

**TOWN OF
APPLE VALLEY, CALIFORNIA**

AGENDA MATTER

Subject Item:

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF APPLE VALLEY AMENDING THE PERSONNEL POLICIES AND PROCEDURES AND THE BENEFIT PLAN OF THE TOWN OF APPLE VALLEY

Summary Statement:

The Personnel Committee met on August 19, 2008 to discuss changes to the employee benefit plan. The recommended changes by the Committee are as follows:

1. The benefit for existing employees hired before September 1, 2008: The total maximum benefit allowance is \$725 to be available for premiums for insurance coverage. Any portion of the premiums that are not satisfied by the allowance will be matched by the Town dollar for dollar to a maximum of \$215. In the event all of the allowance is not applied to the available insurance benefit, the remaining portion of the allowance shall be paid to the employee in cash or at the employees option, may be deposited into the Town's section 457 Deferred Compensation Plan. The effective date of the implementation of this benefit modification will be July 1, 2008.
2. The benefit for employees hired after September 1, 2008: The total maximum benefit allowance is \$725 to be available for premiums for insurance coverage. All employees will be required at a minimum to enroll in PPO Health, PPO Dental and VSP Vision coverage at a total cost to the Town of \$490.99. If the employee chooses to cover either a spouse or family, the employee will have the choice of either the PPO or HMO plans. Any portion of the premiums that are not satisfied by the allowance will be matched by the Town dollar for dollar to a maximum of \$215. The maximum allowance that will be allowed to be paid to the employee in cash or at the employees option, deposited into the Town's section 457 Deferred Compensation Plan is \$234.01.
3. Provide the monthly administrative fee for the flexible spending account, not to exceed \$7.00 per month, for each employee who elects to enroll into this program.
4. Provide the monthly premium for each full time employee for Long Term Disability (LTD) coverage that had previously been taken out of the monthly allotment for health benefits.
(Cont'd)

Recommended Action:

Adopt Resolution No. 2008-50, A Resolution of the Town Council of the Town of Apple Valley Amending the Personnel Policies and Procedures and the Benefit Plan of the Town of Apple Valley

Proposed by: James L. Cox, Consultant **Item Number** _____

T. M. Approval: _____ **Budgeted Item** Yes No N/A

Sections 4.1 and 4.2 have been modified to reflect the above amendments to the Personnel Policies and Procedures. In addition staff has determined that additional clean-up of Sections 5.2, 6.12 and 12.1 are needed to reflect amendments previously made to the Town's Personnel Policies and Procedures. Corrections to these sections are noted by either underline or strikeout in the attached resolution.

RESOLUTION NO. 2008-50

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF APPLE VALLEY AMENDING THE PERSONNEL POLICIES AND PROCEDURES AND THE BENEFIT PLAN FOR THE TOWN OF APPLE VALLEY

WHEREAS, the Town Council of the Town of Apple Valley has established Personnel Policies and Procedures for the Town of Apple Valley employees; and

WHEREAS, the Town Council of the Town of Apple Valley wishes to modify the Personnel Policies and Procedures for the Town of Apple Valley employees;

WHEREAS, the Town Council of the Town of Apple Valley has established a benefit plan for the Town of Apple Valley employees; and

WHEREAS, the Town Council of the Town of Apple Valley wishes to modify the benefit plan amount in Rule 4.1 of the Personnel Policies and Procedures.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. *The employee benefit plan amount as set forth in Rule 4.1 of the Personnel Policies and Procedures shall be as follows:*

The benefit level for employees hired before September 1, 2008 is as follows:

The total maximum benefit allowance for premiums for insurance coverage is \$725.00 per month. Any portion of the premiums that are not satisfied by the allowance will be matched by the Town dollar for dollar to a maximum of \$215.00 per month. In the event all of the allowance is not applied to the available insurance benefit, the remaining portion of the allowance shall be paid to the employee in cash or at the employee's option may be deposited into the Town's 457 Deferred Compensation Plan for the benefit of the employee. The effective date of the implementation of this benefit modification will be July 1, 2008.

The benefit level for employees hired on or after September 1, 2008 is as follows:

The total maximum benefit allowance for premiums for insurance coverage is \$725.00 per month. All employees will be required at a minimum to take PPO health, PPO dental, and VSP Vision coverage at a total current cost to the Town of \$490.99. If the employee chooses to cover either spouse or family, the employee will have the choice of either the PPO or the HMO plan. Any portion of the premiums that are not satisfied by the allowance will be matched by the Town dollar for dollar to a maximum of \$215.00 per month. The maximum allowance that will be allowed to be paid to the employee in cash or at the employee's option, deposited in the Town's Deferred Compensation plan is \$234.01 per month for the benefit of the employee.

Effective July 1, 2008 the Town of Apple Valley will cover the premium for all employees enrolled in the long term disability insurance and the monthly administrative fee for the Section 125 plan.

