

# SCCFT 2008 Winter Conference Notes

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## Wednesday, January 23, 2008

- 1:30 Welcome - Andy Campbell, Cisco – Trends in the Industry
- Increased access, collaboration, connected government
  - Citizens want: Improve productivity, increase service,
  - Government vision: Service effectiveness, citizen empowerment, public safety and security, social inclusion,(byproduct of the 1st 3 items); economic development
  - \$58 billion to be spent on IT
  - Over 87,000 US state and local governments
  - Environment, economy, social equity, education, health and safety key tenets across government
  - 75% of US economic growth has come from people becoming more productive.
  - Government is less than .1%, room for improvement.
  - Admin and finance growing most in gov. Then HR, transportation, public safety, health, criminal justice, public works, natural resources, other.
  - Connected government utilizes technology to give better access, letting citizens choose, improve effectiveness, 24X7 service, improve safety and security, maintain security and privacy, enable citizens to partake in the process of government to the desired level.
  - Albuquerque, NM case study – mayor stated that cities with broadband network infrastructure have an advantage, like freeway access.
  - Connected government, with constituents at the center and all aspects are connected.
- 2:00 DSS/CFS – Child, Family Services (Child Support) Project Update - Clayton Lankford, FCCMS Implementation Manager, CFS Project
- Monthly meetings, progress!
  - Clayton hired in 1993, when Anderson Consulting – negotiations broke down, then Unisys,
  - Contract is with Saber corp., bought by EDS.
  - A stakeholder website is being built.
  - JAD (Joint Application Design) sessions ongoing. DR plan approved. Phase 1 includes general and detail design. Phase 2 is for the infrastructure and equipment.
  - Building business processes, ex. Case initiation; conceptual design based on the business processes. Central piece first, then Family Court. 3 days a week, 3 sessions a day ongoing.
  - Conversion piece has started. Sample extract of data being obtained for data mapping.
  - Site surveys to be conducted.
  - Make sure Clerks participate in the JAD sessions.
  - One core source code for the entire state. Data will be replicated.
  - ITAC committee involved.
  - State will purchase PCs, if counties want them, and any software needed.
  - Site surveys to be done in middle of March to Oct 2008, includes meeting with IT reps in addition to Clerk, staff.
  - Pilot - Feb 2009
  - Jan - May 2010 – rollout, done in region, 5 groups
  - State network, high speed, to connect to each county.
- 3:00 Budgeting & Practices for Capital Assets - Scott Bartley, Charleston County
- GFOA – definition – emphasis is that it is a plan and can be adjusted.

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- Create a multi-year capital plan
  - Implement and schedule capital budget
  - Track the projects
  - Adjust budget and plan to the actual
  - Capitalize the completed projects
  - Plan maintenance and operating costs.
  - Capital improvement plan – 3-6 yrs, should include projects and purchases. Includes all capital projects planned, purchases planned, prioritizes the projects and purchases, should include projects in progress, should include funding sources.
  - General Fund – smaller purchases, normal operating fund, covers what is not in the other funds
  - Debt Service Fund – revenues from fund transferred into projects. A loan account. Can do with capital leases. Don't work out of it.
  - Special Revenue Fund – legally restricted funds, grants, etc.
  - Capital Project Fund – for the majority of the Projects & Purchases.
  - Implementing the Budget plan
  - Most use the \$5,000 threshold as a minimum. Some use \$25k and \$100k.
  - Summary of projects by fund and category
  - A schedule for completion of project phases.
  - Estimated costs of the project.
  - Funding sources for all aspects of the project.
  - Funding authority. Consideration carry-forward from completed projects.
  - Individual Tracking Projects – tracked by the project manager. Construction and installation of hardware and software is on the capital asset list but not training.
  - Adjusting the budget and plan to the actual – things change, actual project costs may vary. Revenues receivable may vary. Grants may be found, review and update the plan periodically. Change the budget to fit the actual results at least manually. Go back to see what was actually spent.
  - Issues - The timing of revenues and expenditures are different under GAAP than under budgetary basis of accounting.
  - Encumbered amounts are expenses in the budget but not on the General Ledger (GL).
  - Fiscal Year used for financial reporting and the budget period may differ.
  - Budget can be part of both the long term and the short term plan. GL only shows what is in progress or what is completed.
  - All depts should assign someone to oversee and track all capital projects and purchases. Require they report the status of all capital projects at least quarterly, monthly preferred.
  - Capitalizing the completed project – taking the value of what was spent and putting on the balance sheet.
- 3:45 Auditing Standards & Changes - Samantha Salisbury, CPA, External Auditor, contractor for Dixon-Hughes
- See handout – effect of new statements of auditing standards (SAS) on your audit.
  - SAS 104 to 111, AICPA assessment – one size fits all approach
  - Objective is to enhance audit effectiveness
  - This applies to all industries
  - Auditors must develop an audit plan, identify significant risk areas, evaluate the internal controls over significant risk areas.
  - General computer controls, application controls, physical controls

