

RESOLUTION NO. 2011-65

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VERNON APPROVING AND ADOPTING A REVISED CORRECTIVE EYE SURGERY PLAN, A FORM PERSONAL PARTICIPATION LOAN APPLICATION AND AGREEMENT, AND A FORM CORRECTIVE EYE SURGERY LOAN VERIFICATION FROM DEPARTMENT HEAD AND PAYROLL, AND AMENDING THE EMPLOYEE CORRECTIVE EYE SURGERY LOAN PROGRAM

WHEREAS, by Minute Order on June 25, 2001, the Finance Committee recommended that the City Council approve the employee corrective eye surgery loan program, as approved by the City Council of the City of Vernon on June 27, 2001; and

WHEREAS, on October 6, 2008, the City Council of the City of Vernon adopted Resolution No. 9721 establishing the Employee Corrective Eye Surgery Loan Program; and

WHEREAS, the City Council of the City of Vernon believes that encouraging the correction of vision enhances an employee's job performance which benefits the City; and

WHEREAS, the City Council desires to update and revise its current corrective eye surgery program and forms and amend the Employee Corrective Eye Surgery Loan Program (the "Loan Program").

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VERNON AS FOLLOWS:

SECTION 1: The City Council of the City of Vernon does hereby find and determine that the recitals contained hereinabove are true and correct.

SECTION 2: The City Council of the City of Vernon hereby amends the Employee Corrective Eye Surgery Loan Program.

SECTION 3: The City Council of the City of Vernon hereby approves and adopts the City of Vernon Corrective Eye Surgery Plan (the

"Plan"), a copy of which is attached hereto as Exhibit A. Said plan shall become effective upon adoption of this resolution.

SECTION 4: The City Council of the City of Vernon hereby approves and adopts the form Personal Participation Loan Application and Agreement (Corrective Eye Surgery) (the "Agreement") and form Corrective Eye Surgery Loan Verifications of Department Head and Payroll (collectively, the "Loan Forms") in accordance with the Plan, copies of which are attached hereto as Exhibit B. Said Loan Forms shall be effective April 19, 2011. It is the intent of the City Council that the Agreement shall be a binding contract between the City and the employee upon acceptance by the City Administrator, or his designee.

SECTION 5: The City Council of the City of Vernon hereby authorizes and empowers the City Administrator, or his designee, to execute individual copies of the form Agreement on an as-needed basis and to make whatever nonsubstantive and administrative changes, upon advice of counsel, to the form Agreement and Loan Forms as are necessary to carry out the intent of this Resolution. Such additions, deletions and other changes therein as the City Administrator, or his designee, executing the Agreement may approve, are conclusively evidenced by the execution and delivery of the Agreement.

SECTION 6: The City Council of the City of Vernon hereby allows those employees currently enrolled under any prior program to continue with the prior program under the guidelines and agreement under which the prior program existed.

SECTION 7: All resolutions, parts of resolutions, or minute orders in conflict with this Resolution are hereby repealed.

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SECTION 8: The City Clerk of the City of Vernon shall certify to the passage, approval and adoption of this resolution, and the City Clerk of the City of Vernon shall cause this resolution and the City Clerk's certification to be entered in the File of Resolutions of the Council of this City.

APPROVED AND ADOPTED this 19th day of April, 2011.

Hilario Gonzales

Name: Hilario Gonzales

Title: Mayor / ~~Mayor Pro-Tem~~

ATTEST:

Willard G. Yamaguchi
Willard G. Yamaguchi, City Clerk

STATE OF CALIFORNIA)
) ss
COUNTY OF LOS ANGELES)

I, Willard G. Yamaguchi, City Clerk of the City of Vernon, do hereby certify that the foregoing Resolution, being Resolution No. 2011-65, was duly passed, approved and adopted by the City Council of the City of Vernon at a regular meeting of the City Council duly held on Tuesday, April 19, 2011, and thereafter was duly signed by the Mayor or Mayor Pro-Tem of the City of Vernon.

