

1 **RESOLUTION NO. 9748**

2  
3 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
4 VERNON APPROVING AND ADOPTING A REVISED HIGHER  
5 EDUCATION LOAN AND ASSISTANCE PROGRAM GUIDELINES,  
6 FORM PERSONAL PARTICIPATION LOAN APPLICATION AND  
7 AGREEMENT, FORM REQUEST FOR TUITION REIMBURSEMENT  
8 AND FORM PAYBACK SCHEDULE AND REPEALING ALL  
9 RESOLUTIONS OR PARTS OF RESOLUTIONS IN CONFLICT  
10 THEREWITH

11 WHEREAS, on February 4, 2008, the City Council of the City of  
12 Vernon adopted Resolution No. 9544, approving and adopting a revised  
13 education loan program and forms relating thereto regarding the merging  
14 of the Discretionary Educational Assistance Program and Employee  
15 University Education Loan Program; and

16 WHEREAS, the City Council believes that continuing education  
17 by City employees not only personally benefits those employees taking  
18 courses but also enhances job performance which benefits the City; and

19 WHEREAS, the Director of Human Resources has determined that  
20 the current education loan program and forms relating thereto should be  
21 revised; and

22 WHEREAS, the City Council desires to update and revise its  
23 current education loan program and forms relating thereto and establish  
24 a Higher Education Loan and Assistance Program.

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

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

SECTION 2: The City Council of the City of Vernon hereby  
establishes a Higher Education Loan and Assistance Program and approves

1 and adopts the City of Vernon Higher Education Loan and Assistance  
2 Program (the "Program"), a copy of which is attached hereto as Exhibit  
3 A and incorporated by reference. Said Program will become effective  
4 November 3, 2008. The Director of Human Resources shall have authority  
5 to administer the Program available to eligible employees.

6           SECTION 3: The City Council of the City of Vernon hereby  
7 approves and adopts the form Personal Participation Loan Application  
8 and Agreement (the "Agreement"), the form Request for Tuition  
9 Reimbursement, the form Payback Schedule, the form Department Head and  
10 Payroll Higher Education Loan and Assistance Verifications  
11 (collectively, the "Loan Forms") in accordance with the Program, copies  
12 of which are attached hereto as Exhibit B and incorporated by  
13 reference. Said Loan Forms shall be effective November 3, 2008. It is  
14 the intent of the City Council that the form Agreement shall be a  
15 binding contract between the City and the employee upon acceptance by  
16 the Director of Human Resources, or her designee.

17           SECTION 4: The City Council of the City of Vernon hereby  
18 allows those employees currently enrolled under any prior program to  
19 continue with the prior program under the guidelines and agreement  
20 under which the prior program existed.

21           SECTION 5: The City Council of the City of Vernon hereby  
22 authorizes and empowers the Director of Human Resources, or her  
23 designee, to execute individual copies of the form Agreement on an as-  
24 needed basis and to make whatever nonsubstantive and administrative  
25 changes, upon advice of counsel, to the form Agreement and Loan Forms  
26 as are necessary to carry out the intent of this Resolution. Such  
27 additions, deletions and other changes therein as the Director of Human  
28 Resources, or her designee, executing the Agreement may approve, are

1 conclusively evidenced by the execution and delivery of the Agreement.

2           SECTION 6: All resolutions, parts of resolutions, or minute  
3 orders in conflict with this Resolution are hereby repealed.

4           SECTION 7: The City Clerk of the City of Vernon shall  
5 certify to the passage of this resolution, and thereupon and thereafter  
6 the same shall be in full force and effect.

7           APPROVED AND ADOPTED this 3<sup>rd</sup> day of November, 2008.

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Name: Hilario Gonzales

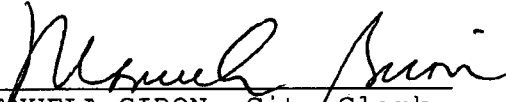
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Title: ~~Mayor~~ / Mayor Pro-Tem

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ATTEST:

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MANUELA GIRON, City Clerk

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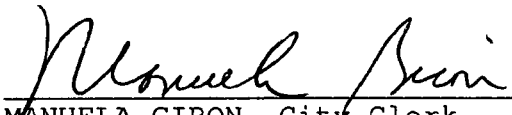
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1 STATE OF CALIFORNIA )  
2 ) ss  
3 COUNTY OF LOS ANGELES )

4 I, MANUELA GIRON, City Clerk of the City of Vernon, do hereby  
5 certify that the foregoing Resolution, being Resolution No. 9748, 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, November 3, 2008, and  
8 thereafter was duly signed by the Mayor or Mayor Pro-Tem of the City of  
9 Vernon.