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- Monitoring the control system's performance over time.
- What to expect – early planning in August to complete in December. Observation and inspection. Internal controls – more than just inquiry, evaluate and design and implementation of internal control.
- Management is responsible for the fair presentation of the financial statements.
- Management provides auditors with their assertions of the financial activity of the entity.
- The auditor develops audit procedures based on management's assertions.
- Those procedures provide evidence to support their opinion.

## Thursday, January 24, 2008

8:30 SC Division of the State CIO – Update on Services:

- 8:30 - 9:00 - Tom Fletcher (803.896.0404 – [fletcher@cio.sc.gov](mailto:fletcher@cio.sc.gov)), CIO DR and communication between CIO and counties.
  - DISASTER RECOVERY
    - Data Center built and they moved in ready for Y2K in 1999, MPLS connectivity for voice, video and data to data center, redundant connections to the internet, Service Desk 24x7
    - DR with Sungard, counties can use that contract, tested regularly, data backed up to tape libraries offsite, failover systems, building new backup data center in Greenville.
    - Full backups weekly, incremental backups are daily
    - SAN to SAN backups, Tapes, Tivoli, data backed up to ATL
    - Network services – support LAN, routers, firewalls, etc.
    - DR options include data backup, virtual servers – build images in Columbia, or run live applications with failover locally/vice versa, hosted applications, full DR.
    - State will meet with us to review specific situations
    - Recent high speed internet (100 meg+) contract
    - Printer contract – State is leasing, so is York Co and they are saving money.
  - SAP UPDATE
    - Financial, HR, Procurement, Budget, Payroll and Reporting – financial piece is implemented and is going well - counties can obtain at a big discount. SAP is expanding by offering industry focused configurations, including county, municipal, K-12. This will reduce what the state says is the biggest cost (consultants, customization). Asking for experts to attend a 1-3 day workshop, conference calls, etc. This should eliminate some of our pain points in managing the infrastructure, etc. This also gives better understanding of the requirements, help to shape the solution and gain a start in moving to a new ERP.
    - With \$, manpower, machines and processes – challenges with non flexible business processes due to inflexible IT legacy systems, the SAP solution can be hosted by the state and offered to the counties, or be hosted locally or elsewhere.
  - NETWORK CONNECTIVITY
    - Issues, county has multiple locations, agencies have many sites, some co-located with other agencies or with county sites, municipalities within counties have multiple locations and same issues.
    - **Security** – each agency/entity wants to protect their sites
    - **Reliability** – different requirements based on role/application, ex. Public Safety vs. administrative sites, Quality of Services (QOS) for voice/video
    - **Costs** – how to share that cost. Who gets the bill, how do they get reimbursed?