Executed this 26 day of April, 2011, at Vernon, California.



Willard G. Yamaguchi, City Clerk

(SEAL)

EXHIBIT A



CITY OF VERNON CORRECTIVE EYE SURGERY PLAN

OBJECTIVE

The objective of the Corrective Eye Surgery Plan (the "Plan") is to correct the vision to 20/20 for City employees.

ELIGIBILITY

Any full-time City employee who has completed his/her initial evaluation period and a minimum of one year of service period beyond the initial evaluation period, is eligible to apply for a loan under the program. Employees who are temporary, provisional, on leave of absence, probation, or who have returned to probationary status, or are not eligible to apply for this loan.

Overall minimum performance evaluation within twelve months of the loan application date must be 3.0 and/or A & B ratings for staff. Employees who receive below satisfaction or below standard in any areas may not be eligible to apply. Supervisor performance evaluation ratings must be an overall minimum of 3.50 and/or A & B ratings and may not be eligible to apply if they receive any below standard or below satisfactory ratings.

Employees may be eligible to finance an additional procedure if necessary and if funds are available and approved by Director of Personnel. Any additional procedures would require a new Application and Agreement.

LOAN LIMITS

Each employee is eligible to borrow up to a maximum of \$4,000.00 with repayment over 36 months. Interest free loans will be made up to this limit for employees determined to be eligible.

Loans will be made to participants on a first-come, first-served basis and as funds are available for such loans.

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LOAN PAYMENTS

Loan payments will be made through payroll deduction on a bi-weekly basis. Employees are responsible for monthly payments in the same amount as the total of the bi-weekly payroll deduction even if the employee is on a leave of absence or otherwise not receiving a paycheck. Loans are due and payable in full upon separation of employment for any reason. Any payments made after separation from the City are subject to the payment amount plus interest at a rate of 5% per annum compounded daily or the maximum legal amount allowable, whichever is less.

The failure to make full payment upon demand will obligate the employee to pay the City's attorney's fees and costs in any restitution or collections process.

Loans will be made for a maximum period of 36 months but may be paid earlier at the participant's request.

CORRECTIVE EYE SURGERY REQUIREMENTS

1. Copy of doctor's prescription for patient/employee.
2. Proof of payment for procedure.

LIMITATIONS

Loans will be made to employees on a first-come, first served basis, until the loan fund is depleted. The loan fund may be adjusted each fiscal year. As funds become available through loan repayment, additional loans will be processed.

PROCEDURE

Employees applying for this Plan will:

1. Obtain an application from the Treasurer's Department.
2. Submit the application and copy of doctor's prescription/diagnosis/recommendation and proof of payment for procedure to the Treasurer's Department.
3. The Treasurer's Department will verify employment and will coordinate with the employee's Department Head and Payroll when reviewing the application.
4. The Treasurer's Department will submit the application to the Director of Personnel with a Loan Verification Sheet containing comments from Payroll and the employee's Department Head.
5. Application may be denied, in which case the Director of Personnel will communicate with employee regarding the denial.
6. If approved by the Director of Personnel, the Treasurer's Department will finalize the Loan Agreement.

7. The Treasurer's Department will deliver a check to the employee or make the check available for the employee to pick up.

LOAN AGREEMENT

A written agreement between the City and the employee is required. The loan agreement will outline the responsibilities of the employee, terms of the agreement, payroll deduction arrangements, and other conditions of the Plan.

RESTRICTION ON TRANSFER OR ASSIGNMENT

Each employee in the Plan agrees that the procedure available under this Plan will be restricted only to the employee. The loan made available under the Plan shall be used for corrective eye surgery for the participating employee, only. If the loan is not used for such purpose, the employee must immediately pay all money loaned under the Plan back to the City, with interest at a rate of 5% per annum compounded daily or the maximum legal amount allowable, whichever is less.

POTENTIAL INCOME TAX CONSEQUENCES

Employees in the plan should be aware that certain legislation has been passed that could potentially cause the interest foregone by the City to be treated as income to the employee, for tax purposes, in the year the loan is made.

