leave Management). The third priority would integrate GIS, building inspections, and schools.

Advantages of Requested Option

Staff Availability. The economic slowdown has reduced workload in many operations, providing an opportunity to devote staff time to the ERP implementation in advance of an economic recovery.

Intercepts needed software upgrades and extensions. The Treasury system is in need of immediate upgrade, and the vendor of the finance system has stated that they will soon require an upgrade. Other applications face similar needs. Funding the ERP now will intercept the need for these expenditures by creating a clear upgrade path for most applications.

Advanced Technology. Capabilities such as on-line bill paying, electronic document management, and on-line job applications will be possible in the future with implementation of the ERP system now. It is not clear whether our current systems will evolve to embrace these new technologies.

Risks of Requested Option

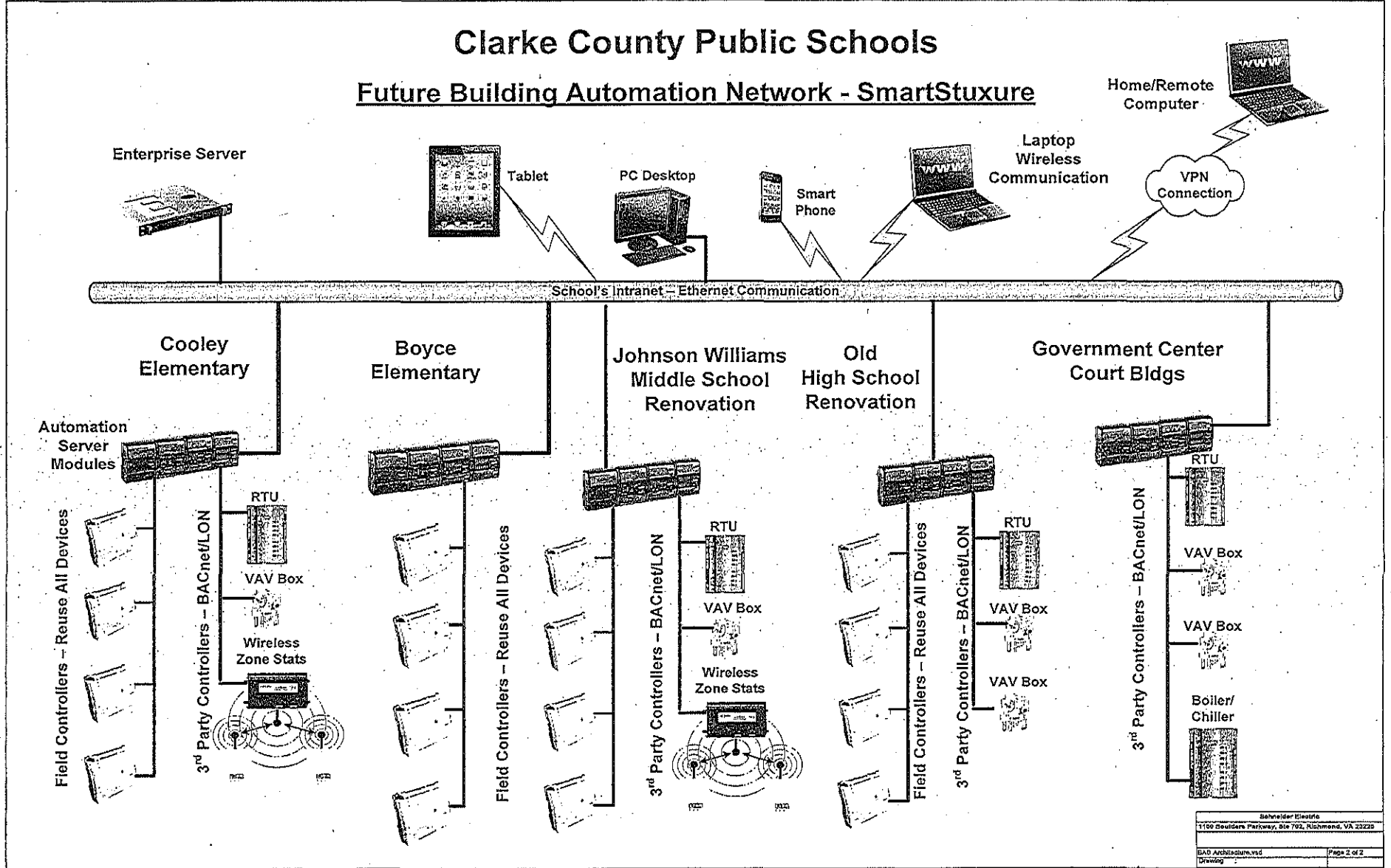
Partial implementation. If an ERP implementation stops part way, due to lack of funding or staff support, or a lack of employee willingness to modify business processes, the result can be worse than if no implementation had occurred at all. This is because the costs have been incurred, but the benefits have not been realized. The GFOA report states that this is the single most important source of risk for this option.

