

**AGENDA**

Joint Administrative Services Board  
Monday June 25, 2018 10:00 p.m.  
Joint Government Center

1. **Call to Order.**
2. **Approval of Minutes. (March Minutes Attached). Pg. 2**
3. **GASB 75.**
  - a. **Budget Action.** The Governmental Accounting Standards Board (GASB) has issued a regulation that will affect the 2018 Financial Report for Clarke County. The regulation requires that the County employ an actuary to compute the implicit subsidy incurred by allowing retired employees to remain in the health insurance group. There are currently 13 persons participating in this category. The cost of the actuarial study is \$5,100, and the study must be updated at the same cost every two years. It is requested that the Board approve a supplemental appropriation request to the Board of Supervisors for this unforeseen expense. When discussing it with the BoS Finance Committee, however, I may suggest that action be delayed since budget savings may be found to cover the expense (ie. our copier shows no signs of quitting, and there's \$5K budgeted to replace it).
  - b. **Policy Considerations.** The following can be considered to limit the actuary cost and/or the liability itself. These actions would affect FY 19 but not FY 18.
    - i. *Increase the premium to recover the full cost of the anticipated claims for the retiree group?* This would roughly double the premium for retirees, but would eliminate the need for an actuarial study and eliminate the implicit liability.
    - ii. *Increase the number of years an employee must be with Clarke to be eligible to participate in the group?* The School minimum is now 5 years, and the Government policy does not state a minimum, but statute states that the minimum can be as high as 15 years (see attached). As a practical matter nearly all the current 13 members have been with the County more than 15 years. However, the liability will be computed based on all employees that *could* get benefits per the policy, not on those currently getting them, so raising the minimum years in policy would reduce the liability.
    - iii. We currently permit family members to remain in the group after the employee is eligible for Medicare. This adds 10% to the group membership. *Should dependents become ineligible when the former employee becomes ineligible?*

- iv. Policies should state that enrollees must retire from VRS and be less than 65 years of age. Again, we have no one over 65 enrolled, but the implicit liability will be calculated on what the policy explicitly states. *Cap at 65?*
- v. It may be necessary to create a fund balance designation to fund the liability, but initially it is anticipated that the liability will only affect the balance sheet.

4. **ERP Update.** Go LIVE for Taxation is scheduled for this week, including on-line payments. We should discuss our readiness. The only remaining items in the implementation subsequent to this are Virginia Income Tax and GIS Mapping (if desired). We plan to upgrade to version 2018.1 in October.

5. **FY 2019 Salary Increases.** The following amounts are proposed for FY 19 commensurate with School Board action on salary increases:

Last Name	TITLE	Days	Hours	Salary	2.50%	NEW
JUDGE	JAS DIRECTOR	247.00	1,976.00	127,691	3,192	130,883
GILLEY	ACCOUNTANT 1	247.00	1,852.50	69,802	1,745	71,547
SHECKELS	PAYROLL COORDINATOR	247.00	1,852.50	51,178	1,279	52,457
BENNETT	ACCOUNTANT 2	247.00	1,852.50	63,260	1,581	64,842
JOHNSON	ACCOUNTS PAYABLE CRD	240.00	1,800.00	41,573	1,039	42,612
LEGGE	PURCHASING MANAGER	247.00	1,852.50	60,886	1,522	62,408
MEREDITH	JAS ADMIN ASST	247.00	1,852.50	40,000	1,000	41,000

Joint Administrative Services Board  
March 26, 2018 Regular Meeting 10:00 am

At a regular meeting of the Joint Administrative Services Board held on Monday, March 26, 2018, at 10:00 am in the Meeting Room AB, Berryville Clarke County Government Center, 101 Chalmers Court, 2nd Floor, Berryville, Virginia.

Members Present: David Ash, Chuck Bishop, Sharon Keeler, Chip Schutte, David Weiss

Members Absent: None

Staff Present: Tom Judge, Brianna Taylor, Donna Peake

Others Present: None

1. Call to Order - Determination of Quorum

At 10:00 am, Chairman David Weiss called the meeting to order having determined that a quorum was present.