While the City expects that the IRS will treat the loans under the Plan as falling within a de minimis exception applying to small interest sums, employees should refer questions to their tax advisor.

Any tax consequences that arise as a result of this loan shall be the exclusive liability of the employee.

THE EYE CORRECTION PROCEDURE

Employees in the Plan should ensure that their doctor provides adequate protection for their procedure.

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THE CITY MAKES NO REPRESENTATIONS

The City is not, in any way, making representations, guarantees or warranties of any type to employees participating in the Plan regarding the safety or success of corrective eye surgery or the medical provider selected by the employee to perform such surgery. Employees will proceed at their own risk and should conduct their own independent investigation regarding the risks and benefits of such a procedure.

RECEIVED, REVIEWED AND ACCEPTED BY:

Employee

Date

EXHIBIT B

PERSONAL PARTICIPATION LOAN APPLICATION AND AGREEMENT

(CORRECTIVE EYE SURGERY)

(Revised April 19, 2011)

Name _____ Department _____

Address _____

The above-named employee or officer ("Participant") of the City of Vernon ("City") has been provided a copy of the City of Vernon Personal Participation Loan Application and Agreement hereby elects to participate in the financing arrangement offered under the Plan, (Corrective Eye Surgery Plan) ("Agreement") and further agrees to and accepts the following terms and conditions:

1. The price of the procedure is \$_____.
2. The City agrees to make an interest-free loan to the Participant in the amount of \$_____ for a period not to exceed 36 months or as long as the Participant is Employed by the City of Vernon (whichever is less in length of time) to pay for the Plan.
3. Participant authorizes the City to deduct \$_____ from each paycheck of the Participant beginning _____ until the amount identified in Paragraph 2 above has been paid. If Participant does not receive a paycheck from the City because they are on a leave of absence or otherwise, Participant agrees to continue to make monthly payments in the same amount as would have been deducted from their paycheck on a monthly basis. Participant may elect to pay the remaining unpaid balance at any time prior to the last payroll deduction.
4. Participant agrees that the procedure will be limited to the Participant and not that of his/her immediate family. If the procedure is not received by the Participant, it will be a violation of this Agreement/Plan. Violation of this Plan will require Participant to immediately pay to the City the remaining amount due on the loan plus interest at a rate of 5% per annum compounded daily or the maximum legal amount allowable, whichever is less.
5. Upon separation of Participant from employment with the City for any reason, the remaining amount of the loan to be paid to the City under this Agreement shall immediately become due and payable to the fullest extent permitted by law, and Participant hereby authorizes the City to withhold from his/her final pay, any sums regularly due to be paid under the Agreement, and to execute a written Agreement providing for the repayment of all amounts remaining under this Agreement. The

failure to make full payment will obligate the Participant to pay the City's Attorney's fees and costs in any restitution or collection process.

6. Notwithstanding the above, this Agreement will survive the employment period of the Participant and therefore will be enforceable without any further executed written Agreement between the Participant and the City.
7. All warranties and/or contracts for this procedure shall be between the vendor/doctor and Participant. Participant shall deal directly with the vendor/doctor and in no event shall Participant look to the City for any claims relating to warranty or service of the procedure.
8. This Agreement may be changed only by a written document signed by the City and the Participant and supersedes any and all written or oral agreements, proposals and communications concerning the Plan.
9. I have received and reviewed a copy of the Corrective Eye Surgery Plan.

Please answer the following questions which will be evaluated when assessing your loan application:

- | | | | | |
|-----|--|--------------|-----|----|
| 10. | Have you ever filed for bankruptcy: | (Circle one) | YES | NO |
| 11. | Have your wages ever been garnished: | (Circle one) | YES | NO |
| 12. | Have you ever defaulted on a loan: | (Circle one) | YES | NO |
| 13. | Has any personal debt of yours ever gone to collections: | (Circle one) | YES | NO |

Accepted by: _____	_____
Participant/Employee	Date
_____	_____
City of Vernon	Date

ATTEST:

By: _____
Willard G. Yamaguchi, City Clerk

CORRECTIVE EYE SURGERY LOAN VERIFICATION

TO: _____ (Department Head)
FROM: Director of Personnel
RE: _____ (Employee's) Corrective Eye Surgery Loan
Application
DATE: _____

_____ has applied for a Corrective Eye Surgery loan from the
City of Vernon.
(Name of Employee)

In an effort to assist the Department of Personnel in performing its due diligence with respect to the viability of the loan, please provide the following information.