Weak Governance. Local government structure is made up of many independent and quasi-independent boards and agencies. For the system to work, all will need to agree up front to utilize the ERP system, and abide by policy decisions associated with it. This may require modification of agency business processes to conform to the best practices inherent in the software design. A governance structure must be established to enforce decisions made with respect to the system in order to ensure the greater good, and agencies must subscribe to it.

125K

Clarke County Public Schools

Future Building Automation Network - SmartStuxure



25K

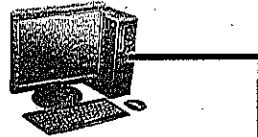
Clarke County Public Schools

Building Automation Network – WebStation Software

Maintenance

F&M Building

New Vista Server/Workstation
(Operating on Windows Server 2008)
(Vista 5 WebStation Software Installed)



Laptop
Wireless
Communication

Home/Remote
Computer



VPN
Connection



Cooley
Elementary



Boyce
Elementary



Johnson Williams
Middle School



Old
High School

Loytec
Router



Loytec
Router



Loytec
Router



Loytec
Router



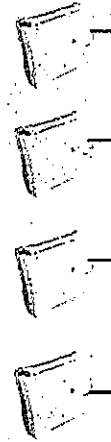
Field Controllers – Zone Control Application



Field Controllers – DDC Control Application



Field Controllers – DDC Control Application



Field Controllers – DDC Control Application



Schneider Electric	
1100 Mountain Parkway, Ste 702, Richmond, VA 23228	
BAO Architecture.vsd	Page 1 of 2
Drawing :	

Clarke County

tjudge@clarkecounty.gov

Re: Anonymous Fraud and Abuse Hotline

From : FOIA Council <foiacouncil@dls.virginia.gov>

Tue, Oct 02, 2012 06:00 PM

Sender : agernhardt@dls.virginia.gov**Subject :** Re: Anonymous Fraud and Abuse Hotline**To :** Tom Judge <tjudge@clarkecounty.gov>

Dear Mr. Judge:

A record of such a tip would be a public record subject to the Virginia Freedom of Information Act (FOIA), as it would be in the possession of the public body in the transaction of public business. However, depending on the exact facts involved, the records might be exempt from disclosure. For example, subdivision 7 of § 2.2-3705.3 (copied in full below for your reference), exempts certain records of local auditors:

The following records are excluded from the provisions of this chapter but may be disclosed by the custodian in his discretion, except where such disclosure is prohibited by law:

7. Investigative notes, correspondence and information furnished in confidence, and records otherwise exempted by this chapter or any Virginia statute, provided to or produced by or for (i) the Auditor of Public Accounts; (ii) the Joint Legislative Audit and Review Commission; (iii) an appropriate authority as defined in § 2.2-3010 with respect to an allegation of wrongdoing or abuse under the Fraud and Abuse Whistle Blower Protection Act (§ 2.2-3009 et seq.); (iv) the Office of the State Inspector General with respect to an investigation initiated through the State Employee Fraud, Waste and Abuse Hotline or an investigation initiated pursuant to Chapter 3.2 (§ 2.2-307 et seq.); (v) the committee or the auditor with respect to an investigation or audit conducted pursuant to § 15.2-825; or (vi) the auditors, appointed by the local governing body of any county, city or town or a school board, who by charter, ordinance, or statute have responsibility for conducting an investigation of any officer, department or program of such body. Records of completed investigations shall be disclosed in a form that does not reveal the identity of the complainants or persons supplying information to investigators. Unless disclosure is prohibited by this section, the records disclosed shall include, but not be limited to, the agency involved, the identity of the person who is the subject of the complaint, the nature of the

complaint, and the actions taken to resolve the complaint. If an investigation does not lead to corrective action, the identity of the person who is the subject of the complaint may be released only with the consent of the subject person. Local governing bodies shall adopt guidelines to govern the disclosure required by this subdivision.

If a tip involved a criminal matter, exemptions in § 2.2-3706 for criminal investigations and other law enforcement records might also apply. Please do not hesitate to call if you have any questions or would like to discuss this matter in more detail.

- Alan

On Mon, Oct 1, 2012 at 2:14 PM, Tom Judge <tjudge@clarkecounty.gov> wrote:

To deter fraud and abuse we wish to create a place on our County website where fraud can be anonymously reported. Staff would investigate fraud based on these tips.

