LOCAL AND REGIONAL GOVERNMENT SERVICES AUTHORITIES

Providing Solutions to California Public Agencies

P.O. Box 1350 · Carmel Valley, CA 93924 · 650.587.7300

RGS BOARD AGENDA

Agenda materials may be viewed on the Agency's web site RGS.CA.gov or by contacting the Executive Director prior to the meeting at the contact information below.

REGULAR MEETING
June 9, 2011
11:15 a.m.

Cavallo Point
The Lodge at the Golden Gate
601 Murray Circle, Suite 2404, Fort Baker
Sausalito, CA 94965

1. **CALL TO ORDER**
   A. Appointment of new JPA Executive Committee Member — *Action*

2. **CHANGES TO THE ORDER OF AGENDA**

3. **APPROVAL OF CONSENT AGENDA**
   Consent agenda items are considered to be routine and will be enacted by one motion. There will be no separate discussion on these items unless members of the Board, staff or public request specific items to be removed for separate action.
   A. Approval of **December 9, 2010** Minutes — *Action*

4. **TREASURER'S REPORT**
   A. Approval of Audit with SAS 114 Letter — *Action*
   B. Approval of 2011 Budget — *Action*
   C. Approval of Investment Policy Update — *Action*
   D. Approval of Reserve Policy and Designation for OPEB — *Action*

5. **OLD BUSINESS**

6. **NEW BUSINESS**
   A. Approval of Rules and Regulations Update — *Action*
   B. Approval of Records Retention Policy — *Action*

7. **PUBLIC COMMENT**
   Each speaker is limited to <u>two minutes</u>. If you are addressing the Board on a non-agenda item, the Board may briefly respond to statements made or questions posed as allowed by the Brown Act (Government Code Section 54954.2). However, the Board's general policy is to refer items to staff for attention, or have a matter placed on a future Board agenda for a more comprehensive action or report.

8. **NEXT MEETING: June 14, 2012, 11:15 a.m., location to be determined**

9. **ADJOURN**

<u>Americans with Disabilities Act</u>

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact Richard Averett at (831) 308.1508. Notification in advance of the meeting will enable Agency to make reasonable arrangements to ensure accessibility.

REGIONAL GOVERNMENT SERVICES
JOINT POWERS AUTHORITY
BOARD MINUTES

DRAFT
ACTION MINUTES

The Regional Government Services Joint Powers Authority held their Board meeting by teleconference on December 9, 2010 at **Association of Bay Area Governments**, Finance Dir. Office, Rm.301, 101 Eighth St., Oakland, CA 94604, **Dublin Civic Center**, City Manager's Office, 100 Civic Plaza, Dublin, CA 94568, **Larkspur City Hall**, City Manager's Office, 400 Magnolia Avenue, Larkspur, CA 94939, **San Mateo County Transit District**, Room 650, 1250 San Carlos Ave., San Carlos, CA 94070, **San Rafael City Hall**, City Manager's Conference Room, 1400 Fifth Avenue, San Rafael, CA 94915, **Yountville Town Hall**, Town Manager's Office, 6550 Yount Street, Yountville, CA 94599. The meeting was called to order at 4:19 p.m.

1. CALL TO ORDER

A. Members Present: Steve Rogers, Member; Jim Schutz, Member; Herb Pike, Alternate Member; Julie Carter, Alternate; Amy Koenig, Alternate Member
Members Absent: Dan Schwarz, Vice Chair
Other Attendees: Richard Averett, LGS Executive Director/CFO

B. Nominations were accepted for a new Chair for the LGS and RGS Board of Directors
ACTION: M/S Rogers/Carter to nominate Dan Schwarz as the new Chair of the Board of Directors.
AYES: Members Rogers and Schutz, Alternate Members Pike, Koenig and Carter
NOES: None
ABSTAIN: None
Nominations were accepted for a new Vice-Chair for the LGS and RGS Board of Directors
ACTION: M/S Carter/Schutz to nominate Steve Rogers as the new Vice-Chair of the LGS and RGS Board of Directors.
AYES: Members Rogers and Schutz, Alternate Members Pike, Koenig and Carter
NOES: None
ABSTAIN: None

C. Approval of appointment of Joni Pattillo from the City of Dublin as a new JPA Executive Committee Member
ACTION: M/S Koenig/Pike to approve the appointment of Joni Pattillo as a new JPA Executive Committee Member.
AYES: Members Rogers and Schutz, Alternate Members Pike, Koenig and Carter
NOES: None
ABSTAIN: None

2. CHANGES TO THE ORDER OF AGENDA - None.

3. APPROVAL OF CONSENT AGENDA

A. Approval of **June 10, 2010** Minutes
ACTION: M/S Schutz/Koenig to approve the consent agenda without change.
AYES: Members Rogers and Schutz, Alternate Members Koenig and Carter
NOES: None
ABSTAIN: Alternate Member Pike

4. NEW BUSINESS

A. Approval of Conflict of Interest Policy. The Executive Director reviewed the modifications to the Conflict of Interest Policy.
ACTION: M/S Pike/Carter to approve the Conflict of Interest Update as presented.
AYES: Members Rogers and Schutz, Alternate Members Pike, Koenig and Carter
NOES: None
ABSTAIN: None

5. NEXT MEETING – June 9, 2011, at 11:10 a.m. location to be determined.

6. ADJOURNED - Meeting adjourned at 4:21 p.m.

LOCAL AND REGIONAL GOVERNMENT SERVICES AUTHORITIES

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TO: BOARD OF DIRECTORS **BOD Meeting: 6-9-11**
FROM: RICHARD H. AVERETT, CFO/Treasurer **Item: 4A**
SUBJECT: APPROVAL OF AUDIT REPORTS FOR FISCAL YEAR ENDING JUNE 30, 2010

RECOMMENDATION

Review and approve the independent audit reports for fiscal year 2010.

BACKGROUND

The outside audit firm of Mayer Hoffman McCann, P.C. was retained to complete the fiscal year (FY) 2007 and FY2008 audits, and had since completed the FY2009 audits of both Local and Regional Government Services Authorities. Mayer Hoffman completed the FY2010 audits, and the Executive Committee approved the audits in February of this year. Hardcopies were distributed to Members and posted to the JPA's web site.

AUDIT RESULTS

Summaries of LGS and RGS audit results are below, with more information and analysis in the Management Discussion and Analysis section of each audit report. Overall, the FY2010 audit results indicate continuation of very positive financial results based on a sound business model. These financial results better enable the JPAs to provide quality services to our clients and employees.

LGS FINANCIAL HIGHLIGHTS

- Total net assets increased $309,835 in FY2010 and $278,316 in FY2009.
- Revenues from client reimbursements for services provided increased in FY2010 by $351,975 and in FY2009 increased by $988,831 from the 2008 fiscal year.
- Total operating expenditures in FY2010 increased $320,456 and in FY2009 increased $1.03 million from the 2008 fiscal year.
- Net assets at the end of FY2010 were $934,301 and at the end of FY2009 were $624,466.

RGS FINANCIAL HIGHLIGHTS

- Total net assets increased $227,635 in FY2010 and increased $54,380 in FY2009.
- Revenues from client reimbursements for services provided increased $1,218,079 in FY2010 from fiscal year 2009 and $236,881 in FY2009 from fiscal year 2008.
- Total operating expenditures increased $1,044,824 in FY2010 and increased $196,639 in FY2009 from FY2008.
- Net assets at the end of the fiscal year were $287,369 in FY2010 and were $59,734 in FY2009.

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TO: BOARD OF DIRECTORS **BOD Meeting: 6-9-11**
FROM: RICHARD H. AVERETT, Executive Director **Item: 4B**
SUBJECT: APPROVAL OF FY2012 BUDGET

RECOMMENDATION

Approval to adopt the Proposed FY2012 Budget as recommended by the Executive Committee.

BACKGROUND

The Fiscal Year (FY) 2012 proposed budget has been prepared in accordance with direction provided by the Executive Committee and Board of Directors. The budget is presented in the Profit and Loss (P&L) format provided to the Executive Committee at their regular meetings. Several budget assumptions have been made in developing the budget. They are:

1. Each JPA's budget is prepared separately, with RGS providing most operational services and all administrative staffing. Therefore, LGS reimburses RGS for administrative/overhead costs.
2. Client expenditures and reimbursement revenues for existing and potential clients are not budgeted in the next fiscal year unless there is a very high likelihood the "potential" business will be realized.
3. Costs are budgeted fully, and revenues are budgeted in accordance with client contracts.

FY2010 FINANCIAL PERFORMANCE

The LGS and RGS FY2009 budgets were adopted with projected addition to retained earnings of $263,800 and $68,500 respectively. Audited results show LGS adding $309,835 and RGS adding $227,635 for a net combined addition to retained earnings of $537,470 in FY2010.