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11 \_\_\_\_\_  
12 MANUELA GIRON, City Clerk

13 (SEAL)

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**EXHIBIT A**



## **City of Vernon Higher Education Loan and Assistance Program**

### **OBJECTIVE:**

This program is to assist those employees who wish to pursue higher education, who have met the City's criteria for said Higher Education Loan and Assistance Program (the "Program"), and who would like to enter into a loan agreement with the City to participate in said Program. Furthermore, participation in the Program is at the discretion of the Director of Human Resources.

### **DEGREE SELECTION**

- ❖ Bachelor's Degree
- ❖ Master's Degree
- ❖ Specialized Certificates

### **EMPLOYEE QUALIFICATION CRITERIA**

Eligibility – at least two years of continuous uninterrupted regular full-time employment with the City. Employees who are temporary, provisional, on leave of absence, probation, or who have returned to probationary status, or are not considered regular employees, shall not be eligible.

Employees who have filed for bankruptcy or are currently having their wages garnished, are not eligible to participate in this program.

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.

**MAXIMUM LOAN LIMIT**

Bachelor Degree	up to \$25,000.00 per 12-month period
Master Degree	up to \$25,000.00 per 12-month period
Specialized Certificates or other approved courses	up to \$15,000.00 per 12-month period

**EMPLOYEE LOAN PAYBACK PERIOD (INTEREST FREE)**

❖ 36-month agreement	-	up to \$15,000.00 total.
❖ 48-month agreement	-	\$15,001.00 to \$25,000.00
❖ 60-month agreement	-	\$25,001.00 to \$35,000.00
❖ 72-month agreement	-	\$35,001.00 and over

**LIMITATIONS**

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

**LOAN PAYMENTS AND EMPLOYEE SEPARATION LOAN PAYMENTS**

Loan payments will be made through payroll deduction on a bi-weekly basis. Participant is 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 will be made for a maximum period of 72 months but may be paid earlier at the employee's request.

Upon separation of employee 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. Should employee, after five days of issuance of his/her final check, still have a remaining loan balance, interest will be charged on said balance at a rate of 5% per annum compounded daily, or the maximum legal amount allowable, whichever is less, and payment must be remitted in full within 35 days after his/her final paycheck. The failure to make full payment by said 35 days, will obligate the employee to pay the City's attorney's fees and costs in any restitution or collections process. City shall seek legal remedy to which employee shall be responsible for said legal costs.

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## **ADMINISTRATION**

The Personnel Department shall administer the "Higher Education Loan and Assistance Program."

## **REQUIREMENTS**

In addition to the loan application, Participant will be required to submit a memorandum detailing what program participant will be attending and where participant will be taking classes as well as the following back up documentation:

1. Copy of class schedule.
2. Proof of completion of class and final grade.
3. Receipts for classes, books and supplies.

## **PROCEDURE**

Employees in this Program will:

1. Obtain an application from the Personnel Department.
2. Submit the application, memorandum and all back up documentation indicating classes, degrees, programs and cost to the Personnel Department.
3. The Personnel Department will verify employment and will coordinate with the employee's Department Head and Payroll when reviewing the application.
4. The Personnel 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 the employee regarding the denial.
6. Upon approval from the Director of Human Resources, a Personal Participation Loan Application and Agreement (Higher Education Loan and Assistance Program) shall be entered into between the employee and the City. The loan agreement will outline the responsibilities of the employee, terms of the agreement, payroll deduction arrangements and other conditions of the "Program."
7. At the conclusion of each course, the Employee shall submit a "Request for tuition reimbursement" form to the Personnel Department and shall present all receipts and final grades at the end of each semester/quarter with such request. A grade of C or better is required for eligibility for such reimbursement. The employee shall submit all necessary paperwork for reimbursement no later than 60 days from receipt of grades. City will amend the payback schedule accordingly and give the employee a copy of the same.

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### **RESTRICTION ON TRANSFER OR ASSIGNMENT**

Each employee in the Program agrees that the loan made available under the Program shall be used for higher education 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 Program 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 Program 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 loan was made.

While the City expects that the IRS will treat the loans under the Program 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.

### **HIGHER EDUCATION ASSISTANCE (\$2,200.00 PER FISCAL YEAR)**

(Section 127 of the Internal Revenue Code)

Higher Education Assistance may be provided by the City of Vernon at the sole discretion of the Department Head and shall be excluded from an employee's federal gross income if the Internal Revenue Code so provides.

In order to be considered for approval by the Department Head of the City of Vernon, all requests for reimbursement for Higher Education Assistance shall meet the following terms and conditions:

1. In order to be eligible for reimbursement, an employee shall be a regular full-time employee who has been employed by the City of Vernon for at least twelve (12) months of non-interrupted service. Employees who are temporary, part-time, provisional, on leave of absence, probation or who have been returned to probationary status or are not considered regular employees, shall not be eligible.
2. Reimbursement shall be limited and shall not exceed an employee's expenses for tuition, fees and textbooks.