2. Approval of Minutes

Chuck Bishop, seconded by Sharon Keeler, moved to approve the February 26, 2018 minutes as presented. The motion carried by the following voice vote:

David Ash	-	Absent
Chuck Bishop	-	Aye
Sharon Keeler	-	Aye
Chip Schutte	-	Absent
David Weiss	-	Aye

David Ash joined at 10:02 am

3. Purchasing Policy Proposed Amendments

Tom Judge explained the three proposed amendments to the General Terms and Conditions of the Purchasing Policy.

- o Page 61- Add Section F. Contractor is responsible for paying any and all taxes on any purchases that it directly makes
- o Page 69- Section F. Health Care Practitioner change from 2,000,000 per occurrence, 3,000,000 aggregate to \$2,350,000 per occurrence, \$7,050,000 aggregate
- o Page 72- Add Section G. Materials delivered shall be installed prior to invoicing, or else surety is to be provided.

Chip Schutte joined at 10:10 am.

**David Ash, seconded by Chuck Bishop, moved to adopt the proposed amendments to the General Terms and Conditions of the Purchasing Policy. The motion carried by the following voice vote:**

David Ash	- Aye
Chuck Bishop	- Aye
Sharon Keeler	- Aye
Chip Schutte	- Aye
David Weiss	- Aye

#### 4. ERP Update

Tom Judge stated-

- o Training was held last week but conversions were not properly communicated so training was done on old data.
- o Staff (Gordon, Tom, Sharon, and Donna) met last Friday and discussed the status of the project. The conversions and forms were the key things that would cause problems.
- o Contacted Tyler last Friday afternoon and they agree. Discussed postponing to Go Live June 26<sup>th</sup>- 28<sup>th</sup>, 2018. With follow up training from Tyler in late July.
- o This would give few more months to train on our own and communicate with Tyler with any issues that are found.

Sharon Keeler stated that postponing would allow for her staff to have training days actually working in Tyler training ourselves. Staff would log in individually so that they can make sure that all the permissions are correct. She also mentioned that it might help if we could budget in for dual monitors for each desk because there are many pages that need to be flipped through and being able to do split screen would be helpful.

Donna Peake stated that it would help in her office as well to train individually to make sure permissions are there where needed.

**Sharon Keeler, seconded by Chip Schutte, moved to postpone the Go Live date to June 26<sup>th</sup>, 2018. The motion carried by the following voice vote:**

David Ash	- Aye
Chuck Bishop	- Aye
Sharon Keeler	- Aye
Chip Schutte	- Aye
David Weiss	- Aye

5. Next Meeting

The next regularly scheduled meeting is set for April 23, 2018.

6. Adjournment

At 10:25 am, Chairman David Weiss adjourned the meeting

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Minutes Recorded and Transcribed by Brianna R. Taylor



06/06/2018 15:49  
2600bbennett

Clarke County  
PURCHASE ORDER INQUIRY PROFILE REPORT

P 1  
poinquiry

Purchase Order Type Normal Fiscal Yr 2018 04 PO# 20180396  
 Batch ML1017 PO Date 10/23/2017

Requisition 20180579  
 Department Code 601 School Administration  
 Allocation Code 00000000  
 Review Code  
 Buyer ID 2600mlegge Michael Legge  
 Needed By Date  
 General Commodity  
 Vendor 000388 Shade Equipment Company  
 Work Order 000000000  
 Activity 0 1237 Martinsburg Pike  
 WINCHESTER, VA 22604  
 Ship To Address 209 Transportation  
 129 Ramsburg Lane  
 Berryville, VA 22611

Ship To Reference Randy Trenary  
 Shipping Method  
 Deliver To Address 207 School Board Office  
 317 West Main Street  
 Berryville, VA 22611

Deliver To Reference  
 Bill To Address 301 Clarke County Finance  
 317 West Main Street, Suite B  
 Berryville, VA 22611

PO Description See Attached Quote for Snow Pl  
 Special Handling None Status Closed Distribution 1

Total PO Amount \$5,425.00  
 Liquidated \$5,425.00  
 Canceled \$ 0.00  
 Open Encumbrance \$ 0.00

Line Item Details

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Line 001 Commodity  
 Product ID  
 Req 20180579 Qty 1.00 UOM EACH Unit Price 5425.00000  
 % Disc 0.00 Credit 0.00 Freight 0.00

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		Line Item Total	\$5,425.00
Qty Received	1.00	Liquidated	\$5,425.00
Qty Canceled	0.00	Canceled	\$ 0.00
		Line Item Open Encumbrance	\$ 0.00