Date of Last Performance Review _____

Score or Rating received on the last Performance Review _____

Number of Disciplinary Issues in the last 12 months _____ Please Circle:
Verbal Written

Number of Pending Disciplinary Issues _____

Other Comments:

Department Head Name

Date

CORRECTIVE EYE SURGERY LOAN VERIFICATION

TO: Payroll
FROM: Director of Personnel
RE: _____ (Employee's) Corrective Eye Surgery Loan
Application
DATE: _____

_____ has applied for a Corrective Eye Surgery loan from the
City of Vernon.
(Name of Employee)

In an effort to assist the Department of Personnel in performing its due diligence with respect to the viability of the loan, please provide the following information.

Does this employee currently have any other loans with the City: Please Circle One:
YES NO

If YES, please provide the following details:

Type of Loan _____
Loan Amount _____
When Commenced _____
Balance Due _____

Does this employee have any garnishments on their paycheck: Please Circle One:
YES NO

Are there any deductions to employee's payroll beyond the standard deductions and beyond insurance deductions?

Please Circle One: YES NO

If YES, please provide details:

Other Comments:

Payroll Clerk


Date

CITY CLERK'S OFFICE

INTEROFFICE MEMORANDUM

DATE: April 25, 2011

TO: Rory Burnett, Finance Director/City Treasurer
Daniel Calleros, Interim Police Chief
Kristen Enomoto, Council Department Manager
Carlos Fandino, Director of Light & Power
Masami Higa, Assistant Finance Director
Alex Kung, Senior Accounting Manager
Joaquin Leon, Deputy City Treasurer
Lewis Pozzebon, Director of Health & Environmental Control
Martha Valenzuela, Director of Personnel/Business Services
Mark Whitworth, City Administrator/Fire Chief
Kevin Wilson, Director of Community Services & Water

FROM: Willard Yamaguchi, City Clerk 

RE: Resolution No. 2011-65 – A Resolution of the City Council of the City of Vernon Approving and Adopting a Revised Corrective Eye Surgery Plan, a Form Personal Participation Loan Application and Agreement, and a Form Corrective Eye Surgery Loan Verification from Department Head and Payroll, and Amending the Employee Corrective Eye Surgery Loan Program

Transmitted herewith is a copy of Resolution No. 2011-65 referenced above, which was approved by City Council on April 19, 2011.

Thank you.

WY:dj

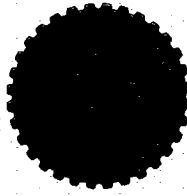
Attachment

c: Resolution No. 2011-65

RECEIVED

APR 12 2011

CITY CLERK'S OFFICE



approved CC 4/19/11

2011-65

RECEIVED

APR 12 2011

CITY ADMINISTRATION

MW/KE

STAFF REPORT
PERSONNEL DEPARTMENT

DATE: April 6, 2011
TO: Honorable Mayor and City Council
FROM: Martha Valenzuela, Director of Personnel *MV*
RE: Amendment to Corrective Eye Surgery Loan Reso. No. 9721 & Exhibits

I recommend the amendment to the Corrective Eye Surgery Loan Resolution No. 9721 and the exhibits based on the following:

- Authorize the City Administrator to execute all necessary documents to implement the loan.
- Remove the fiscal year in section 2 of the resolution; this would alleviate having to renew the resolution every year.
- Replace the title of Director of Human Resources with the title of Director of Personnel with the title of Director of Personnel in the body of the exhibits.

Respectfully Submitted.