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- **Legislative/Regulatory Issues**
  - Schools and Libraries: E-rate restrictions, legislative funding issues.
  - Law Enforcement: NCIC, FBI, SLED interpretations.
  - Contractual – performance requirements
- **Issues**
  - How to report the trouble, who is the customer of record?
  - Premise equipment (routers, firewalls, etc.) – who owns, who provides maintenance/support?
  - It's all about **CONTROL**. Answering to management, etc.
  - Past issues included a look to see how to do it cheaper. They could do it better, plus some of the entities did not agree on how it was to be done.
  - One test was 3 agencies in 1 building. 1 router with them virtually connected and connected with MPLS. Gave more bandwidth and savings; however they wanted to go back to managing/controlling their own.
- **MPLS can help**
  - Supports sharing we are talking about – fiber, wireless, metro Ethernet, mpls, other circuits and can protect with firewalls.
  - MPLS allows for flexibility for different access types from traditional frame relay, atm, T1, Ethernet, DSL, wireless.
  - Managed router service is an option from the carriers.
  - Counties can connect to a shared router which utilizes MPLS to the MetroNet to the CIO data center.
  - Cellular/PDA integration with MPLS – can put card in router to talk to the cell carrier and map to your network, then out to internet. (Potential solution for BEVR if they use PDAs or cell phones, if solution can be adapted to those platforms.)
  - Possibly do a private side connection into CIO data center.
- 9:00 - 9:30 - Ken Oliphant (803.771.0131x105, [ken@portal.sc.gov](mailto:ken@portal.sc.gov)) - services available to counties from the SC.GOV portal.
  - SC.gov built in 2000 as the state's first web site, as an entry point to online state government. See handout.
  - NIC – developed the first electronic Gov. Services in 1991 in Kansas. Have 21 state contracts. Processed 123 million transactions in 2006. Over 300 employees. NIC based in Kansas. SC Interactive is a wholly owned sub of NIC with 17 employees, dedicated 100% to SC.
  - Self-Funded model. Create, maintain and support with no cost to the customer (state, county). They cover all cost for infrastructure, equipment, software and personal expenses.
  - DISASTER RECOVERY – IN PLACE, REMOTELY HOSTED AT CIO DATA CENTER.
  - More than 80% of applications have no transaction fee.
  - eGovernment oversight committee for policies, SLAs, approve and prioritize every project, approve fees, review annual operating reports, customer satisfaction surveys, performance measures of the portal.
  - April 2005, the office opened, eCommerce gateway taken over, DMV's driver history record application. 2006 – enterprise wide apps, content management, shopping mall, news center, ethics commission campaign finance reporting application (Phase I). 2007 – SCJF for payment processing, DMV license plate design contest, Ethics phase II project.

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- Local business development – Ken’s focus, for local government.
- Enterprise Applications
  - **Payment Engine**
    - Online debit and credit card payment processing, payment channels, internet, over the counter, IVR, Kiosk, interface fro m3rd party applications with option for post back, accepts Visa, Master Card and Discover cards. Currently do not take American Express.
    - Benefits – they (SC.gov) act as the merchant.
    - Partner has option to absorb or pass on the fees 1.83% (merchant fee) + \$1.00. (portal fee). Flexible reporting offered. Funds deposited into partner’s bank account (3-5 business days).
    - E-check functionality expected within 3-4 months.
    - 10 counties live using it with the Judicial CMS, 4 using their credit card services, plus many other entities.
    - Refund process initiated on our side.
  - **Content Management System**
    - Based on Microsoft CM Server. May migrate to Sharepoint. No fees for this service. No HTML knowledge required. Graphic assistance and training provided. Hosted. Templates Google search engine provided.
    - Customer defines rights, etc.
  - **Shopping Mall** – does the state museum, archives and history, etc.
- Other interactive applications - 2 step process for approval – high level analysis with benefits, risks, rating of value to us and users and SCI. Then more analysis with updated ratings and estimates, hours, costs, revenues, etc. Examples are database search/lookup, electronic permitting, professional licensing (DNR), online registrations, State Treasurer’s office for revenue remittance. Let them know what we need.