Would these tips be subject to FOIA? Would the resulting investigation documents be subject to FOIA?

Thomas J. Judge, Director of Joint Administrative Services, Clarke County, [540-955-6172](tel:540-955-6172)

Thank you for contacting this office. I hope I have been of assistance.

Maria J.K. Everett, Executive Director and Senior Attorney
Alan Gernhardt, Staff Attorney
Virginia Freedom of Information Advisory Council
910 Capitol Street
Richmond, Virginia 23219
(804) 225-3056 or 1-866-448-4100 (toll free)
Website - <http://foiacouncil.dls.virginia.gov/>

The staff of the Freedom of Information Advisory Council is authorized to issue advisory opinions. Please be advised that

FY 14 BUDGET CALENDAR

CCPS PROPOSAL

<u>TYPE</u>	<u>ACTION</u>	<u>DATE</u>	<u>TIME</u>	<u>LOCATION</u>
Finance	SB Finance Committee	Wednesday, December 05, 2012	11:30 AM	309 West Main
Staff	Staff Budget Discussions	Thursday, December 06, 2012	9:30 AM	JW Middle School
Board	Public Comments at outset of Budget Process	Monday, December 17, 2012	7:00 PM	New HS
State	Department of Education revenue estimate	Wednesday, December 19, 2012	4:00 PM	JAS
Finance	SB Finance Committee	Wednesday, January 02, 2013	8:00 AM	309 West Main
Board	Presentation of Budget Issues	Tuesday, January 15, 2013	7:00 PM	New HS
Finance	SB Finance Meeting	Wednesday, January 30, 2013	8:00 AM	309 West Main
Board	Superintendent Budget Proposal	Monday, February 04, 2013	7:00 PM	New HS
Finance	SB Finance Committee with Supervisors invited	Wednesday, February 06, 2013	8:00 AM	309 West Main
Board	SB Worksession: Budget & Public Hearing	Monday, February 11, 2013	7:00 PM	New HS
Finance	SB Finance Meeting	Wednesday, February 13, 2013	8:00 AM	309 West Main
Finance	SB Finance Meeting	Wednesday, February 20, 2013	8:00 AM	309 West Main
Board	SB Budget Adoption	Monday, February 25, 2013	7:00 PM	New HS
Finance	SB Finance Meeting	Wednesday, February 27, 2013	8:00 AM	309 West Main
Board	SB presentation to Board of Supervisors	Tuesday, March 05, 2013	7:00 PM	JGC
Finance	SB Finance Committee	Friday, March 08, 2013	8:00 AM	309 West Main
Finance	SB Finance Committee	Wednesday, April 10, 2013	8:00 AM	309 West Main
Board	SB reconciliation with Board of Supervisors adopted budget	Monday, April 15, 2013	7:00 PM	New HS
Finance	SB Finance Committee	Wednesday, May 01, 2013	8:00 AM	309 West Main
Staff	Budget document production	Thursday, May 16, 2013	4:00 PM	JAS

FY 14 BUDGET CALENDAR

BOS PROPOSAL

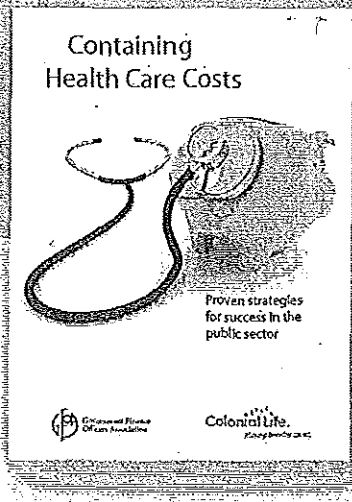
<i>Date</i>	<i>Time</i>	<i>Location</i>	<i>Event</i>
Wednesday, January 16, 2013	02:00 PM	JGC	Staff Revenue Review
Tuesday, January 22, 2013	05:00 PM	JGC	Finance Committee: Revenue Review
Tuesday, January 29, 2013	05:00 PM	JGC	Finance Committee: Agency presentations
Monday, February 04, 2013	10:00 AM	JGC	Budget Worksession: presentation by County Administrator
Wednesday, February 06, 2013	08:00 AM	309 West Main	Finance Committee: School Finance Invitation
Monday, February 11, 2013	10:00 AM	JGC	BOS Worksession: Direction to County Administrator
Thursday, February 14, 2013	05:00 PM	JGC	Finance Committee
Thursday, February 21, 2013	05:00 PM	JGC	Finance Committee
Tuesday, March 05, 2013	07:00 PM	JGC	BOS Worksession: SB presentation
Thursday, March 07, 2013	05:00 PM	JGC	Finance Committee
Monday, March 11, 2013	10:00 AM	JGC	BOS Worksession
Thursday, March 14, 2013	05:00 PM	JGC	Finance Committee
Tuesday, March 19, 2013	06:30 PM	JGC	BOS Worksession until final number
Tuesday, March 26, 2013	NA	Winchester Star	Advertise in newspaper.
Tuesday, April 02, 2013	NA	Winchester Star	Advertise in newspaper.
Wednesday, April 10, 2013	07:30 PM	JGC	Public Hearing
Wednesday, April 17, 2013	06:30 PM	JGC	BOS Worksession until final numbers; recess, then adopt budget and Appropriations Resolutions.

