

1 RESOLUTION NO. 9720

2
3 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
4 VERNON APPROVING AND ADOPTING A REVISED HEARING AID
5 DEVICE PLAN, A FORM PERSONAL PARTICIPATION LOAN
6 APPLICATION AND AGREEMENT AND A FORM HEARING AID
7 DEVICE LOAN VERIFICATION FROM DEPARTMENT HEAD AND
8 PAYROLL AND ESTABLISHING AN EMPLOYEE HEARING AID
9 DEVICE LOAN PROGRAM

10 WHEREAS, by Minute Order on August 12, 2003, the Finance
11 Committee recommended that the City Council approve the employee
12 hearing aid device program, as approved by the City Council of the City
13 of Vernon on August 27, 2003; and

14 WHEREAS, the City Council of the City of Vernon believes that
15 encouraging the correction of hearing loss enhances an employee's job
16 performance which benefits the City; and

17 WHEREAS, the City Council desires to update and revise its
18 current hearing aid device program and forms and establish an Employee
19 Hearing Aid Device Loan Program ("Loan Program").

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

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

25 SECTION 2: The City Council of the City of Vernon hereby
26 establishes an Employee Hearing Aid Device Loan Program for the 2008-
27 2009 fiscal year.

28 SECTION 3: The City Council of the City of Vernon hereby
approves and adopts the City of Vernon Hearing Aid Device Plan (the
"Plan"), a copy of which is attached hereto as Exhibit A and

1 incorporated by reference. Said Plan will become effective October 6,
2 2008.

3 SECTION 4: The City Council of the City of Vernon hereby
4 approves and adopts the form Personal Participation Loan Application
5 and Agreement (the "Agreement") and form Hearing Aid Device Loan
6 Verification of Department Head and Payroll (collectively, the "Loan
7 Forms') in accordance with the Plan, copies of which are attached
8 hereto as Exhibit B and incorporated by reference. Said Loan Forms
9 shall be effective October 6, 2008. It is the intent of the City
10 Council that the form Agreement shall be a binding contract between the
11 City and the employee upon acceptance by the Director of Human
12 Resources, or her designee.

13 SECTION 5: The City Council of the City of Vernon hereby
14 authorizes and empowers the Director of Human Resources, or her
15 designee, to execute individual copies of the form Agreement on an as-
16 needed basis and to make whatever nonsubstantive and administrative
17 changes, upon advice of counsel, to the Loan Forms as are necessary to
18 carry out the intent of this Resolution. Such additions, deletions and
19 other changes therein as the Director of Human Resources, or her
20 designee, executing the Agreement may approve, are conclusively
21 evidenced by the execution and delivery of the Agreement.

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

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

28 / / /

1 SECTION 8: The City Clerk of the City of Vernon shall
2 certify to the passage of this resolution, and thereupon and thereafter
3 the same shall be in full force and effect.


4 APPROVED AND ADOPTED this 6th day of October, 2008.

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8 Name: Leonis C. Malburg

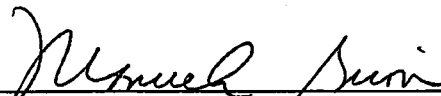
9 Title: Mayor / ~~Mayor Pro-Tem~~

10 ATTEST:

11 
12 MANUELA GIRON, City Clerk

1 STATE OF CALIFORNIA)
2) ss
3 COUNTY OF LOS ANGELES)

4 I, MANUELA GIRON, City Clerk of the City of Vernon, do hereby
5 certify that the foregoing Resolution, being Resolution No. 9720, was
6 duly adopted by the City Council of the City of Vernon at a regular
7 meeting of the City Council duly held on Monday, October 6, 2008, and
8 thereafter was duly signed by the Mayor or Mayor Pro-Tem of the City of
9 Vernon.

10 
11 _____
12 MANUELA GIRON, City Clerk

13 (SEAL)

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EXHIBIT A

EXHIBIT A



City of Vernon Hearing Aid Device Plan

Objective

The City's objective of the Hearing Aid Device Plan (the "Plan") is to assist an employee in correcting their loss of hearing after diagnosis by a professional audiologist.

Eligibility

Any full-time City employee who has completed his/her initial evaluation period and a minimum of one year of service is eligible to apply for a loan under the Plan. 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 Human Resources. Any additional procedures would require a new Application and Agreement.