## 10:00 Property Tax & Related Issues – Mike Horton, SC Department of Revenue

- Loss of Chris Caughman – set the tone in their office, good story teller – told stories about Mike Horton; also, down 6 people
- New Property Tax Relief (NPTR) - Robin in contact with us
- Treating all school districts evenly, a mid-Feb deadline for cutoff to begin doing runs. The duplicate will keep on changing. Cannot continue to take changes.
- School Districts – complaining about new things that come after that date.
- New things come on, appeals, 4%/6% changes, reimbursement implications. Regardless, a cutoff is needed.
- Discussion as to what is on the next tax bill. Law specifies 12-43-350 – 12 things; i.e., yr, tms, amount, homestead exemption. Amendment for state homestead tax exemption to be included, including tax credits, etc.
- After first year, (actual reimbursement is the 1<sup>st</sup> year), intent for credit in one spot is in question as it won’t be the same as in the 1<sup>st</sup> year. Share for high-growth may be less than on for a high-poverty area.
- After tier 3s, and after all payment paid to the school districts, then they send out to the counties, based on pro-rata of population, then the county gives a tax system based on that. Board of advisers thinks \$52 million will be left in that fund. Others say nothing.
- Homestead files that we will be sending (7 counties used SSNs for account #s). They will not accept SSNs due to privacy/security.

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- NPTR file for exemptions to be added, we cannot go above \$50,000. If less than 100% exemption, the DOR system will do the math and bump out any that do not qualify.
- Expect substantial property tax changes in the upcoming years. 15% cap, reassessments may stop? Homesteads went down – many thought they were cheated when it was over in the school tax. Tax bill changes – ex. School credit on there as if you were going to get a credit for it even though it is not a part of the computation.
- DOR was checking with the Auditors/Treasurers to find out where they were – take our tax credits, subtract 2006 homestead and amount DOR sent for PTR – it should be what our tier 3 will be. Look to see if it is way off from the DOR estimate – if so, adjustments may need to be made. Rather do now than a huge correction in June.

## 11:45 Business Meeting

- Sandra nominated/confirmed for President
- Carla nominated/confirmed for Vice-President
- Connie nominated/confirmed for Secretary
- Johnny nominated/confirmed for Treasurer
- Planning session April 25<sup>th</sup> – Friday
- August 20-22 or 27 to 29<sup>th</sup> Anderson to host and confirm dates

## Friday, January 25, 2008

- 8:30 Roundtable – Managing Communications, VOIP, Cell Phones - Gary Loflin, York County & Randall Light, CEO, & Rex Greer, President Ovation Wireless Management – 9:00am
- Cell phones are a huge liability.
  - 120 yrs of experience at Ovation Wireless Management
  - Managing wireless will become more complicated
  - Cell companies want to maximize their spectrum
  - Consolidation of carriers, analog pull-back where carriers do e911, rapid change, narrow banding (12.5 kHz...Google FCC narrow banding requirements), new data applications and billing, fewer staff members to provide focus.
  - Feb 22<sup>nd</sup>, 2008, date for Verizon
  - Open applications – less barriers to enter this area, can be anything from Facebook type of applications to public safety, to turning your lights off remotely, etc.
  - Rate Plans – complex and confusing, same with equipment
  - Standardization issues, control and pull back issues with data being sent to cell phones, etc.
  - Watching the bottom line:
    - Look for pooling or shared plans for users under 4,000
    - Watch utilization (overage, underage)
    - Use of features
    - Web data plan balancing
    - Zero user devices, voice and data – normally 10%
    - Spam is growing, text, sms
    - Old plans, new plans with new options
    - Consider some outside expertise if > 200 units.
  - Ovation uses software to optimize your plan/usage, can start out with xx amount of minutes, based on peak and prorate their chargebacks.
  - Create a 10% buffer in plan. Can change lower end plan to adjust.

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- Ovation does not get commissions from carriers or manufacturers. They do not sell or license software – they wrote a program to manage our wireless program – do 96% of the work. Not consultants. A single entity for all carriers. Does AP for us, lower cost, should be self-funding. Team members are all from the industry.
- Ovation - Optimize, help with monthly management, and support and procurement administration.
- They will help write a wireless policy to avoid financial and time loss, etc.
- **Focus on the cost per minute. – ERPM – effective rate per minute.**
- Historical dashboard – can see all carriers in one spot with pertinent statistics. Can see top 10 offenders. (One was someone who dialed up to a music hotline.)
- Averaged a 30-35% savings. Typically no need to change carriers.
- Carriers typically invite you over and offer savings, but this is a one-time right-sizing, but this needs to continue.
- Data usage – can see usage in kilobytes – a lot of waste.
- Can send reports to the department level.
- Customization – no development fees
- Customers include York Co, Nucor, Johnson Controls, Scana, Charlotte-Meck schools, Charleston County schools, etc.
- **Make sure you are on the state contract – NO Terms – can drop without penalty!**
- York cut off text plans.
- If Ovation cannot save you 10% or more, it is at no cost.