Containing Health Care Cost Fact Sheets

GFOA and Colonial Life, which funded this research, are releasing a series of short informational sheets about the primary cost containment techniques described in the report. The sheets in this series are:

- Spotlight on Benefit Waivers
- Spotlight on Benefits Enrollment
- Spotlight on Dependent Verification
- Spotlight on Health Plan Changes
- Spotlight on Increasing Co Pays
- Spotlight on Increasing Deductibles
- Spotlight on Preventative Treatment
- Spotlight on Section 125 Plans
- Spotlight on Self Funding
- Spotlight on Voluntary Benefits
- Spotlight on Wellness





Strategic Spotlight: Containing Healthcare Costs Proven Strategies for Success in the Public Sector

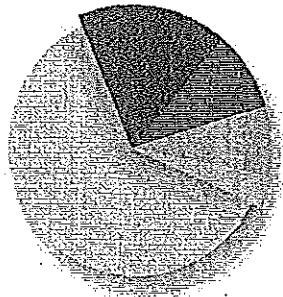
Strategy: Benefit Waiver

What is a Benefit Waiver?

A benefit waiver or "opt-out" program allows an employee to waive their health insurance benefit in return for a cash payment. Typically the employee must demonstrate and attest to having other employer-sponsored health insurance to be eligible to participate in the opt-out program and receive the cash payment.

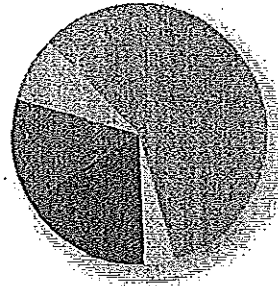
Use of Benefit Waivers

38% of Respondents Use Benefit Waivers



Of those using benefit waivers, how many would recommend it to others?

- 53% Very likely
- 23% Somewhat likely
- 19% Neutral
- 5% Unlikely



Of those using benefit waivers, how important is this technique to their overall cost management efforts?

- 4% Essential
- 17% Very Important
- 13% Important
- 8% Somewhat
- 58% Not Important

Comments on Using Benefit Waivers

It Works "Our savings range from about \$4,000 for a single to \$10,000 for a family not taking coverage"

Mutual Beneficial "It's a win-win. It's optional to the employee and financially better to the City"

Good Participation "This is a huge budget saving strategy and we have about 25-30% of our full time employees participating"

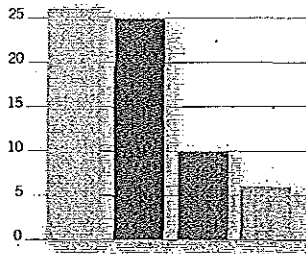
Measurable Results "This program saves the town about 12% per year on health care costs."

Strategic Spotlight: Containing Healthcare Costs

Strategy: Benefit Waiver

Of those Not Using Benefit Waivers, Why have you Not Used this Technique?

62% Not Using this Technique



Some top reasons why not using:

- 26% Benefits do not outweigh the costs
- 25% Not enough information to determine benefits
- 10% Not familiar with this technique
- 6% Not enough staff and/or time to implement

Comments on Not Using Benefit Waivers

Staffing "It was time consuming, and only a handful of employees participated"

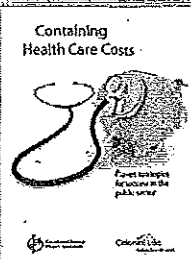
Adverse Impact "Self insured — likely healthy users will opt out with net increase to plan"

Employee Assurances "My only concern with this is verifying that the employee and his or her family have insurance"

Lacks Buy-in "Not politically popular" "Not desirable."