Loan Limits

Each employee is eligible to borrow up to a maximum of Six Thousand Dollars (\$6,000) with repayment over 36 months. Interest free loans will be made up to this limit for certain hearing aid device(s) if employee is 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.

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 they are 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 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.

Requirements

1. Copy of professional audiologist's diagnosis, prescription or recommendation.
2. Proof of payment for hearing aid device(s).

Procedure

Employees in 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 hearing aid device(s) 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 Human Resources 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 Human Resources will communicate with employee regarding the denial.
6. If approved by the Director of Human Resources, 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.

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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 loan made available under the Plan shall be used for the purchase of hearing aid device(s) for the participating employee, only. If the loan is not used for such purpose and for the employee, 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. The City makes no representation whatsoever regarding the tax consequences to the individual employee.

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

Protection Against Damage, Repair, Maintenance and Theft

The City does not assume any liability for damage, repair, maintenance or theft of the hearing aid device(s).

The Hearing Aid Device Prescription/Recommendation

Employees in the Plan should ensure that their professional audiologist prescribes/recommends the appropriate hearing aid device(s).

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 the hearing aid device(s) or the professional audiologist selected by the employee to perform the diagnosis/examination and prescription/recommendation. Employees will proceed at

their own risk and should conduct their own independent investigation regarding the risks and benefits of utilizing such hearing aid device(s).

RECEIVED, REVIEWED AND ACCEPTED BY:

Employee

Date

EXHIBIT B



Personal Participation Loan Application and Agreement
(Hearing Aid Device)
(Revised October 6, 2008)

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 "Hearing Aid Device Plan" ("Agreement") and further agrees to and accepts the following terms and conditions:

1. The price of the hearing aid device(s) is \$ _____
2. The City agrees to make an interest-free loan to the employee in the amount of \$ _____ for a period not to exceed 36 months or as long as the employee is employed by the City (whichever is less in length of time) to pay for the Plan.
3. Participant authorizes the City to deduct \$ _____ from each paycheck of the employee beginning _____ until the amount identified in paragraph two (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 hearing aid device(s) will be limited solely to the Participant and not that of his/her immediate family or friends. If the hearing device is received by anyone other than 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 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 collections 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 the hearing aid device shall be between the vendor and Participant. Participant shall deal directly with the vendor and in no event shall Participant look to the City for any claims relating to warranty or service of the hearing aid device.
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: _____
 Manuela Giron, City Clerk

HEARING AID DEVICE LOAN VERIFICATION

TO: _____ (Department Head)
FROM: Director of Human Resources
RE: _____ (Employee's) Hearing Aid Device Loan Application
DATE: _____

_____ has applied for a Hearing Aid Device loan from the City
(Name of Employee) of Vernon

In an effort to assist the Department of Human Resources 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

HEARING AID DEVICE LOAN VERIFICATION

TO: Payroll
FROM: Director of Human Resources
RE: _____(Employee's) Hearing Aid Device Loan Application
DATE: _____

_____ has applied for a Hearing Aid Device loan from the City
(Name of Employee) of Vernon

In an effort to assist the Department of Human Resources 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: October 21, 2008

TO: Rory Burnett, Finance Director
Sharon Duckworth, City Treasurer
Masami Higa, Internal Control Manager/Controller
Avigal Horrow, Human Resources Director
Joaquin Leon, Assistant Finance Director
Donal O'Callaghan, Director of Light & Power
Lewis Pozzebun, Director of Environmental Health
Steve Towles, Chief of Police
Martha Valenzuela, Director of Personnel/Purchasing Agent
Mark Whitworth, Fire Chief
Kevin Wilson, Director of Community Services & Water
Willard Yamaguchi, Chief Deputy City Attorney/Risk Manager

FROM:  Nelly Giron, City Clerk

RE: Resolution No. 9720 - A Resolution of the City Council of the City of Vernon Approving and Adopting a Revised Hearing Aid Device Plan, a Form Personal Participation Loan Application and Agreement and a Form Hearing Aid Device Loan Verification from Department Head and Payroll and Establishing an Employee Hearing Aid Device Loan Program

Transmitted herewith is a copy of Resolution No. 9720 referenced above, which was approved by City Council on October 6, 2008.

Thank you.

NG:dr

c: Resolution File No. 9720