3. Reimbursement shall apply to academic courses only that are determined by the Department Head to be job related or shall apply to courses required as part of a degree program.
4. Employee must obtain pre-approval, in writing, from the Department Head, for courses selected by employee in order to be eligible for reimbursement of such expenses.
5. At the conclusion of the course, the employee shall submit a request for tuition reimbursement" form to the Personnel Department and shall present all receipts and final grades at the end of each semester/quarter with such request. A grade of C or better is required for eligibility for such reimbursement. The employee shall submit said application for reimbursement with executed pre-approval from the Department Head no later than 60 days from receipt of grades.
6. Information regarding the Higher Education Assistance Program shall become a part of the orientation process conducted by the Personnel Department for all new employees.
7. Reimbursement is limited to Two Thousand Two Hundred Dollars (\$2,200) per fiscal year. Such limitation is based upon tuition, fees and textbooks required by the California State University System (Los Angeles State University for the quarter system and Long Beach State University for the semester system). Reimbursement shall also be limited to classes that are enrolled in after the completion of the employee's evaluation period. In the event reimbursement amount under Section 127 of the Internal Revenue Code is modified, the City, in its sole discretion, may adjust the reimbursement amount without further notice.

Fiscal year is defined as July 1 through June 30 of each year. Below is a table depicting examples of fiscal year based upon when reimbursement request submitted and not when actual quarter or semester ends.

Semester/Quarter & Year	Fiscal Year
<b>Example: Cal State L.A.</b>	
Winter 2008 (Jan. to March)	2007-08
Spring 2008 (March to June)	2008-09
Summer 2008 (June to Aug.)	2008-09
Fall 2008 (Sept. to Dec.)	2008-09
<b>Example: Cal State Long Beach</b>	
Spring 2008 (Jan to May)	2007-08
Summer 2008 (June to Aug.)	2008-09
Fall/Winter 2008 (Aug. to Dec.)	2008-09
<b>Example: Woodbury</b>	

<b>Semester/Quarter &amp; Year</b>	<b>Fiscal Year</b>
Spring 2008 (Jan. to May)	2007-08
Summer 2008 (May to Aug.)	2008-09
Fall 2008 (August to Dec.)	2008-09

RECEIVED, REVIEWED AND ACCEPTED BY:

\_\_\_\_\_  
Employee

\_\_\_\_\_  
Date

# **EXHIBIT B**



**Personal Participation Loan Application and Agreement  
(Higher Education Loan and Assistance Program)  
(Revised November 3, 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 ("Agreement") hereby elects to participate in the financing arrangement offered under the "Higher Education Loan and Assistance Program" ("Program") and further agrees to and accepts the following terms and conditions:

1. The City agrees to make an interest-free loan to the Participant in the amount of \$ \_\_\_\_\_.
2. Participant authorizes the City to deduct an amount determined by the payback schedule which is based on the total amount of the loan, from each paycheck of the Participant beginning \_\_\_\_\_ until the amount identified in paragraph one (1) 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.
3. Participant agrees that the Higher Education Loan and Assistance will be limited solely to the Participant and not that of his/her immediate family or friends. If the Higher Education Loan and Assistance is received by anyone other than the Participant, it will be a violation of this Agreement. Violation of this Agreement 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.
4. 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.

- 5 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.
- 6 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 Program.
- 7 I have received and reviewed a copy of the Higher Education Loan and Assistance Program.

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

- |  |              |     |    |
|--|--------------|-----|----|
| 8. Have you ever filed for Bankruptcy:                       | (Circle one) | YES | NO |
| 9. Have your wages ever been garnished:                      | (Circle one) | YES | NO |
| 10. Have you ever defaulted on a loan:                       | (Circle one) | YES | NO |
| 11. 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

HIGHER EDUCATION LOAN AND ASSISTANCE VERIFICATION

TO: \_\_\_\_\_ (Department Head)  
FROM: Director of Human Resources  
RE: \_\_\_\_\_ (Employee's) Higher Education Loan Application  
DATE: \_\_\_\_\_

\_\_\_\_\_ has applied for a higher education 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

HIGHER EDUCATION LOAN VERIFICATION

TO: Payroll  
FROM: Director of Human Resources  
RE: \_\_\_\_\_ (Employee's) Higher Education Loan Application  
DATE: \_\_\_\_\_

\_\_\_\_\_ has applied for a Higher Education 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 pay check: 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



**REQUEST FOR TUITION REIMBURSEMENT**

NAME \_\_\_\_\_ DATE \_\_\_\_\_

DEPARTMENT \_\_\_\_\_ POSITION \_\_\_\_\_

REQUESTS REIMBURSEMENT FOR THE FOLLOWING COURSE(S):  
(Requests are to be submitted quarterly or per semester not cumulatively) All reimbursement requests are to be submitted within 60 days of completion of course(s).