FY2011 FINANCIAL PERFORMANCE

The LGS and RGS FY2011 budgets were adopted with projected addition to retained earnings of $456,100 and $101,300 respectively. Through April (ten months of the fiscal year), combined financial performance is better than last year and this year's budget. Because year-end accruals are expected to be higher than they were last year (due to the addition of several dozen staff for Gold Coast Health Plan), the budget includes an allowance for accruals that is most likely to be higher than actual accruals. Current year-end performance is estimated to add $230,000 and $162,000 or $392,000 combined addition to retained earnings.

This year's continued financial success is noteworthy because administrative expenses have increased for accounting, HR and IT services to support client needs. This year's performance confirms the conclusion of the last three years: Providing scalable services to public agencies and sharing with our clients the savings of economies of scale, can be done affordably and sustainably.

FY2012 PROPOSED BUDGET

The proposed FY2012 budget is balanced, with revenues exceeding expenditures by a combined $108,800. All major clients (those for whom the JPAs assign multiple staff) at the end of FY2011, except Transbay Joint Powers Authority, are budgeted to remain JPA clients through the fiscal year. Many new clients and additional client services were added during FY2011 that are budgeted to continue in FY2012.

Administrative support services are provided by the Executive Director/CFO, an hourly Director of Human Resources, HR Technician, Project Coordinator and Executive Assistant, and contract financial, administrative support and technology services.

Regional Government Services
FY2012 Budget

	Admin - JPA's				Belvedere			
	FY10	FY11 Proj'd	FY11 Budget	FY12 Budget	FY10	FY11 Proj'd	FY11 Budget	FY12 Budget
Ordinary Income/Expense								
Income								
440301 · Client Billings					148,800	87,705	146,228	
440400 · LGS - Admin. Services	419,366	696,336	531,555	632,100	0	0		
440410 · Client Administration Fees					0	0		
440420 · Finance Charges					0	0		
480000 · Miscellaneous Income	26,860	21,866	16,500	16,500	0	0		
Total Income	446,225	718,202	548,055	648,600	148,800	87,705	146,228	0
Expense								
511010 · Salaries - Regular	333,957	409,988	300,000	450,987	113,873	67,119	111,904	
511072 - Salaries - Nonbillable		5,168						
512002 · Medicare Employer Expense	4,280	5,919	4,350	6,511	1,651	973	1,623	
512003 · Workers' Comp Exp clerical	44,445	59,855	44,875	65,840				
512004 · Employee Assistance Program	3,000	3,380	3,000	3,718				
512005 · Health Insurance Expense	10,592	12,647	12,500	13,911				
512006 · Dental Insurance Expense	1,315	1,929	1,300	2,122				
512007 · Vision Insurance Expense	246	366	400	403				
512008 · Life Insurance Expense	527	609	650	670				
512009 · Long Term Disability Expense	754	1,011	1,100	1,112				
512010 · Stars 457 Expense			9,300					
512011 · Stars 401A Expense	36,750	47,312	30,000	52,043	11,387	6,712	11,190	
512012 · Calpers Retirement Expense	-4,006		3,500					
512014 · Short Term Disability Expense	592	702	700	772				
512018 · FSA Health & Day Care Expense	1,453	2,358	2,000	2,594				
520104 · Telephone/Internet	2,327	2,714	3,000	3,000				
520105 · Cell Phones	1,344	579	3,000	500				
520107 · ADP Payroll Fees	12,748	15,239	15,000	17,000				
520201 · Office Supplies	100	1,133	2,000	1,200				
520202 · Bank Fees & Services	5,297	4,658	5,000	5,123				
520204 · Printing & Postage	854	1,486	2,000	1,635				
520301 · Audit Services	16,650		33,000					
520302 · Legal Services	15,336	20,108	18,000	22,119				
520314 · Administrative Services	4,226		35,000					
520320 · Professional Services	104,304	107,917	110,000	110,000				
520501 · Professional Dues & Membership	447	17,044	1,000	18,749				
520503 · Conferences & Meetings	21,227	31,753	3,000	84,900				
520504 · Publications	1,467	40,132	3,000	40,000				
520508 · Licenses & Fees	125							
520701 · General Liability Insurance Exp	54,644	116,444	53,714	128,088				
520750 · Interest Expense	8	8						
520801 · Mileage Reimbursement	4,148	4,210	4,000	4,631				
520803 · Travel Reimbursement	494	1,912	2,000	2,103				
520805 · Supplies & Meals Reimbursement	1,118	2,910	1,000	3,201				
520904 · Computer Install & Maintenance	10,299	26,847	15,000	31,000				
522798 · Miscellaneous Expense								
570100 · Equipment Purchase	2,803		1,000	2,000				
Total Expense	693,871	946,338	723,389	1,075,933	126,911	74,804	124,717	0
Net Ordinary Income	-247,646	-228,136	-175,334	-427,333	21,889	12,902	21,511	0
Other Income/Expense								
Other Expense								
529997 · Unallocated Admin. Svcs - RGS	-239,555	-228,136	-191,845	-427,333				
529999 · Allocated Unbillable Expenses					12,552	5,330	13,645	
Total Other Expense	-239,555	-228,136	-191,845	-427,333	12,552	5,330	13,645	0
Net Other Income	239,555	228,136	191,845	427,333	-12,552	-5,330	-13,645	0
Net Income	**-8,091**	**0**	**16,511**	**0**	**9,337**	**7,572**	**7,866**	**0**

Regional Government Services
FY2012 Budget

	C-IV				Calistoga			
	FY10	FY11 Proj'd	FY11 Budget	FY12 Budget	FY10	FY11 Proj'd	FY11 Budget	FY12 Budget
Ordinary Income/Expense								
Income								
440301 · Client Billings	677,277	230,680	162,500	230,680	320	10,092		4,500
440400 · LGS - Admin. Services								
440410 · Client Administration Fees	-85,810	-19,256						
440420 · Finance Charges								
480000 · Miscellaneous Income	195	2,717						
Total Income	591,662	214,140	162,500	230,680	320	10,092	0	4,500
Expense								
511010 · Salaries - Regular	351,381	167,498	122,829	167,498	240	6,867		3,400
511072 - Salaries - Nonbillable								
512002 · Medicare Employer Expense	3,891	2,311	2,019	2,311	3	100		49
512003 · Workers' Comp Exp clerical								
512004 · Employee Assistance Program								
512005 · Health Insurance Expense	8,973	553	4,730	553		55		
512006 · Dental Insurance Expense	1,569	1,373	850	1,373				
512007 · Vision Insurance Expense	487	276	279	276				
512008 · Life Insurance Expense	963	451	529	451				
512009 · Long Term Disability Expense	1,178	774	591	774				
512010 · Stars 457 Expense								
512011 · Stars 401A Expense	23,118	14,575	12,126	14,575	24	687		340
512012 · Calpers Retirement Expense								
512014 · Short Term Disability Expense	1,336	769	681	769				
512018 · FSA Health & Day Care Expense								
520104 · Telephone/Internet	50							
520105 · Cell Phones	300							
520107 · ADP Payroll Fees								
520201 · Office Supplies								
520202 · Bank Fees & Services								
520204 · Printing & Postage								
520301 · Audit Services								
520302 · Legal Services	195							
520314 · Administrative Services								
520320 · Professional Services								
520501 · Professional Dues & Membership								
520503 · Conferences & Meetings	6,813	5,374		5,374				
520504 · Publications								
520508 · Licenses & Fees								
520701 · General Liability Insurance Exp								
520750 · Interest Expense								
520801 · Mileage Reimbursement	17,578	852		852		47		
520803 · Travel Reimbursement	37,982	333		333				
520805 · Supplies & Meals Reimbursement	7,216	1,932		1,932				
520904 · Computer Install & Maintenance								
522798 · Miscellaneous Expense								
570100 · Equipment Purchase								
Total Expense	463,030	197,070	144,634	197,070	267	7,755	0	3,789
Net Ordinary Income	128,632	17,071	17,866	33,610	53	2,337	0	711
Other Income/Expense								
Other Expense								
529997 · Unallocated Admin. Svcs - RGS								
529999 · Allocated Unbillable Expenses	49,908	10,649	15,959	21,681	27	511		
Total Other Expense	49,908	10,649	15,959	21,681	27	511	0	0
Net Other Income	-49,908	-10,649	-15,959	-21,681	-27	-511	0	0
Net Income	**78,723**	**6,421**	**1,907**	**11,929**	**26**	**1,826**	**0**	**711**

