

June 10, 2010

A Special Called Meeting of the Appalachian Juvenile Commission was held on Thursday, June 10, 2010 at 12:00 Noon, at the Fast Lane Restaurant located at 3122 Lee Highway, Bristol Virginia.

Commission members present included Wayne McClelland – Scott County; Alice Meade – Russell County; Jim Heaney – Bristol; Doug Meade – Washington County; Dawn Gilbert – Wise County; Patricia Green – Tazewell County; Kate McClanahan – Buchanan County; Lanny Large – Dickenson County; C.M. Callahan, Jr. – Lee County; and Mike Carter – Smyth County.

Commission member absent was and Kyle Redman – City of Norton.

Staff present included Tim Dotson – Executive Director; Danny Johnson – Finance Director; Trey Murray, and Mary Cross.

Guest attending – Randy Blevins, 28th District C.S.U. Director.

VRS Resolution

Danny Johnson, Finance Director explained the new plan regulations for the Virginia Retirement System. Beginning July 1, 2010 there will be two (2) different plans with VRS, Plan 1 and Plan 2. All employees hired by June 30, 2010 are covered under Plan 1 and each employer pays all of the employees 5% contributions by a non-revocable resolution. Under Plan 2, each employer has the option to pick up all or none of the employees 5% contributions and pass a resolution stating such by June 30, 2010 and can be amended every fiscal year. After discussion, Alice Meade moved The Appalachian Juvenile Commission pay the 5% member contribution for FY2010-2011 and this issue will be reconsidered next fiscal year. Mike Carter seconded the motion. All members were in favor.

RESOLUTION

Authorization to Pick-up the Employee's Contribution to VRS Under § 414(h) of the Internal Revenue Code For Plan 2 Employees

WHEREAS, the Virginia General Assembly, in its 2010 session passed legislation creating a separate retirement plan for employees hired on or after July 1, 2010 (hereafter referred to as "Plan 2 Employees"). The legislation stipulates that Plan 2 Employees will pay their 5 percent member contribution and that, absent other action by the employer, such contribution will be paid through salary reduction according to Internal Revenue Code § 414 (h) on a pre-tax basis; and

WHEREAS, the legislation allows certain employers, including the Appalachian Juvenile Commission # 55904 to pick-up and pay all or a portion of the member contributions on behalf of its Plan 2 Employees as an additional benefit not paid as salary; and

WHEREAS, the election to pick-up and pay all or a portion of the member contributions on behalf of its Plan 2 Employees as an additional benefit not paid as salary shall, once made, remain in effect for the applicable fiscal year (July 1 - June 30) and shall continue in effect beyond the end of such fiscal year absent a subsequent resolution changing the way the 5 percent member contribution is paid; and

WHEREAS, employee contributions that are picked-up as an additional benefit not paid as salary are not considered wages for purposes of VA Code § 51.1-700 et seq. nor shall they be considered salary for purposes of VA Code § 51.1-100 et seq.; and

WHEREAS, the Appalachian Juvenile Commission # 55904 desires to pick-up and pay its Plan 2 Employees' member contributions to VRS as an additional benefit not paid as salary in an amount equal to 5% of creditable compensation; and

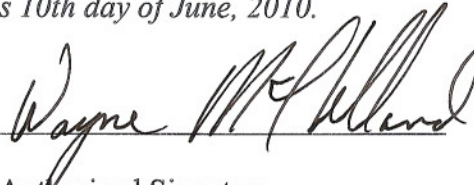
WHEREAS, VRS tracks such picked-up member contributions and is prepared to treat such contributions as employee contributions for all purposes of VRS.

NOW, THEREFORE, IT IS HEREBY RESOLVED that effective the first day of July 2010, the Appalachian Juvenile Commission # 55904 shall pick-up member contributions of its Plan 2 Employees to VRS as an additional benefit not paid as salary in an amount equal to 5% of creditable compensation subject to the terms and conditions described above; and it is further

RESOLVED that such contributions, although designated as member contributions, are to be made by the Appalachian Juvenile Commission # 55904 in lieu of member contributions; and it is further

RESOLVED that nothing herein shall be construed so as to permit or extend an option to VRS members to receive the picked-up contributions made by the Appalachian Juvenile Commission # 55904 directly instead of having them paid to VRS.

Adopted in Bristol, Virginia this 10th day of June, 2010.


Authorized Signature Chairman
Title

Budget Issues

Tim Dotson, Executive Director stated although the issue has now been resolved, he was asked what the consequence of a non-paying Commission Member were and he felt this needed to be settled for future inquires. After a lengthy discussion, Jim Heaney suggested Mr. Dotson draft a Service Agreement for each locality to sign stating:

- The locality agrees to stay in the Appalachian Juvenile Commission;
- The funding method;
- A 60 day written notification must be given prior to the end of that fiscal year to opt out of the Appalachian Juvenile Commission.

Mr. Dotson stated he would have this Service Agreement ready to be reviewed at the regular meeting in July.

Adjourn

There being no further business to discuss, Chairman Wayne McClelland adjourned the meeting.


Tim Dotson, Executive Director


Wayne McClelland, Chairman