COLLEGE \_\_\_\_\_ QUARTER \_\_\_\_\_ SEMESTER \_\_\_\_\_

COURSE TITLE \_\_\_\_\_ UNITS \_\_\_\_\_ GRADE \_\_\_\_\_

COURSE TITLE \_\_\_\_\_ UNITS \_\_\_\_\_ GRADE \_\_\_\_\_

COURSE TITLE \_\_\_\_\_ UNITS \_\_\_\_\_ GRADE \_\_\_\_\_

TOTAL UNITS COMPLETED \_\_\_\_\_ TUITION CHARGED: \_\_\_\_\_

BOOKS & SUPPLIES PURCHASED (Attach Receipts):

TITLE \_\_\_\_\_ COST \_\_\_\_\_

TITLE \_\_\_\_\_ COST \_\_\_\_\_

TITLE \_\_\_\_\_ COST \_\_\_\_\_

TOTAL COST OF BOOKS & SUPPLIES: \_\_\_\_\_

ADDITIONAL FEES REQUIRED (Attach Receipts):

\_\_\_\_\_ COST \_\_\_\_\_

\_\_\_\_\_ COST \_\_\_\_\_

TOTAL ADDITIONAL FEES: \_\_\_\_\_

TOTAL REIMBURSEMENT REQUESTED: \_\_\_\_\_

Fiscal Yr \_\_\_\_\_ EDUCATION ASSISTANCE: Yes \_\_\_ No \_\_\_\_\_  
(If applicable up to \$2,200.00 per Fiscal Yr)

EDUCATION LOAN \_\_\_\_\_

TOTAL REIMBURSEMENT APPROVED: \_\_\_\_\_

EDUCATION LOAN BALANCE AS OF: \_\_\_\_\_ \$ \_\_\_\_\_

ATTACHED IS THE PAYBACK SCHEDULE (If Applicable)

\_\_\_\_\_  
EMPLOYEE'S SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

PERSONNEL DEPARTMENT USE ONLY

RECORDED REIMBURSEMENT: \_\_\_\_\_

SUBMITTED TO TREASUER'S DEPT FOR PAYMENT: \_\_\_\_\_

## CITY OF VERNON PAYBACK SCHEDULE

Funds Accumulated up to Qtr/Semester \_\_\_\_\_

Employee Name: \_\_\_\_\_ Date: \_\_\_\_\_

Loan Summary	
Loan amount:	
Loan period in years:	3
Number of payments per year:	26
Number of total loan payments:	78
Start date of loan	
First loan payment	

Pmt No.	Payment Date	Beginning Balance	Scheduled Payment	Ending Balance
1			\$0.00	
2			\$0.00	
3			\$0.00	
4			\$0.00	
5			\$0.00	
6			\$0.00	
7			\$0.00	
8			\$0.00	
9			\$0.00	
10			\$0.00	
11			\$0.00	
12			\$0.00	
13			\$0.00	
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31			\$0.00	
32			\$0.00	
33			\$0.00	
34			\$0.00	
35			\$0.00	
36			\$0.00	
37			\$0.00	
38			\$0.00	
39			\$0.00	
40			\$0.00	
41			\$0.00	
42			\$0.00	

Pmt No.	Payment Date	Beginning Balance	Scheduled Payment	Ending Balance
43			\$0.00	
44			\$0.00	
45			\$0.00	
46			\$0.00	
47			\$0.00	
48			\$0.00	
49			\$0.00	
50			\$0.00	
51			\$0.00	
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80			\$0.00	

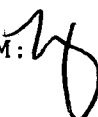
CITY CLERK'S OFFICE

INTEROFFICE MEMORANDUM

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DATE: November 5, 2008

TO: Rory Burnett, Finance Director  
Sharon Duckworth, City Treasurer  
Avigal Horrow, Human Resources 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. 9748 - A Resolution of the City Council of the City of Vernon Approving and Adopting a Revised Higher Education Loan and Assistance Program Guidelines, Form Personal Participation Loan Application and Agreement, Form Request For Tuition Reimbursement and Form Payback Schedule and Repealing All Resolutions or Parts of Resolutions in Conflict Therewith

Transmitted herewith is a copy of Resolution No. 9748 referenced above, which was approved by City Council on November 3, 2008.

Thank you.

NG:dr

c: Resolution No. 9748