Regional Government Services
FY2012 Budget

	Davis				Gilroy			
	FY10	FY11 Proj'd	FY11 Budget	FY12 Budget	FY10	FY11 Proj'd	FY11 Budget	FY12 Budget
Ordinary Income/Expense								
Income								
440301 · Client Billings		95,730		30,000		3,420		
440400 · LGS - Admin. Services								
440410 · Client Administration Fees								
440420 · Finance Charges								
480000 · Miscellaneous Income						468		
Total Income	0	95,730	0	30,000	0	3,888	0	0
Expense								
511010 · Salaries - Regular		73,233		22,000		2,862		
511072 - Salaries - Nonbillable								
512002 · Medicare Employer Expense		1,062		319		42		
512003 · Workers' Comp Exp clerical								
512004 · Employee Assistance Program								
512005 · Health Insurance Expense								
512006 · Dental Insurance Expense								
512007 · Vision Insurance Expense								
512008 · Life Insurance Expense								
512009 · Long Term Disability Expense								
512010 · Stars 457 Expense								
512011 · Stars 401A Expense		7,323		2,200		286		
512012 · Calpers Retirement Expense								
512014 · Short Term Disability Expense								
512018 · FSA Health & Day Care Expense								
520104 · Telephone/Internet								
520105 · Cell Phones								
520107 · ADP Payroll Fees								
520201 · Office Supplies								
520202 · Bank Fees & Services								
520204 · Printing & Postage								
520301 · Audit Services								
520302 · Legal Services								
520314 · Administrative Services								
520320 · Professional Services								
520501 · Professional Dues & Membership								
520503 · Conferences & Meetings								
520504 · Publications								
520508 · Licenses & Fees								
520701 · General Liability Insurance Exp								
520750 · Interest Expense								
520801 · Mileage Reimbursement						468		
520803 · Travel Reimbursement								
520805 · Supplies & Meals Reimbursement								
520904 · Computer Install & Maintenance								
522798 · Miscellaneous Expense								
570100 · Equipment Purchase								
Total Expense	0	81,619	0	24,519	0	3,658	0	0
Net Ordinary Income	0	14,111	0	5,481	0	230	0	0
Other Income/Expense								
Other Expense								
529997 · Unallocated Admin. Svcs - RGS								
529999 · Allocated Unbillable Expenses		4,848		2,820		197		
Total Other Expense	0	4,848	0	2,820	0	197	0	0
Net Other Income	0	-4,848	0	-2,820	0	-197	0	0
Net Income	**0**	**9,263**	**0**	**2,661**	**0**	**0**	**33**	**0**	**0**	**0**

Regional Government Services
FY2012 Budget

	GCHP				Larkspur			
	FY10	FY11 Proj'd	FY11 Budget	FY12 Budget	FY10	FY11 Proj'd	FY11 Budget	FY12 Budget
Ordinary Income/Expense								
Income								
440301 · Client Billings	1,993	1,955,824		4,200,000	15,247	7,209		15,000
440400 · LGS - Admin. Services								
440410 · Client Administration Fees		33,610		50,000				
440420 · Finance Charges		7,699						
480000 · Miscellaneous Income		59,461		70,461				
Total Income	1,993	2,056,593	0	4,320,461	15,247	7,209	0	15,000
Expense								
511010 · Salaries - Regular	1,275	1,614,354		3,500,000	11,284	5,670		10,000
511072 - Salaries - Nonbillable								
512002 · Medicare Employer Expense	18	18,203		50,750	164	79		145
512003 · Workers' Comp Exp clerical								
512004 · Employee Assistance Program								
512005 · Health Insurance Expense		37,821		38,000		591		1,000
512006 · Dental Insurance Expense		6,840		10,000				
512007 · Vision Insurance Expense		1,221		2,000	2			
512008 · Life Insurance Expense		1,827		2,800	5			
512009 · Long Term Disability Expense		3,017		4,600	9			
512010 · Stars 457 Expense								
512011 · Stars 401A Expense	128	123,522		350,000	1,194	567		1,000
512012 · Calpers Retirement Expense								
512014 · Short Term Disability Expense		2,799		4,300	7			
512018 · FSA Health & Day Care Expense								
520104 · Telephone/Internet		170						
520105 · Cell Phones								
520107 · ADP Payroll Fees								
520201 · Office Supplies								
520202 · Bank Fees & Services								
520204 · Printing & Postage		366						
520301 · Audit Services								
520302 · Legal Services		4,050		2,000				
520314 · Administrative Services								
520320 · Professional Services								
520501 · Professional Dues & Membership		590		1,000				
520503 · Conferences & Meetings								
520504 · Publications		5,081		5,000				
520508 · Licenses & Fees								
520701 · General Liability Insurance Exp								
520750 · Interest Expense								
520801 · Mileage Reimbursement	14	11,231		13,000		151		500
520803 · Travel Reimbursement		46,702		20,000				
520805 · Supplies & Meals Reimbursement		7,616		10,000				
520904 · Computer Install & Maintenance		707						
522798 · Miscellaneous Expense								
570100 · Equipment Purchase								
Total Expense	1,435	1,886,119	0	4,013,450	12,665	7,058	0	12,645
Net Ordinary Income	557	170,474	0	307,011	2,582	151	0	2,355
Other Income/Expense								
Other Expense								
529997 · Unallocated Admin. Svcs - RGS								
529999 · Allocated Unbillable Expenses	168	126,475		286,061	1,286	365		1,410
Total Other Expense	168	126,475	0	286,061	1,286	365	0	1,410
Net Other Income	-168	-126,475	0	-286,061	-1,286	-365	0	-1,410
Net Income	**389**	**44,000**	**0**	**20,949**	**0**	**1,296**	**-214**	**0**	**945**	**0**

Regional Government Services
FY2012 Budget

	LGS - TAM				MMWD			
	FY10	FY11 Proj'd	FY11 Budget	FY12 Budget	FY10	FY11 Proj'd	FY11 Budget	FY12 Budget
Ordinary Income/Expense								
Income								
440301 · Client Billings	1,601					63,467		31,734
440400 · LGS - Admin. Services	104,245	256,595	101,000	256,595				
440410 · Client Administration Fees								
440420 · Finance Charges								
480000 · Miscellaneous Income	43	2,932						
Total Income	105,889	259,527	101,000	256,595	0	63,467	0	31,734
Expense								
511010 · Salaries - Regular	91,416	222,258	86,468	222,258		51,170		24,585
511072 - Salaries - Nonbillable								0
512002 · Medicare Employer Expense	1,338	3,254	1,263	3,254		742		371
512003 · Workers' Comp Exp clerical								0
512004 · Employee Assistance Program								0
512005 · Health Insurance Expense								0
512006 · Dental Insurance Expense	444	1,513	280	1,513				0
512007 · Vision Insurance Expense	-22	303	-177	303				0
512008 · Life Insurance Expense	178	497	190	497				0
512009 · Long Term Disability Expense	307	855	328	855				0
512010 · Stars 457 Expense								0
512011 · Stars 401A Expense	11,813	26,911	12,280	26,911		5,117		2,558
512012 · Calpers Retirement Expense								
512014 · Short Term Disability Expense	298	833	318	833				
512018 · FSA Health & Day Care Expense								
520104 · Telephone/Internet								
520105 · Cell Phones								
520107 · ADP Payroll Fees								
520201 · Office Supplies								
520202 · Bank Fees & Services								
520204 · Printing & Postage								
520301 · Audit Services								
520302 · Legal Services	116	368		172		257		
520314 · Administrative Services								
520320 · Professional Services		2,735						
520501 · Professional Dues & Membership								
520503 · Conferences & Meetings								
520504 · Publications								
520508 · Licenses & Fees								
520701 · General Liability Insurance Exp								
520750 · Interest Expense								
520801 · Mileage Reimbursement								
520803 · Travel Reimbursement								
520805 · Supplies & Meals Reimbursement								
520904 · Computer Install & Maintenance								
522798 · Miscellaneous Expense								
570100 · Equipment Purchase								
Total Expense	105,889	259,527	100,950	256,595	0	57,286	0	27,514
Net Ordinary Income	0	0	50	-0	0	6,182	0	4,219
Other Income/Expense								
Other Expense								
529997 · Unallocated Admin. Svcs - RGS								
529999 · Allocated Unbillable Expenses	139					3,214		
Total Other Expense	139	0	0	0	0	3,214	0	0
Net Other Income	-139	0	0	0	0	-3,214	0	0
Net Income	**-139**	**0**	**50**	**-0**	**0**	**2,968**	**0**	**4,219**