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Description  
 See Attached Quote for Snow Plow,  
 installation, etc. Order # 99131

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Department 601 1099 Box Fixed Asset Y Needed By  
 Quote Bid  
 Ship To Address 209 Transportation  
 129 Ramsburg Lane

# Virginia Code Requirement for Retiree Medical

- § 15.2-1517. Insurance for employees and retired employees of localities and other local governmental entities; participation by certain volunteers.
  - Except as otherwise provided herein, in the event the governing body of any locality elects to provide group accident and health insurance for its officers and employees, including constitutional officers and their employees, such programs shall require that upon retirement, or upon the effective date of this provision for those who have previously retired, any such individual with (i) at least 15 years of continuous employment with the locality or (ii) less than 15 years of continuous employment who has retired due to line-of-duty injuries may choose to continue his coverage with the insurer at the retiree's expense until such individual attains 65 years of age at the insurer's customary premium rate applicable (a) to such policies, (b) to the class of risk to which the person then belongs, and (c) to his age.

# Milliman GASB 75 Q & A

Government Accounting Standards Board Statement No. 75 (GASB 75) is an accounting and financial reporting requirement for employers to measure and report the cost and liabilities associated with other postemployment benefits (OPEB), which do not include pensions. This statement replaces GASB 45.

GASB 75, like its predecessor GASB 45, requires plan sponsors to recognize not only the value of retiree benefit payments for the current year, but also:

- The value of benefit payments promised to retirees for future years
- Retiree benefits earned during the current year that were promised to active employees
- Retiree benefits promised to active employees for their services in previous years

As you can imagine, the total cost of retiree benefits reported under GASB 75 is much greater than the cost of retiree benefit payments limited to the current year. GASB 75 does not require trusts to be established or budgets to change (although that is often the decision reached by plan sponsors after receiving their valuation reports); it only requires that the projected cost associated with non-pension OPEB be calculated and reported. Here are some common questions and answers about GASB 75.

## DO I HAVE TO COMPLY WITH GASB 75?

All government entities that offer nonpension OPEB and follow GASB guidance must comply with GASB 75, including municipalities, public schools, water districts, public utilities, and other entities that follow other GASB statements.

## WHICH BENEFITS ARE INCLUDED UNDER GASB 75?

Government entities that fall under GASB 75 must include the following non-pension OPEB in their GASB 75 valuations:

- Medical (for both Medicare-eligible retirees and early retirees)
- Pharmacy
- Dental
- Vision
- Life
- Long-term disability
- Long-term care benefits

GASBhelp.com allows qualifying government entities with fewer than 100 plan members to comply with GASB 75 for a fraction of the cost of a full actuarial valuation.

## I DON'T PROVIDE ANY BENEFITS TO MY MEDICARE-ELIGIBLE RETIREES. DO I STILL NEED A VALUATION?

Yes, if you provide any benefits to people who retire before they become eligible for Medicare. GASB 75 applies to benefits provided to retirees, both before and after they become eligible for Medicare. You will need a valuation even if you only have retirees that are covered under your active medical plan.

## IF MY RETIREES PAY THE FULL COST OF A RETIREE BENEFIT, DO I STILL NEED A GASB 75 VALUATION?

Probably. This issue is best explained using examples.

- Example #1: If the retirees do not pay the entire premium for OPEB and the employer covers some portion of the total premium, there is an OPEB liability and a valuation must be conducted.
- Example #2: If OPEB are provided to retirees and active employees under a plan that has the same premium for actives and retirees, there will likely be an OPEB liability, regardless of whether the retirees pay all or a portion of the premium, and a valuation must be conducted.
- Example #3: If OPEB are provided separately from active employee benefits with premiums that reflect the true level of retiree claim costs, and retirees pay the entire premium, then there are probably no OPEB liabilities to report and no valuation needs to be conducted. In the second example above, retirees receive an implicit rate subsidy because their premiums would likely be higher if they were underwritten as a separate group. Also, when separately underwritten, the active rates would be lower without the older beneficiaries included. This is why GASB views the retiree rates as being subsidized by the active rates and it is why the value of the subsidy represents a cost.





**WHAT IS A GASB 75 VALUATION?**

For the purposes of GASB 75, a valuation is an examination of nonpension OPEB to assess the cost and liability associated with those benefits. Valuations are typically handled by actuaries with specific qualifications for performing the work.

