

**AT A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE JAMES CITY SERVICE AUTHORITY, JAMES CITY COUNTY, VIRGINIA, HELD ON THE 25TH DAY OF MAY 1999, AT 9:54 P.M. IN THE COUNTY GOVERNMENT CENTER BOARD ROOM, 101 MOUNTS BAY ROAD, JAMES CITY COUNTY, VIRGINIA.**

**A. ROLL CALL**

M. Anderson Bradshaw, Chairman  
 Ronald A. Nervitt, Vice Chairman  
 John J. McGlennon  
 Jack D. Edwards  
 David L. Sisk (Absent)

Sanford B. Wanner, Secretary  
 Robert H. Smith, Treasurer  
 Frank M. Morton, III, County Attorney  
 Larry M. Foster, General Manager

Mr. Bradshaw asked if a Board member wanted to remove any item from the Consent Calendar.

Mr. Nervitt made a motion to approve the Consent Calendar.

The motion passed by unanimous voice vote, one absent.

1. Approval of Minutes, April 27, 1999, Regular Meeting, and April 28, 1999, Budget Work Session
2. Pre-Tax Purchase of Prior Virginia Retirement System (VRS) Service

**RESOLUTION**

**AUTHORIZATION TO PICK UP THE EMPLOYEE'S CONTRIBUTION**

**TO VRS FOR PAST SERVICE CREDIT**

**UNDER §414(h) OF THE INTERNAL REVENUE CODE**

WHEREAS, the James City Service Authority desires to provide its employees with tax deferral pursuant to §414(h) of the Internal Revenue Code with respect to their member contributions to the Virginia Retirement System, the State Police Officers Retirement System, and the Judicial Retirement System (collectively referred to as VRS) for the permissible purchase of past service credit by picking up member contributions to the VRS; and

WHEREAS, the pick up is authorized under Virginia Code Sections 51.1-142.I and 51.1-143.C.; and

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

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the James City Service Authority, James City County, Virginia, that effective the first pay day on or after the later of May 25, 1999, or the date the member executes a binding and irrevocable salary reduction election relating to the past service permitted to be purchased, James City Service Authority shall pick up all or a portion of the member contributions of its employees to VRS based on the terms of the salary reduction election, and such contributions shall be treated as employer contributions in determining tax treatment under the Internal Revenue Code of the United States.

BE IT FURTHER RESOLVED that the binding salary reduction election to be executed by the member shall include the following: 1) the beginning and ending date of the election; 2) the amount of the salary reduction on a pay period by pay period basis; 3) the total amount of contribution expected to be involved; 4) a statement that the member may not receive the contributed amounts instead of having them paid by James City Service Authority to the VRS; and 5) an agreement that the member will not purchase the service credit through a lump sum payment during the period in which the salary reduction election is in effect.

BE IT FURTHER RESOLVED the member may revoke the salary reduction election only in the event of an unforeseeable emergency as that phrase is used and defined in IRC Section 457 and Treasury Regulation Section 1.457-2(h)(4) and if such revocation is made, the member may not make a new salary reduction election during his period of employment.

BE IT FURTHER RESOLVED that such contributions, although designated as member contributions, are to be made by James City Service Authority in lieu of member contributions.

BE IT FURTHER RESOLVED that pick up member contributions shall be paid from the same source of funds as used in paying the wages to affected employees.

BE IT FURTHER RESOLVED that member contributions made by James City Service Authority under the pick up arrangement shall be treated for all purposes other than income taxation, including but not limited to VRS benefits, in the same manner and to the same extent as member contributions made prior to the pick up arrangement.

BE IT FURTHER RESOLVED that nothing herein shall be construed so as to permit or extend an option to VRS members to receive the pick up contributions made by James City Service Authority directly instead of having them paid to VRS; and it is further

BE IT FURTHER RESOLVED that notwithstanding any contractual or other provisions, the wages of each member of VRS who is an employee of James City Service Authority shall be reduced by the amount of member contributions picked up by James City Service Authority on behalf of such employee pursuant to the foregoing resolutions.

Mr. Sisk arrived at 9:56 p.m.

**B. BOARD CONSIDERATION**

1. Virginia Retirement System New Early Retirement Option

Mr. Foster stated that the Virginia Retirement System (VRS) unreduced retirement at age 50 with 30 years of service would go into effect July 1, 1999.

Staff recommended the Board adopt a resolution declining participation.

Mr. Edwards made a motion to approve the resolution.

On a roll call, the vote was: AYE: Nervitt, Sisk, Edwards, Bradshaw. (4) NAY: McGlennon (1).

### RESOLUTION

#### ELECTION NOT TO PARTICIPATE IN VIRGINIA RETIREMENT SYSTEM (VRS)

##### UNREDUCED RETIREMENT AT AGE 50 WITH 30 YEARS OF SERVICE

WHEREAS, the VRS option of unreduced retirement at age 50 with 30 years of service runs counter to the national trend of people living and working longer, and counter to an increasingly older full retirement age for social security; and

WHEREAS, the cost of funding the unreduced retirement exceeds the benefits to the majority of James City Service Authority employees; and

WHEREAS, the James City Service Authority employees are currently eligible for unreduced retirement at age 55 with 30 years of service.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of James City Service Authority, James City County, Virginia, hereby elects to decline to have its employees fall under the provisions of Section 51.1-153(B)(2) of the Code of Virginia, permitting unreduced early retirement benefits at age 50 with at least 30 years of service. Such election is made in accordance with legislation passed by the General Assembly during its 1999 Regular Session and approved by the Governor with the knowledge that such unreduced early retirement benefits will become effective on July 1, 1999, in the absence of this election.

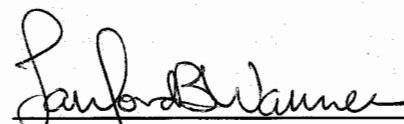
NOW, THEREFORE, BE IT FURTHER RESOLVED that Sanford B. Wanner, County Administrator and Secretary to the Board of Directors of the James City Service Authority, is hereby authorized and directed in the name of the James City Service Authority Board of Directors to execute any required documents required to effect this resolution.

Mr. Foster gave an update on the installation of waterline from Jamestown High School to Greensprings Road.

Mr. Edwards made a motion to adjourn.

The motion passed by unanimous voice vote.

The Board of Directors adjourned at 10:00 p.m.



Sanford B. Wanner  
Secretary to the Board