Regional Government Services
FY2012 Budget

	Marin Transit District				MEA			
	FY10	FY11 Proj'd	FY11 Budge	FY12 Budget	FY10	FY11 Proj'd	FY11 Budge	FY12 Budget
Ordinary Income/Expense								
Income								
440301 · Client Billings	243,028	498,321	338,400	247,823	37,523	475,359	240,000	
440400 · LGS - Admin. Services								
440410 · Client Administration Fees	-23,727	-172,104			-7,097	-237,555		
440420 · Finance Charges						256		
480000 · Miscellaneous Income	325							
Total Income	219,626	326,217	338,400	247,823	30,425	238,060	240,000	0
Expense								
511010 · Salaries - Regular	147,213	232,901	246,827	192,901	16,147	138,648	184,000	
511072 - Salaries - Nonbillable								
512002 · Medicare Employer Expense	2,131	2,822	3,613	2,797	235	1,694	2,668	
512003 · Workers' Comp Exp clerical								
512004 · Employee Assistance Program								
512005 · Health Insurance Expense	-1	6,989		4,992	524	6,006		
512006 · Dental Insurance Expense	668	2,215	1,195	1,582	57	2,066		
512007 · Vision Insurance Expense	181	348	323	249	-13	462		
512008 · Life Insurance Expense	457	515	761	368	25	373		
512009 · Long Term Disability Expense	783	879	1,302	628	42	635		
512010 · Stars 457 Expense								
512011 · Stars 401A Expense	13,566	18,554	22,703	19,290	1,734	13,467	18,400	
512012 · Calpers Retirement Expense								
512014 · Short Term Disability Expense	777	872	1,292	623	42	630		
512018 · FSA Health & Day Care Expense								
520104 · Telephone/Internet								
520105 · Cell Phones								
520107 · ADP Payroll Fees		375		268				
520201 · Office Supplies								
520202 · Bank Fees & Services								
520204 · Printing & Postage								
520301 · Audit Services								
520302 · Legal Services		386		276	154			
520314 · Administrative Services								
520320 · Professional Services								
520501 · Professional Dues & Membership								
520503 · Conferences & Meetings								
520504 · Publications		1,067		533				
520508 · Licenses & Fees								
520701 · General Liability Insurance Exp								
520750 · Interest Expense								
520801 · Mileage Reimbursement	183	46		23				
520803 · Travel Reimbursement								
520805 · Supplies & Meals Reimbursement	20							
520904 · Computer Install & Maintenance								
522798 · Miscellaneous Expense								
570100 · Equipment Purchase								
Total Expense	165,977	267,971	278,016	224,531	18,945	163,981	205,068	0
Net Ordinary Income	53,649	58,246	60,384	23,292	11,480	74,079	34,932	0
Other Income/Expense								
Other Expense								
529997 · Unallocated Admin. Svcs - RGS								
529999 · Allocated Unbillable Expenses	18,526	16,520	31,584	23,292	2,566	16,466		
Total Other Expense	18,526	16,520	31,584	23,292	2,566	16,466	0	0
Net Other Income	-18,526	-16,520	-31,584	-23,292	-2,566	-16,466	0	0
Net Income	**35,122**	**41,726**	**28,800**	**0**	**8,914**	**57,613**	**34,932**	**0**

Regional Government Services
FY2012 Budget

	Menlo Park FPD				Menlo Park US&R			
	FY10	FY11 Proj'd	FY11 Budget	FY12 Budget	FY10	FY11 Proj'd	FY11 Budget	FY12 Budget
Ordinary Income/Expense								
Income								
440301 · Client Billings	206,525	140,818	200,247	140,818	149,650	23,250	140,000	93,000
440400 · LGS - Admin. Services								
440410 · Client Administration Fees								
440420 · Finance Charges								
480000 · Miscellaneous Income								
Total Income	206,525	140,818	200,247	140,818	149,650	23,250	140,000	93,000
Expense								
511010 · Salaries - Regular	155,692	109,358	149,939	109,358	120,280	18,600	107,413	74,400
511072 - Salaries - Nonbillable								
512002 · Medicare Employer Expense	2,219	1,545	2,151	1,545	1,672	270	1,509	1,079
512003 · Workers' Comp Exp clerical								
512004 · Employee Assistance Program								
512005 · Health Insurance Expense								
512006 · Dental Insurance Expense	1,334		1,327					
512007 · Vision Insurance Expense	252		255					
512008 · Life Insurance Expense	87		116					
512009 · Long Term Disability Expense	175		233					
512010 · Stars 457 Expense								
512011 · Stars 401A Expense	15,060	10,014	14,480	10,014	12,085	1,860	10,741	7,440
512012 · Calpers Retirement Expense								
512014 · Short Term Disability Expense	124		165					
512018 · FSA Health & Day Care Expense								
520104 · Telephone/Internet								
520105 · Cell Phones								
520107 · ADP Payroll Fees								
520201 · Office Supplies								
520202 · Bank Fees & Services								
520204 · Printing & Postage								
520301 · Audit Services								
520302 · Legal Services	706							
520314 · Administrative Services								
520320 · Professional Services								
520501 · Professional Dues & Membership								
520503 · Conferences & Meetings								
520504 · Publications								
520508 · Licenses & Fees								
520701 · General Liability Insurance Exp								
520750 · Interest Expense								
520801 · Mileage Reimbursement								
520803 · Travel Reimbursement								
520805 · Supplies & Meals Reimbursement	25	65						
520904 · Computer Install & Maintenance								
522798 · Miscellaneous Expense								
570100 · Equipment Purchase								
Total Expense	175,674	120,982	168,666	120,918	134,037	20,730	119,663	82,919
Net Ordinary Income	30,851	19,835	31,581	19,900	15,613	2,520	20,337	10,081
Other Income/Expense								
Other Expense								
529997 · Unallocated Admin. Svcs - RGS								
529999 · Allocated Unbillable Expenses	17,421	7,131	18,685	13,235	12,623	471	13,067	8,741
Total Other Expense	17,421	7,131	18,685	13,235	12,623	471	13,067	8,741
Net Other Income	-17,421	-7,131	-18,685	-13,235	-12,623	-471	-13,067	-8,741
Net Income	**13,430**	**12,704**	**12,896**	**6,665**	**0**	**2,990**	**2,049**	**7,270**	**1,341**	**0**

Regional Government Services
FY2012 Budget

	MERA				MGSA			
	FY10	FY11 Proj'd	FY11 Budget	FY12 Budget	FY10	FY11 Proj'd	FY11 Budget	FY12 Budget
Ordinary Income/Expense								
Income								
440301 · Client Billings	81,000	90,000	78,000	90,000	183,171	229,977	185,000	229,977
440400 · LGS - Admin. Services								
440410 · Client Administration Fees					5,630			
440420 · Finance Charges								
480000 · Miscellaneous Income					2,359	1,197		1,197
Total Income	81,000	90,000	78,000	90,000	191,161	231,174	185,000	231,174
Expense								
511010 · Salaries - Regular	64,900	70,538	61,133	70,538	159,013	181,416	142,000	181,416
511072 - Salaries - Nonbillable								
512002 · Medicare Employer Expense	941	1,023	886	1,023	2,311	2,645	2,059	2,645
512003 · Workers' Comp Exp clerical								
512004 · Employee Assistance Program								
512005 · Health Insurance Expense					2,140			
512006 · Dental Insurance Expense					255			
512007 · Vision Insurance Expense					61			
512008 · Life Insurance Expense					84			
512009 · Long Term Disability Expense					143			
512010 · Stars 457 Expense								
512011 · Stars 401A Expense	6,468	7,054	6,113	7,054	15,902	18,142	14,200	18,142
512012 · Calpers Retirement Expense								
512014 · Short Term Disability Expense					142			
512018 · FSA Health & Day Care Expense								
520104 · Telephone/Internet					154			
520105 · Cell Phones								
520107 · ADP Payroll Fees								
520201 · Office Supplies					51	75		75
520202 · Bank Fees & Services								
520204 · Printing & Postage								
520301 · Audit Services								
520302 · Legal Services								
520314 · Administrative Services								
520320 · Professional Services								
520501 · Professional Dues & Membership								
520503 · Conferences & Meetings					375			
520504 · Publications								
520508 · Licenses & Fees								
520701 · General Liability Insurance Exp								
520750 · Interest Expense								
520801 · Mileage Reimbursement					1,824	1,635		1,635
520803 · Travel Reimbursement					447	543		543
520805 · Supplies & Meals Reimbursement					1,373	1,781		1,781
520904 · Computer Install & Maintenance								
522798 · Miscellaneous Expense								
570100 · Equipment Purchase								
Total Expense	72,309	78,615	68,132	78,615	184,274	206,238	158,259	206,238
Net Ordinary Income	8,691	11,385	9,868	11,385	6,887	24,936	26,741	24,936
Other Income/Expense								
Other Expense								
529997 · Unallocated Admin. Svcs - RGS								
529999 · Allocated Unbillable Expenses	6,833	4,558	7,280	8,459	16,125	11,707	17,267	21,727
Total Other Expense	6,833	4,558	7,280	8,459	16,125	11,707	17,267	21,727
Net Other Income	-6,833	-4,558	-7,280	-8,459	-16,125	-11,707	-17,267	-21,727
Net Income	**1,859**	**6,827**	**2,588**	**2,926**	**0**	**-9,238**	**13,229**	**9,474**	**3,209**	**0**