**WHAT ARE THE GASB 75 DEADLINES?**

GASB 75 is effective for fiscal years beginning after June 15, 2017; however, earlier application is encouraged.

**DO I NEED TO ESTABLISH A TRUST TO FUND OPEB?**

No, GASB 75 does not mandate a change to how OPEB are funded, but it may be useful to establish a trust, where allowed. The discount rate used to compute costs is influenced by whether or not funds are invested to provide for the future benefit obligations. When such a trust is established, GASB 74 governs trust reporting and GASB 75 governs plan reporting.

**WILL I IMMEDIATELY HAVE A BALANCE SHEET LIABILITY AFTER HAVING A VALUATION PERFORMED?**

Yes. GASB 75 requires plan sponsors to recognize a balance sheet liability equal to the difference between the total OPEB liability and the fiduciary net position. Under GASB 45, this difference was referred to as the unfunded accrued actuarial liability and was disclosed in the footnotes to the financial statements.

**IF I DON'T HAVE A FORMAL PLAN (E.G., NO PLAN DOCUMENTS), DO I STILL NEED TO CONSIDER GASB 75?**

Yes. GASB 75 looks for the substantive plan (i.e., the plan actually provided or likely to be provided based on past evidence) for the purpose of determining the cost. Even if future benefits are contingent on funds being approved by a governing board, accounting principles would require the recognition of the plan that has been provided (unless a specific decision has been made to discontinue a benefit).

**I WORK FOR A SMALLER ORGANIZATION AND HEARD THAT WE HAVE OTHER OPTIONS. WHAT IS THE SIMPLIFIED APPROACH TO GASB 75 OR THE ALTERNATIVE MEASUREMENT METHOD (AMM)?**

A simplified approach to GASB 75—known as the alternative measurement method (AMM)—allows qualifying government entities with fewer than 100 plan members to comply with GASB 75 for a fraction of the cost of a full actuarial valuation.

**WHAT IS THE GASBHELP.COM TOOL FOR SMALLER GOVERNMENT ENTITIES?**

For government entities that qualify for the simplified approach to GASB 75, Milliman has developed an online step-by-step approach to perform the calculations and fulfill the requirements of GASB 75.

**WHAT ARE EMPLOYERS DOING ABOUT GASB 75?**

FIGURE 1: OPTIONS FOR COMPLYING WITH GASB 75

	Qualifying for AMM with fewer than 100 plan members	More than 100 plan members
Actuarial valuation	Yes, but expensive	Required
Do the valuation yourself using AMM	Yes, but complicated and time-consuming	N/A
Milliman GASBhelp.com tool for smaller government entities	Yes, generally costs about 70% less than an actuarial valuation	N/A

**WHAT CAN BE DONE TO LOWER MY LIABILITY?**

Plan sponsors can take several steps to reduce their OPEB liabilities, including plan design changes, updating contribution strategies, and refining eligibility requirements.

**WHO IS MILLIMAN?**

Milliman is one of the world's largest actuarial consulting firms, founded over 65 years ago. Milliman has performed GASB 45 analysis for several states and hundreds of large cities and towns, and is prepared to assist organizations of all sizes (including those with fewer than 100 members) as GASB 75 replaces it. Milliman's GASB 75 team comprises health and pension actuaries and consultants who have a thorough understanding of the complex issues surrounding GASB 75.

**Get started**

Find out if you're eligible at GASBhelp.com and click on the link "Are You Eligible?"

For questions or more information, call 1-860-687-0148 or email GASBhelp@milliman.com.

## VML/VACo Finance

Financial Services of the Virginia Municipal League and  
the Virginia Association of Counties