2. The following sections of the Personnel Policies and Procedures have been amended as follows:

Section 4.1 Benefit Plan

~~All regular full time employees and their qualified dependents shall be eligible to participate in the health, dental, vision, supplemental life insurance and long term disability programs offered by the Town. The amount of money currently available to the employee for this benefit is established by Resolution of the Town Council and is subject to the following provisions:~~

The Town of Apple Valley shall offer to all regular full-time employees insurance coverage for health, dental, vision, supplemental life insurance and long term disability. Qualified dependents shall be eligible to participate in health, dental and vision insurance coverage. The amount of money currently available to the employee for this benefit is established by resolution of the Town Council and is subject to the following provision:

1. Employees shall be required to complete all benefit selections within thirty (30) days from their start date.
2. Employees hired before September 1, 2008 are required to participate in the Town's medical insurance program or show proof of insurance by a comparable insurance program. Employees who fail to provide proof of medical coverage shall be required to enroll in a health program provided by the Town. Any portion of the premiums that are not satisfied by the allowance will be matched by the Town dollar for dollar to a maximum amount established by resolution of the Town Council.
3. Employees hired on or after September 1, 2008 are required at a minimum to take PPO health, PPO dental, and VSP Vision coverage. If the employee chooses to cover either spouse or family, the employee will have the choice of either the PPO or the HMO plan. Any portion of the premiums that are not satisfied by the allowance will be matched by the Town dollar for dollar to a maximum amount established by resolution of the Town Council.
4. Premiums for insurance coverage shall be paid to the extent that dollars are available fully satisfying the employee's insurance obligation. Any portion of the premiums for benefits elected by the employee which are not satisfied by application of the monthly insurance benefit allowance or the dollar for dollar match by the Town shall be paid by the employee and deducted from his or her paycheck upon employee's written authorization. Failure to provide written authorization hereunder shall result in ineligibility for any qualified dependent insurance benefit which cannot be provided by the monthly allowance. In the event all the allowance is not applied to the available insurance benefit, the remaining portion of the allowance shall be paid to the employee in cash or at the employee's option, may be deposited into the Town's Section 457 Deferred Compensation Plan. The maximum allowance that will be paid to the employee is established by resolution of the Town Council.

Section 4.2 Long Term Disability Insurance

All regular full-time employees shall be required to participate in the long-term disability insurance program offered by the Town. Employees are enrolled at the time of hire shall be required to enroll in the program at the time of hire and must remain in the program while an employee of the Town. The Town will provide the premium for all regular full-time employees.

Section 5.2 Exempt Benefit Levels

Employees designated as either Professional/Supervisory, Management or Executive Management are not eligible for overtime pay or compensatory time for working hours over and above the normal daily or weekly work schedule. Employees so designated shall be entitled to all benefits provided to general employees and the following:

A. Professional/Supervisory

1. Administrative leave to a maximum of forty (40) hours per fiscal year at the discretion of the appropriate supervisor after successful completion of six (6) months service within this classification. Any administrative leave not used by June 30th of the fiscal year shall be forfeited.
2. Deferred compensation program contribution of two percent (2%) of annual salary.

B. Management

1. Administrative leave to a maximum of fifty six (56) hours per fiscal year at the discretion of the appropriate supervisor after successful completion of six (6) months service within this classification. Any administrative leave not used by June 30th of the fiscal year shall be forfeited.
2. Deferred compensation program contribution of three percent (3%) of annual salary.

C. Executive Management

1. Administrative leave to a maximum of eighty (80) hours per fiscal year at the discretion of the appropriate supervisor after successful completion of six (6) months service within this classification. Any administrative leave not used by June 30th of the fiscal year shall be forfeited.
2. Automobile allowance of \$470.00 per month if a Town vehicle is not provided, if approved by the Town Manager.
3. Deferred compensation program contribution of five percent (5%) of annual salary.

Section 6.12 Administrative Leave

Administrative Leave shall be granted to employees as specified in Section 5.2 of these Personnel Policies and Procedures. Employees who are eligible to receive administrative leave under these provisions shall not be eligible for overtime compensation.

~~Administrative leave shall be available on July 1 of each year. Employees who are eligible to receive administrative leave shall be entitled to request approved administrative leave beginning on July 1 of each year.~~ Employees specified in Section 5.2 who are hired or promoted during the fiscal year shall be credited with a prorated amount of administrative leave calculated on a daily basis. Employees shall not accrue Administrative Leave while on a Leave of Absence without Pay.

Administrative leave may be used at any time during the fiscal year as approved by the employee's supervisor. The employee must complete an administrative leave request form specifying the number of days leave requested. The form must be signed by the appropriate supervisor and/or department head for approval ~~and to the Director of Finance for approval~~

Employees who terminate their employment with the Town shall be required to reimburse any administrative leave which was used but had not been earned. Such reimbursement shall be deducted from the employee's final paycheck. ~~if possible~~.

Rule 12 Expense Reimbursement

Section 12.1 Travel Expenses

- C. Automobile (Personal) – Authorized travel by personal automobile shall be reimbursed at the rate established by the Internal Revenue Service then in effect (see www.irs.gov). ~~For 2006, the rate is 44.5 cents per mile.~~ In addition, toll and parking fees, (excluding valet parking charges) shall be reimbursable. Reimbursement shall not exceed the cost of commercial or public transportation for such travel. The Internal Revenue Service rates will not be paid for rental vehicles; only receipted fuel expenses will be reimbursed.

Reimbursement shall be made to all employees for actual mileage incurred that is in excess of their normal daily commute. The reimbursement request must detail out the actual mileage incurred and show the deduction for their normal daily commute.

- 3. *All resolutions, part of resolutions in conflict herewith are hereby amended to be consistent herewith.***

Unless otherwise noted, the effective date of this Resolution shall be August 26, 2008.

PASSED, APPROVED AND ADOPTED THIS 26TH DAY OF AUGUST 2008.

Timothy J. Jasper, Mayor

ATTEST:

La Vonda Pearson
Town Clerk