Regional Government Services
FY2012 Budget

	MTA				MTC			
	FY10	FY11 Proj'd	FY11 Budget	FY12 Budget	FY10	FY11 Proj'd	FY11 Budget	FY12 Budget
Ordinary Income/Expense								
Income								
440301 · Client Billings	16,891	40,539		40,539	4,919	49,810		49,810
440400 · LGS - Admin. Services					8,049	8,948		8,948
440410 · Client Administration Fees								
440420 · Finance Charges								
480000 · Miscellaneous Income								
Total Income	16,891	40,539	0	40,539	12,967	58,758	0	58,758
Expense								
511010 · Salaries - Regular		26,000		26,000	7,339	52,335		52,335
511072 - Salaries - Nonbillable								
512002 · Medicare Employer Expense		377		377	98	753		753
512003 · Workers' Comp Exp clerical								
512004 · Employee Assistance Program								
512005 · Health Insurance Expense		5,000		5,000		1		1
512006 · Dental Insurance Expense		687		687		1		1
512007 · Vision Insurance Expense		183		183				
512008 · Life Insurance Expense		251		251				
512009 · Long Term Disability Expense		427		427				
512010 · Stars 457 Expense								
512011 · Stars 401A Expense		2,600		2,600	678	5,065		5,065
512012 · Calpers Retirement Expense								
512014 · Short Term Disability Expense		424		424				
512018 · FSA Health & Day Care Expense								
520104 · Telephone/Internet								
520105 · Cell Phones								
520107 · ADP Payroll Fees								
520201 · Office Supplies		50		50				
520202 · Bank Fees & Services								
520204 · Printing & Postage								
520301 · Audit Services								
520302 · Legal Services					749	154		154
520314 · Administrative Services								
520320 · Professional Services					3,950			
520501 · Professional Dues & Membership								
520503 · Conferences & Meetings					77	-150		-150
520504 · Publications								
520508 · Licenses & Fees								
520701 · General Liability Insurance Exp								
520750 · Interest Expense								
520801 · Mileage Reimbursement	42			100	76			
520803 · Travel Reimbursement						599		599
520805 · Supplies & Meals Reimbursement	28			100				
520904 · Computer Install & Maintenance								
522798 · Miscellaneous Expense								
570100 · Equipment Purchase								
Total Expense	70	35,999	0	36,199	12,967	58,758	0	58,758
Net Ordinary Income	16,821	4,540	0	4,340	0	0	0	0
Other Income/Expense								
Other Expense								
529997 · Unallocated Admin. Svcs - RGS								
529999 · Allocated Unbillable Expenses	1,425	2,053		3,810	415			
Total Other Expense	1,425	2,053	0	3,810	415	0	0	0
Net Other Income	-1,425	-2,053	0	-3,810	-415	0	0	0
Net Income	**15,396**	**2,487**	**0**	**530**	**0**	**-415**	**0**	**0**	**0**	**0**

Regional Government Services
FY2012 Budget

	Rohnert Park				San Bruno			
	FY10	FY11 Proj'd	FY11 Budget	FY12 Budget	FY10	FY11 Proj'd	FY11 Budget	FY12 Budget
Ordinary Income/Expense								
Income								
440301 · Client Billings	23,165	94,488	30,000	94,488		28,627		28,627
440400 · LGS - Admin. Services								
440410 · Client Administration Fees	-8,568							
440420 · Finance Charges								
480000 · Miscellaneous Income								
Total Income	14,597	94,488	30,000	94,488	0	28,627	0	28,627
Expense								
511010 · Salaries - Regular	8,265	71,825	24,000	71,825		23,724		23,724
511072 - Salaries - Nonbillable								
512002 · Medicare Employer Expense	120	1,020	348	1,020		344		344
512003 · Workers' Comp Exp clerical								
512004 · Employee Assistance Program								
512005 · Health Insurance Expense		3,219		3,219				
512006 · Dental Insurance Expense						679		679
512007 · Vision Insurance Expense						133		133
512008 · Life Insurance Expense								
512009 · Long Term Disability Expense								
512010 · Stars 457 Expense								
512011 · Stars 401A Expense	827	7,108	2,400	7,108		2,368		2,368
512012 · Calpers Retirement Expense								
512014 · Short Term Disability Expense								
512018 · FSA Health & Day Care Expense								
520104 · Telephone/Internet								
520105 · Cell Phones								
520107 · ADP Payroll Fees								
520201 · Office Supplies								
520202 · Bank Fees & Services								
520204 · Printing & Postage								
520301 · Audit Services								
520302 · Legal Services						193		
520314 · Administrative Services								
520320 · Professional Services								
520501 · Professional Dues & Membership								
520503 · Conferences & Meetings								
520504 · Publications								
520508 · Licenses & Fees								
520701 · General Liability Insurance Exp								
520750 · Interest Expense								
520801 · Mileage Reimbursement								
520803 · Travel Reimbursement								
520805 · Supplies & Meals Reimbursement								
520904 · Computer Install & Maintenance								
522798 · Miscellaneous Expense			3,300					
570100 · Equipment Purchase								
Total Expense	9,211	83,173	30,048	83,173	0	27,441	0	27,248
Net Ordinary Income	5,386	11,315	-48	11,315	0	1,187	0	1,380
Other Income/Expense								
Other Expense								
529997 · Unallocated Admin. Svcs - RGS								
529999 · Allocated Unbillable Expenses	1,231	4,785		8,881		1,450		1,291
Total Other Expense	1,231	4,785	0	8,881	0	1,450	0	1,291
Net Other Income	-1,231	-4,785	0	-8,881	0	-1,450	0	-1,291
Net Income	**4,154**	**6,530**	**-48**	**2,435**	**0**	**-263**	**0**	**89**

Regional Government Services
FY2012 Budget

	San Mateo City				San Mateo County			
	FY10	FY11 Proj'd	FY11 Budget	FY12 Budget	FY10	FY11 Proj'd	FY11 Budget	FY12 Budget
Ordinary Income/Expense								
Income								
440301 · Client Billings		16,353				18,000		7,000
440400 · LGS - Admin. Services								
440410 · Client Administration Fees								
440420 · Finance Charges								
480000 · Miscellaneous Income								
Total Income	0	16,353	0	0	0	18,000	0	7,000
Expense								
511010 · Salaries - Regular		12,940				17,349		4,500
511072 - Salaries - Nonbillable								
512002 · Medicare Employer Expense		188				252		65
512003 · Workers' Comp Exp clerical								
512004 · Employee Assistance Program								
512005 · Health Insurance Expense						291		
512006 · Dental Insurance Expense								
512007 · Vision Insurance Expense								
512008 · Life Insurance Expense								
512009 · Long Term Disability Expense								
512010 · Stars 457 Expense								
512011 · Stars 401A Expense		1,294				1,444		450
512012 · Calpers Retirement Expense								
512014 · Short Term Disability Expense								
512018 · FSA Health & Day Care Expense								
520104 · Telephone/Internet								
520105 · Cell Phones								
520107 · ADP Payroll Fees								
520201 · Office Supplies								
520202 · Bank Fees & Services								
520204 · Printing & Postage								
520301 · Audit Services								
520302 · Legal Services								
520314 · Administrative Services								
520320 · Professional Services								
520501 · Professional Dues & Membership								
520503 · Conferences & Meetings								
520504 · Publications								
520508 · Licenses & Fees								
520701 · General Liability Insurance Exp								
520750 · Interest Expense								
520801 · Mileage Reimbursement						377		200
520803 · Travel Reimbursement								
520805 · Supplies & Meals Reimbursement								
520904 · Computer Install & Maintenance								
522798 · Miscellaneous Expense								
570100 · Equipment Purchase								
Total Expense	0	14,422	0	0	0	19,713	0	5,215
Net Ordinary Income	0	1,931	0	0	0	-1,713	0	1,785
Other Income/Expense								
Other Expense								
529997 · Unallocated Admin. Svcs - RGS								
529999 · Allocated Unbillable Expenses		828				461		658
Total Other Expense	0	828	0	0	0	461	0	658
Net Other Income	0	-828	0	0	0	-461	0	-658
Net Income	**0**	**1,103**	**0**	**0**	**0**	**-2,174**	**0**	**1,127**	**0**