Summary & Key Points

- Benefit waiver programs are used selectively by government organizations, but for those who have used such programs significant cost savings have been achieved.
- Those using benefit waivers require employees show proof of alternative coverage to be eligible for the program.
- Be mindful of adverse impacts to your health plan if large number of employees suddenly opt-out of your plan. In particular in terms of diminishing the risk pool for smaller self funded plans, and missing participation requirements for fully insured plans.
- You may wish to consult a tax specialist to determine any implications of issuing cash payments in lieu of benefits.
- Employee education is a cornerstone of a benefit waiver program to ensure employees fully grasp all implications of their decision.



To learn more about this study and to download the full report visit:
www.gfoaconsulting.org/researchreports

Other Strategic Spotlight Topics Available

Dependent Verification | Increase Deductibles | Increase Co-pays | Self-Funded Benefits | Promote Wellness | Voluntary Benefits | Right-Sourcing | Enrollment | Shift Benefits Communication Expense | Promote Section 125 Plans | Benefit Waiver Program | Preventive Treatment | Health Plan Redesign | Cooperative Purchasing |

Clarke County

tjudge@clarkecounty.gov

RE: Benefit Waiver

From : Walter Norman (DHRM) <walter.norman@dhrm.virginia.gov>

Tue, Oct 23, 2012 03:33 PM

Subject : RE: Benefit Waiver**To :** Tom Judge <tjudge@clarkecounty.gov>

Hi Tom,

This can be a complicated and thorny issue because there may be several unintended consequences of paying employees not to participate. We would not recommend that action and I will try to give you a thumbnail sketch of the potential problems so you can make an informed decision.

1. To accomplish your goal, you will have to run the program through your cafeteria plan and any payment to an employee would be taxable income. The increased administrative costs are sometimes overlooked in making the decision. This is particularly true with the additional non-discrimination testing that could be required from expanding the flex plan.
2. Encouraging employees to join their spouses plan may save you money short term but more and more groups are penalizing their employees if they cover their spouses when coverage is available to them through their employer. Your savings could dry up overnight if a major employer in your area takes this position after you have spent the money to expand your flex program.
3. Allowing employees to purchase individual replacement coverage could cause a potential death spiral in your plan due to adverse selection. If you reward young, healthy employees to go out and buy individual coverage and subsidize its purchase, the remaining employees typically are the older, heavy utilizers of the health plan. This will not only drive your age factors up but the adverse claims experience from having fewer young healthy participants will drive claim costs up and with experience rating, directly impact your renewals. If you can provide evidence of insurability, your rates will almost always be lower than group coverage because the insurer has much less risk. Group insurance works because you are spreading the risk over both healthy as well as less healthy participants.
4. The Code of Virginia requires all TLC employers to pay a minimum of 80% of single employee costs. If fewer than 75% of your eligible employees participate, you would be required to contribute at least 20% of dependent costs. This may not be a problem but you should be aware of the possibility.
5. I have no idea how ACA and its contribution requirements might impact such a program. Just be aware that you might

end up paying more through penalties than you save in reduced contributions.

6. If claims experience worsens, and premiums go up, you may be forced to lower the benefits in your plan for those remaining. The soon to be enacted "Cadillac tax" in ACA could come into play much earlier than otherwise.

7. With pre-existing condition limitations being eliminated (we don't have them anyway), you would be required to enroll anyone changing their mind about participation with any QME or at Open Enrollment. Usually, in these situations, they will come running back to your plan (we have much better benefits than most employers) as soon as they have an unfavorable diagnosis or if rates go up unexpectedly due to experience.

All of these factors drive adverse selection against the plan. As I said, I would not recommend this option but we will support you in your decision. Just be aware that your renewals will almost certainly suffer and could, in the longer term, actually cost you more money. Please feel free to call if I may answer any other questions or if I may assist you in any way.

Walter E. Norman
Program Manager, The Local Choice
Department of Human Resource Management
101 N. 14th St., 13th Floor
Richmond, VA 23219
(804) 786-6460
Fax (804) 371-0231

This communication may contain non-public, confidential, or legally privileged information. If you are not the intended recipient, or have received this communication in error, please notify the sender immediately by reply email or by telephone and delete all copies of this communication, including attachments, without reading them or saving them to disk.

-----Original Message-----

From: Tom Judge [mailto:tjudge@clarkecounty.gov]
Sent: Tuesday, October 23, 2012 10:46 AM
To: Norman, Walter (DHRM)
Subject: Benefit Waiver

Walt,

As a cost saving measure we are discussing "benefit waivers" whereby employees will receive a cash payout if they prove they have obtained health insurance from another source (such as their spouse's plan).

Does Local Choice have any objection to such a program? Perhaps if it were too successful we would run afoul of certain participation requirements, but I do not know?

Thomas J. Judge, Director of Joint Administrative Services, Clarke County, 540-955-6172