## 9:45 Challenges/update of OPEB (Other Post Employment Benefits) GASB 45, Carla Creech, Charleston County

- It used to be pay-as-you-go, with GASB 45, the funding needs to be put in a trust. Association of Counties is working on this, possibly to pool the money to get a better return.
- First step is to get an Actuary, gather info, # of retirees, health plan
- Have component units – Chas. Co is tier 1. Half of our units do not have to pay, i.e. rescue squad. Pay as you go, Bonds, borrowings
- For 1 year's our cost was ~\$5 million. If you fund the current cost, we disclose it in the footnotes, otherwise, the entire cost (Total cost was ~\$30 million.) has to be on the books.
- Rating agencies look at these numbers.
- Plans can be changed, need to be sensitive to those in the plan, ex, anyone hired after a certain date.
- Overhead fringe rate is calculated and being spread out in the general fund. Questions as to Special Revenue Funds.
- June 2008, tier 1 has to put the first year's amount away.

## 11:00 Unified Communications and Messaging – Scott Sample, Microsoft

([ssample@microsoft.com](mailto:ssample@microsoft.com))

- Many government entities are looking at remote communications, video-conferencing, instant messaging, VOIP
- Video shown shows products available now. Not a “rip & replace” thing – can add to what exists now.
- Evolving workplace – people ready
  - Trends – one world of business, always on, always connected, transparent organization

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- Role of Software - simplify working together, find info and improve business insight, secure and manage content.
- New world of work – unify business communications, empower teams through workspaces, connect people, process and information, enable work anywhere.
- **Government Challenges** include re-engaging with constituents, improve information sharing, effective knowledge transfer and retention, protecting critical data, optimizing public sector processes.
- **Working together** – challenges – communications chaos, phone tag, voice mail jail, email overload, too many devices, too little time.
- **Technical challenges** include identity management and compliance concerns, multiple communication formats such as telephone, email, voice mail and IM are disconnected; pressures to manage diverse communications environment with ever-fewer resources, moving data centers out of urban areas for safety.
- **Challenges** – complex, disconnected, expensive
- **Opportunities** – productivity, collaboration, business results
- Microsoft's Unified Communications - People are at the center
  - personal availability for efficient collaboration - find the right person the first time, connect in the right way, intelligent management
  - rich intuitive seamless experience – innovative call management, seamless transitions across communication modes, immersive virtual meetings
  - accessible from anywhere on any device – remote document access, consistent experience on PC, web, devices.
  - Convenient and in context – communications within business processes, instant search across all communications
  - Integrated with collaboration tools – Outlook at the center, email, voice mail, fax, PSS, docs...; advanced presence controls
  - Rich platform with broad partner ecosystem – rich, consistent APIs; web services (XML and SOAP) and AJAX APIs
- Communications Server came out in Oct 2007. Around \$300-400. Not sure about CALs.
- Office Roundtable - Device in center of table takes low-resolution of attendees and higher resolution for the speaker. It looks at active traffic movement in bandwidth utilization.
- Interface is "Communicator"
- Ecal, Enterprise cal suites
- Live Meeting – can pay as you go on this. New model is where we can host our own live meeting locally.
- Vista – not seeing issues reported for slowness, or other operating system items, etc.
- Has reliability monitor that can be used to look at PC for issues.
- Can use Office 2003 on Vista. (However, some report dialog boxes they have to click through.)
- All shortcut keys work the same as in Office 2003. Little circle shows the file menu.
- CBT training
- Send a note 2 months before rollout to users to announce change. Resend 1 month out. 3 weeks out, another reminder. 2 weeks out, resend – action required and log that you have taken the training in Sharepoint.
- Microsoft has deployment planning services.