Regional Government Services
FY2012 Budget

	San Rafael				Sausalito			
	FY10	FY11 Proj'd	FY11 Budget	FY12 Budget	FY10	FY11 Proj'd	FY11 Budget	FY12 Budget
Ordinary Income/Expense								
Income								
440301 · Client Billings	390,906	278,879	265,000	278,879	181,000	181,000	181,000	181,000
440400 · LGS - Admin. Services								
440410 · Client Administration Fees								
440420 · Finance Charges								
480000 · Miscellaneous Income	654			500				
Total Income	391,560	278,879	265,000	279,379	181,000	181,000	181,000	181,000
Expense								
511010 · Salaries - Regular	294,537	217,632	190,000	217,632	141,780	141,696	141,840	141,696
511072 - Salaries - Nonbillable								
512002 · Medicare Employer Expense	4,253	3,137	2,755	3,156	2,088	2,086	2,089	2,086
512003 · Workers' Comp Exp clerical								
512004 · Employee Assistance Program								
512005 · Health Insurance Expense	6,273	6,595	6,224	6,595				
512006 · Dental Insurance Expense	663	687	700	687	667	687	664	687
512007 · Vision Insurance Expense	477	458	485	458	166	183	160	183
512008 · Life Insurance Expense	968	683	1,050	683	470	470	470	470
512009 · Long Term Disability Expense	1,663	1,174	1,800	1,174	810	810	810	810
512010 · Stars 457 Expense								
512011 · Stars 401A Expense	34,427	27,239	28,500	27,239	13,518	13,500	13,524	13,500
512012 · Calpers Retirement Expense								
512014 · Short Term Disability Expense	1,506	1,018	1,600	1,018	715	715	715	715
512018 · FSA Health & Day Care Expense								
520104 · Telephone/Internet								
520105 · Cell Phones								
520107 · ADP Payroll Fees								
520201 · Office Supplies								
520202 · Bank Fees & Services								
520204 · Printing & Postage								
520301 · Audit Services								
520302 · Legal Services								
520314 · Administrative Services								
520320 · Professional Services								
520501 · Professional Dues & Membership								
520503 · Conferences & Meetings	-662	112						
520504 · Publications								
520508 · Licenses & Fees								
520701 · General Liability Insurance Exp								
520750 · Interest Expense								
520801 · Mileage Reimbursement								
520803 · Travel Reimbursement	2,901	448	3,494	500				
520805 · Supplies & Meals Reimbursement	5							
520904 · Computer Install & Maintenance								
522798 · Miscellaneous Expense	-53							
570100 · Equipment Purchase								
Total Expense	346,959	259,183	236,608	259,141	160,214	160,148	160,272	160,148
Net Ordinary Income	44,601	19,696	28,392	20,238	20,786	20,852	20,728	20,852
Other Income/Expense								
Other Expense								
529997 · Unallocated Admin. Svcs - RGS								
529999 · Allocated Unbillable Expenses	33,029	14,123	24,733	16,258	15,268	9,166	16,893	17,011
Total Other Expense	33,029	14,123	24,733	16,258	15,268	9,166	16,893	17,011
Net Other Income	-33,029	-14,123	-24,733	-16,258	-15,268	-9,166	-16,893	-17,011
Net Income	**11,572**	**5,573**	**3,659**	**3,980**	**5,518**	**11,686**	**3,835**	**3,841**

Regional Government Services
FY2012 Budget

	SBWMA				SFHA	SMARTD			
	FY10	FY11 Proj'd	FY11 Budge	FY12 Budget	FY10	FY10	FY11 Proj'd	FY11 Budge	FY12 Budget
Ordinary Income/Expense									
Income									
440301 · Client Billings	3,163	300			638	1,850	20,850		
440400 · LGS - Admin. Services									
440410 · Client Administration Fees									
440420 · Finance Charges									
480000 · Miscellaneous Income									
Total Income	3,163	300	0	0	638	1,850	20,850	0	0
Expense									
511010 · Salaries - Regular	943	225			319	1,327	15,069		
511072 - Salaries - Nonbillable									
512002 · Medicare Employer Expense	14	3			5	19	219		
512003 · Workers' Comp Exp clerical									
512004 · Employee Assistance Program									
512005 · Health Insurance Expense							44		
512006 · Dental Insurance Expense									
512007 · Vision Insurance Expense									
512008 · Life Insurance Expense									
512009 · Long Term Disability Expense									
512010 · Stars 457 Expense									
512011 · Stars 401A Expense	94	23			32	133	1,507		
512012 · Calpers Retirement Expense									
512014 · Short Term Disability Expense									
512018 · FSA Health & Day Care Expense									
520104 · Telephone/Internet									
520105 · Cell Phones									
520107 · ADP Payroll Fees									
520201 · Office Supplies									
520202 · Bank Fees & Services									
520204 · Printing & Postage									
520301 · Audit Services									
520302 · Legal Services									
520314 · Administrative Services									
520320 · Professional Services									
520501 · Professional Dues & Membership									
520503 · Conferences & Meetings									
520504 · Publications									
520508 · Licenses & Fees									
520701 · General Liability Insurance Exp									
520750 · Interest Expense									
520801 · Mileage Reimbursement							46		
520803 · Travel Reimbursement									
520805 · Supplies & Meals Reimbursement									
520904 · Computer Install & Maintenance									
522798 · Miscellaneous Expense									
570100 · Equipment Purchase					0				
Total Expense	1,050	251	0	0	355	1,479	16,885	0	0
Net Ordinary Income	2,112	49	0	0	282	371	3,965	0	0
Other Income/Expense									
Other Expense									
529997 · Unallocated Admin. Svcs - RGS									
529999 · Allocated Unbillable Expenses	267	15			54	156	1,056		
Total Other Expense	267	15	0	0	54	156	1,056	0	0
Net Other Income	-267	-15	0	0	-54	-156	-1,056	0	0
Net Income	**1,845**	**34**	**0**	**0**	**0 228**	**0 215**	**2,909**	**0**	**0**

Regional Government Services
FY2012 Budget

	STARS				Stockton			
	FY10	FY11 Proj'd	FY11 Budget	FY12 Budget	FY10	FY11 Proj'd	FY11 Budget	FY12 Budget
Ordinary Income/Expense								
Income								
440301 · Client Billings					91,882	116,093	91,000	
440400 · LGS - Admin. Services								
440410 · Client Administration Fees								
440420 · Finance Charges								
480000 · Miscellaneous Income								
Total Income	0	0	0	0	91,882	116,093	91,000	0
Expense								
511010 · Salaries - Regular	14,947	13,925	16,612	10,000	74,552	99,000	73,603	
511072 - Salaries - Nonbillable								
512002 · Medicare Employer Expense	217	202	242	145	1,095	1,513	1,078	
512003 · Workers' Comp Exp clerical								
512004 · Employee Assistance Program								
512005 · Health Insurance Expense	923	720	1,021	1,021				
512006 · Dental Insurance Expense	88	77	93	93				
512007 · Vision Insurance Expense	18	17	18	18				
512008 · Life Insurance Expense	52	36	58	58	210	303	168	
512009 · Long Term Disability Expense	86	61	96	96	362	520	290	
512010 · Stars 457 Expense								
512011 · Stars 401A Expense	2,235	2,082	2,484	1,500	7,125	9,901	7,030	
512012 · Calpers Retirement Expense								
512014 · Short Term Disability Expense	57	41	64	64	298	429	238	
512018 · FSA Health & Day Care Expense								
520104 · Telephone/Internet		25						
520105 · Cell Phones								
520107 · ADP Payroll Fees								
520201 · Office Supplies								
520202 · Bank Fees & Services								
520204 · Printing & Postage								
520301 · Audit Services								
520302 · Legal Services	1,313		7,000	3,000	146			
520314 · Administrative Services								
520320 · Professional Services								
520501 · Professional Dues & Membership								
520503 · Conferences & Meetings								
520504 · Publications								
520508 · Licenses & Fees								
520701 · General Liability Insurance Exp								
520750 · Interest Expense								
520801 · Mileage Reimbursement								
520803 · Travel Reimbursement								
520805 · Supplies & Meals Reimbursement								
520904 · Computer Install & Maintenance								
522798 · Miscellaneous Expense								
570100 · Equipment Purchase								
Total Expense	19,936	17,185	27,688	15,995	83,787	111,666	82,407	0
Net Ordinary Income	-19,936	-17,185	-27,688	-15,995	8,094	4,427	8,593	0
Other Income/Expense								
Other Expense								
529997 · Unallocated Admin. Svcs - RGS								
529999 · Allocated Unbillable Expenses					7,751	5,879	8,493	
Total Other Expense	0	0	0	0	7,751	5,879	8,493	0
Net Other Income	0	0	0	0	-7,751	-5,879	-8,493	0
Net Income	**0 -19,936**	**-17,185**	**-27,688**	**-15,995**	**0 344**	**-1,452**	**100**	**0 0**

Regional Government Services
FY2012 Budget

	TJPA				Twin Cities Police Authority			
	FY10	FY11 Proj'd	FY11 Budget	FY12 Budget	FY10	FY11 Proj'd	FY11 Budget	FY12 Budget
Ordinary Income/Expense								
Income								
440301 · Client Billings					7,214	1,026		
440400 · LGS - Admin. Services	124,340	100,121	112,586	10,000				
440410 · Client Administration Fees								
440420 · Finance Charges								
480000 · Miscellaneous Income								
Total Income	124,340	100,121	112,586	10,000	7,214	1,026	0	0
Expense								
511010 · Salaries - Regular	108,953	88,269	98,640	8,970	4,298	684		
511072 - Salaries - Nonbillable								
512002 · Medicare Employer Expense	1,599	1,296	1,448	130	62	10		
512003 · Workers' Comp Exp clerical								
512004 · Employee Assistance Program								
512005 · Health Insurance Expense						63		
512006 · Dental Insurance Expense								
512007 · Vision Insurance Expense								
512008 · Life Insurance Expense								
512009 · Long Term Disability Expense								
512010 · Stars 457 Expense								
512011 · Stars 401A Expense	13,122	10,557	11,837	900	430	68		
512012 · Calpers Retirement Expense								
512014 · Short Term Disability Expense								
512018 · FSA Health & Day Care Expense								
520104 · Telephone/Internet								
520105 · Cell Phones								
520107 · ADP Payroll Fees								
520201 · Office Supplies								
520202 · Bank Fees & Services								
520204 · Printing & Postage								
520301 · Audit Services								
520302 · Legal Services	667							
520314 · Administrative Services								
520320 · Professional Services								
520501 · Professional Dues & Membership								
520503 · Conferences & Meetings								
520504 · Publications								
520508 · Licenses & Fees								
520701 · General Liability Insurance Exp								
520750 · Interest Expense								
520801 · Mileage Reimbursement								
520803 · Travel Reimbursement								
520805 · Supplies & Meals Reimbursement								
520904 · Computer Install & Maintenance								
522798 · Miscellaneous Expense			700					
570100 · Equipment Purchase								
Total Expense	124,340	100,121	112,625	10,000	4,790	825	0	0
Net Ordinary Income	0	0	-39	-0	2,424	201	0	0
Other Income/Expense								
Other Expense								
529997 · Unallocated Admin. Svcs - RGS								
529999 · Allocated Unbillable Expenses					609	52		
Total Other Expense	0	0	0	0	609	52	0	0
Net Other Income	0	0	0	0	-609	-52	0	0
Net Income	**0**	**0**	**-39**	**-0**	**1,815**	**149**	**0**	**0**