### OPEB Actuarial Services

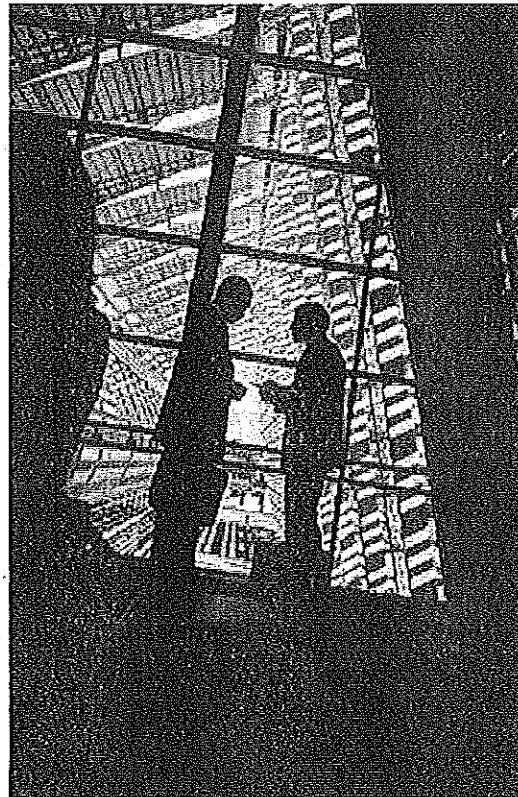
Under Governmental Accounting Standards Board Statement 75, all governmental bodies are required to report their OPEB liabilities on their financial statements. Local governments accrue OPEB liabilities whether they cover the cost of non-pension benefits for retirees (typically health insurance) or merely allow retirees to participate in benefit plans for active employees.

For most local governments, the first step in quantifying your OPEB liability is to procure an actuarial study. An actuary calculates your OPEB liability using benefit plan, demographic, and other statistical data. As the program administrator for the VACo/VML Pooled OPEB Trust – the leading OPEB

investment vehicle in Virginia – we can help your locality obtain high quality and affordable actuarial services. Our partner is Milliman Inc., a global firm of 1,000 consultants and actuaries serving a wide range of clients, such as local governments and school divisions.

VML/VACo Finance has established a discounted fee schedule and will provide a fee quote to local governments upon request. Some localities are reporting that VML/VACo has helped them achieve savings of as much as 40% or more.

For local governments with fewer than 100 plan members, we also offer GASBhelp, a self-



service online toll provided by Milliman specifically for small local governments.

**VML/VACo OPEB Actuarial Services offer:**

- Deep discounts of as much as 40% or more on your OPEB actuarial study;
- No RFP required;
- A no-obligation advance fee quote from VML/VACo Finance;
- Expert analysis from one of the nation's leading actuarial firms;
- A written study and management briefing included in the cost of the study;
- Answers to questions and assistance from VML/VACo Finance staff year-round;
- Available for any size local government, school division, or authority.

**For more information or to obtain a fee quote, select the following link:**

**GET A FEE RATE  
QUOTE**





Virginia Local Government  
Finance Corporation

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[valocalfinance.org](http://valocalfinance.org)

May 30, 2018

Mr. Thomas Judge  
Director of Joint Admin Services  
Clarke County  
Via email: [tjudge@clarkecounty.gov](mailto:tjudge@clarkecounty.gov)

Dear Thomas:

Thank you for your interest in obtaining a fee quote for VML/VACo Actuarial Services, provided by Milliman Inc. We are excited to offer this service to local governments, school divisions, and authorities in Virginia and are confident you will be pleased with the results.

Based on the 409 eligible employees and participating retirees and their spouses you have reported in the County's health insurance plan, the discounted fee for an actuarial study by Milliman is estimated to be \$5,090. If additional benefits are offered to eligible retirees, such as dental or life insurance coverage, this quote would increase by \$1,000 for each additional benefit to cover the additional calculations.

The quotes provided above include a small fee to be paid to VML/VACo Finance to help defray the cost of coordinating this service. We have found that this cost structure provides significant savings to participating organizations on the cost of an actuarial study.

By copy of this letter, I am requesting Erik Goodhart or Mona Jani of Milliman to contact you regarding this service. Milliman is a global firm of 1,000 consultants and actuaries serving a wide range of clients, such as local governments and school divisions. The firm has been performing actuarial valuations since it was founded in 1947, and has developed an expertise in OPEB actuarial studies since GASB 43 and 45 were issued in 2004.

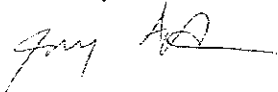
Mr. Thomas Judge

May 30, 2018

Page 2

Thank you again for your interest in the VML/VACo Actuarial Services. We look forward to working with you.

Sincerely,

A handwritten signature in black ink, appearing to read "Jenny Fletcher", with a long horizontal flourish extending to the right.

Jenny Fletcher

CC: Erik Goodhart and Mona Jani, Milliman

Attachments