Regional Government Services
FY2012 Budget

	Vallejo				VCTC1			
	FY10	FY11 Proj'd	FY11 Budget	FY12 Budget	FY10	FY11 Proj'd	FY11 Budget	FY12 Budget
Ordinary Income/Expense								
Income								
440301 · Client Billings	133,780	278,634		48,000	7,725			
440400 · LGS - Admin. Services								
440410 · Client Administration Fees								
440420 · Finance Charges	-217							
480000 · Miscellaneous Income	182,328	8,772						
Total Income	315,891	287,406	0	48,000	7,725	0	0	0
Expense								
511010 · Salaries - Regular	99,546	185,000		30,833	5,080	3,828		
511072 - Salaries - Nonbillable								
512002 · Medicare Employer Expense	1,436	2,642		440	74	56		
512003 · Workers' Comp Exp clerical								
512004 · Employee Assistance Program								
512005 · Health Insurance Expense						62		
512006 · Dental Insurance Expense						14		
512007 · Vision Insurance Expense						3		
512008 · Life Insurance Expense					1	3		
512009 · Long Term Disability Expense					1	6		
512010 · Stars 457 Expense								
512011 · Stars 401A Expense	9,394	18,219		3,037	620	428		
512012 · Calpers Retirement Expense								
512014 · Short Term Disability Expense					1	4		
512018 · FSA Health & Day Care Expense								
520104 · Telephone/Internet								
520105 · Cell Phones								
520107 · ADP Payroll Fees								
520201 · Office Supplies								
520202 · Bank Fees & Services								
520204 · Printing & Postage					44			
520301 · Audit Services								
520302 · Legal Services								
520314 · Administrative Services								
520320 · Professional Services	135,643	41,236						
520501 · Professional Dues & Membership								
520503 · Conferences & Meetings								
520504 · Publications								
520508 · Licenses & Fees								
520701 · General Liability Insurance Exp								
520750 · Interest Expense								
520801 · Mileage Reimbursement								
520803 · Travel Reimbursement								
520805 · Supplies & Meals Reimbursement								
520904 · Computer Install & Maintenance								
522798 · Miscellaneous Expense								
570100 · Equipment Purchase								
Total Expense	246,019	247,097	0	34,310	5,820	4,404	0	0
Net Ordinary Income	69,872	40,309	0	13,690	1,905	-4,404	0	0
Other Income/Expense								
Other Expense								
529997 · Unallocated Admin. Svcs - RGS								
529999 · Allocated Unbillable Expenses	26,646	16,074		4,511	652			
Total Other Expense	26,646	16,074	0	4,511	652	0	0	0
Net Other Income	-26,646	-16,074	0	-4,511	-652	0	0	0
Net Income	**43,226**	**24,235**	**0**	**9,179**	**1,253**	**-4,404**	**0**	**0**

Regional Government Services
FY2012 Budget

	VCTC2				Yountville
	FY10	FY11 Proj'd	FY11 Budget	FY12 Budget	FY'10
Ordinary Income/Expense					
Income					
440301 · Client Billings	43,225	24,300	25,000	24,000	120,458
440400 · LGS - Admin. Services					
440410 · Client Administration Fees					
440420 · Finance Charges					
480000 · Miscellaneous Income	840				
Total Income	44,065	24,300	25,000	24,000	120,458
Expense					
511010 · Salaries - Regular	33,257	22,323	21,500	19,323	96,150
511072 - Salaries - Nonbillable					
512002 · Medicare Employer Expense	477	324	312	280	1,394
512003 · Workers' Comp Exp clerical					
512004 · Employee Assistance Program					
512005 · Health Insurance Expense	11	92		92	
512006 · Dental Insurance Expense		98		98	
512007 · Vision Insurance Expense		26		26	
512008 · Life Insurance Expense					
512009 · Long Term Disability Expense					
512010 · Stars 457 Expense					
512011 · Stars 401A Expense	2,995	2,232	2,150	1,932	9,615
512012 · Calpers Retirement Expense					
512014 · Short Term Disability Expense					
512018 · FSA Health & Day Care Expense					
520104 · Telephone/Internet					
520105 · Cell Phones					
520107 · ADP Payroll Fees					
520201 · Office Supplies					
520202 · Bank Fees & Services					
520204 · Printing & Postage					
520301 · Audit Services					
520302 · Legal Services					287
520314 · Administrative Services					
520320 · Professional Services					
520501 · Professional Dues & Membership					
520503 · Conferences & Meetings					
520504 · Publications					
520508 · Licenses & Fees					
520701 · General Liability Insurance Exp					
520750 · Interest Expense					
520801 · Mileage Reimbursement	340	260		260	
520803 · Travel Reimbursement	109	43		43	
520805 · Supplies & Meals Reimbursement					
520904 · Computer Install & Maintenance					
522798 · Miscellaneous Expense					
570100 · Equipment Purchase					
Total Expense	37,188	25,399	23,962	22,055	107,446
Net Ordinary Income	6,876	-1,099	1,038	1,945	13,012
Other Income/Expense					
Other Expense					
529997 · Unallocated Admin. Svcs - RGS					
529999 · Allocated Unbillable Expenses	3,717	1,231		1,256	10,161
Total Other Expense	3,717	1,231	0	1,256	10,161
Net Other Income	-3,717	-1,231	0	-1,256	-10,161
Net Income	**3,159**	**-2,329**	**1,038**	**689**	**2,851**

Regional Government Services
FY2012 Budget

	Total			
	FY10	FY11 Proj'd	FY11 Budget	FY12 Budget
Ordinary Income/Expense				
Income				
440301 · Client Billings	2,772,949	5,060,800	2,082,375	6,065,900
440400 · LGS - Admin. Services	656,000	1,062,000	745,141	907,600
440410 · Client Administration Fees	-119,572	-395,300	0	50,000
440420 · Finance Charges	-217	8,000	0	0
480000 · Miscellaneous Income	213,604	97,400	16,500	88,700
Total Income	3,522,763	5,832,900	2,844,016	7,112,200
Expense				
511010 · Salaries - Regular	2,457,963	4,364,300	2,078,708	5,636,200
511072 - Salaries - Nonbillable	0	5,200	0	0
512002 · Medicare Employer Expense	33,806	57,100	30,413	81,600
512003 · Workers' Comp Exp clerical	44,445	59,900	44,875	65,800
512004 · Employee Assistance Program	3,000	3,400	3,000	3,700
512005 · Health Insurance Expense	29,434	80,700	24,475	74,400
512006 · Dental Insurance Expense	7,061	18,900	6,409	19,500
512007 · Vision Insurance Expense	1,854	4,000	1,743	4,200
512008 · Life Insurance Expense	4,027	6,000	3,992	6,200
512009 · Long Term Disability Expense	6,312	10,200	6,550	10,500
512010 · Stars 457 Expense	0	0	9,300	0
512011 · Stars 401A Expense	244,472	407,700	220,158	577,300
512012 · Calpers Retirement Expense	-4,006	0	3,500	0
512014 · Short Term Disability Expense	5,894	9,200	5,773	9,500
512018 · FSA Health & Day Care Expense	1,453	2,400	2,000	2,600
520104 · Telephone/Internet	2,531	2,900	3,000	3,000
520105 · Cell Phones	1,644	600	3,000	500
520107 · ADP Payroll Fees	12,748	15,600	15,000	17,300
520201 · Office Supplies	150	1,300	2,000	1,300
520202 · Bank Fees & Services	5,297	4,700	5,000	5,100
520204 · Printing & Postage	898	1,900	2,000	1,600
520301 · Audit Services	16,650	0	33,000	0
520302 · Legal Services	19,669	25,500	25,000	27,700
520314 · Administrative Services	4,226	0	35,000	0
520320 · Professional Services	243,897	151,900	110,000	110,000
520501 · Professional Dues & Membership	447	17,600	1,000	19,700
520503 · Conferences & Meetings	27,830	37,100	3,000	90,100
520504 · Publications	1,467	46,300	3,000	45,500
520508 · Licenses & Fees	125	0	0	0
520701 · General Liability Insurance Exp	54,644	116,400	53,714	128,100
520750 · Interest Expense	8	0	0	0
520801 · Mileage Reimbursement	24,204	19,300	4,000	21,200
520803 · Travel Reimbursement	41,933	50,600	5,494	24,100
520805 · Supplies & Meals Reimbursement	9,785	14,300	1,000	17,000
520904 · Computer Install & Maintenance	10,299	27,600	15,000	31,000
522798 · Miscellaneous Expense	-53	0	4,000	0
570100 · Equipment Purchase	2,803	0	1,000	2,000
Total Expense	3,316,919	5,562,600	2,765,104	7,036,700
Net Ordinary Income	205,844	270,300	78,912	75,500
Other Income/Expense				
Other Expense				
529997 · Unallocated Admin. Svcs - RGS	-239,555	-228,100	-191,845	-427,300
529999 · Allocated Unbillable Expenses	239,554	265,600	167,606	441,100
Total Other Expense	-0	37,500	-24,239	13,800
Net Other Income	0	-37,500	24,239	-13,800
Net Income	**205,844**	**232,800**	**103,151**	**61,700**

LOCAL AND REGIONAL GOVERNMENT SERVICES AUTHORITIES

Providing Solutions to California Public Agencies

P.O. Box 1350 · Carmel Valley, CA 93924 · 650.587.7300

TO: BOARD OF DIRECTORS **BOD Meeting: 6-9-11**
FROM: RICHARD H. AVERETT, CFO/Treasurer **Item: 4C**
SUBJECT: **INVESTMENT POLICY - UPDATE**

RECOMMENDATION

Approve the investment policy without changes from the updated policy approved in June 2010.

BACKGROUND

The Agencies adopted a new investment policy June 14, 2007. Each year the Board reviews proposed updates to the policy. At their June 10, 2009 meeting, the Board approved changes to allow for investment of Agencies' assets with CalTrust, an investment JPA for California local governments, and to add an additional authorized Official for the Authority. At their June 10, 2010 meeting, the Board approved updates that consolidated the two JPA Investment Policies into one document, permitted investment in U.S. Treasuries or other obligations of the U.S. government, and allowed the purchase of other California governments' debt per California Code, Section 53601.7 e. The Board reviewed and approved the JPAs' slightly unique version of this latter concept: advancing receivables for JPA services.

The policy document still maintains significantly narrow investment options as recommended several years ago by Chandler Asset Management, a well-respected investment management firm, due to limited funds available for investment. The policy limits investments to a collateralized sweep with our bank, highly liquid and secure pooled investments with Local Agencies Investment Fund and CalTrust, and timed deposits (such as non-negotiable CDs), in addition to the investment vehicles approved last year.

The Investment Policy also discusses investment objectives and internal controls.

PROPOSED CHANGES

No changes are proposed to the Investment Policy. To date, no investments in U.S. Treasures or other U.S. government securities have been made. Two client advances have been made – one to Consortium IV (when the State budget, their funding source, was delayed) and the other to Gold Coast Health Plan (pending their attainment of operating status and funding). The C-IV advance has been paid in full with interest, and the GCHP advance continues to accrue with interest. GCHP expects operating funds to begin in June, and has been paying invoices for services plus interest approximately two months in arrears.

FISCAL IMPACT

There is no fiscal impact of renewed approval of this policy.

LOCAL AND REGIONAL GOVERNMENT SERVICES AUTHORITIES
INVESTMENT POLICY
June 9, 2011

I. INTRODUCTION

This statement will identify various policies and procedures that will foster a prudent and systematic investment program as well as organize and formalize investment related activities. The related activities which comprise good cash management include:

- Accurate cash projections;
- Timely collection of revenues;
- Control of disbursements;
- Cost-effective banking and financial services; and
- Adherence to a system of internal controls.

In accordance with the LOCAL & REGIONAL GOVERNMENT SERVICES AUTHORTIES Joint Powers Agreements as Amended and under authority granted by the Agencies' Board of Directors, the Agency Treasurer is responsible for investing the unexpended cash.

The investment of the funds of the LOCAL & REGIONAL GOVERNMENT SERVICES AUTHORTIES is directed to the goals of safety, liquidity and yield. The authority governing investments for municipal governments is set forth in the California Government Code, Sections 53601 through 53659.

II. SCOPE

This policy applies to all financial assets and investment activities of the LOCAL & REGIONAL GOVERNMENT SERVICES AUTHORTIES.

III. OBJECTIVES

Safety of Principal: The primary objective of this policy is to protect, preserve and maintain the cash and investments of the Authorities. Each investment transaction shall seek to ensure that capital losses are avoided, whether from securities default, broker-dealer default or erosion of market value. The Agencies shall seek to preserve principal by mitigating the two types of risk: credit risk and market risk.

Credit risk, defined as the risk of loss due to failure of the issuer of a security, shall be mitigated by investing in investment grade securities and by diversifying the investment portfolio so that the failure of any one issuer does not unduly harm the Agencies' capital base and cash flow.

Market risk, defined as market value fluctuations due to overall changes in the general level of interest rates, shall be mitigated by limiting the average maturity of the Agencies' investment portfolio to two years, the maximum maturity of any one security to five years, structuring the portfolio based on historic and current cash flow analysis eliminating the need to sell securities prior to maturity and avoiding the purchase of long term securities for the sole purpose of short term speculation. Investments shall be placed in those securities as outlined by type and maturity sector in this document. Effective cash flow management and resulting cash investment practices are recognized as essential to good fiscal management and control. The Agencies' portfolio shall be designed and managed in a manner responsive to the public trust and consistent with state and Agency policy. Portfolio management requires continual analysis and as a result the balance between the various investments and maturities may change in order to give the LOCAL & REGIONAL GOVERNMENT SERVICES AUTHORTIES the optimum combination of necessary liquidity and optimal yield based on cash flow projections.

Liquidity: An adequate amount of the portfolio will be maintained in liquid short-term securities which can be converted to cash, as necessary, to meet disbursement requirements. This amount will be determined from projected cash flow trends and disbursement requirements. Investments will be made in securities with active secondary or resale markets. Securities with low market risk will be emphasized. The Agencies' investment portfolio will remain sufficiently liquid to enable the Agencies to meet all reasonably anticipated operating requirements.

Yield

Within the constraints of safety and liquidity, the highest and best return will be sought. Because the portfolio is too small to allow investments in significant long-term purchases, the objective will be to maximize yield, taking into account risk constraints of the Authorities, cash flow characteristics of the portfolio and compliance with state and federal regulations.

Prudence

The standard to be used by investment officials shall be that of a "prudent investor" and shall be applied in the context of managing all aspects of the overall portfolio. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the Agencies, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the Agencies. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law. (Government Code Section 53600.3)

It is the Agencies' full intent, at the time of purchase, to hold all investments until maturity to ensure the return of all invested principal dollars. However, it is realized that market prices of securities will vary depending on economic and interest rate conditions at any point in time. It is further recognized that in a well-diversified investment portfolio, occasional measured losses are inevitable due to economic, bond market or individual security credit analysis. These occasional losses must be considered within the context of the overall investment program objectives and the resultant long-term rate of return.

The Agencies Treasurer and other individuals assigned to manage the investment portfolio, acting within the intent and scope of the investment policy and other written procedures and exercising due diligence, shall be relieved of personal responsibility and liability for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

IV. INVESTMENT INSTRUMENTS AND MATURITIES

Permitted Investments

Investments will be within statutory limits imposed by Government Code Section 53601, as further limited herein.

1. Local Agencies Investment Fund (LAIF) which is a State of California managed investment pool, Investment Trust of California (the CalTRUST JPA pool) which is a joint powers authority under the provision of Title 1, Division 7, Chapter 5 of the California Government Code, and California county investment pools, may be used up to the maximum permitted by California State Law.

2. Time deposits, non-negotiable and collateralized in accordance with the California Government Code, may be purchased through banks or savings and loan associations. Since time deposits are not liquid, no more than 25% of the investment portfolio may be invested in this investment type.

3. Various daily money market or sweep account funds administered for or by trustees, paying agents and custodian banks contracted by the LOCAL & REGIONAL GOVERNMENT SERVICES AUTHORTIES may be purchased as allowed under State of California Government Code. Only funds holding U.S. Treasury or Government Agency obligations can be utilized.

4. Direct obligations of the United States Treasury or any other obligation guaranteed as to principal and interest by the United States government, per CA Code 53601.7 e(1).

5. Bonds, notes, warrants, or other indebtedness of the local agency, or any local agencies within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agencies, or by a department, board, Agencies, or authority of the local Agencies, per CA Code 53601.7 e(4).

6. Local and Regional Government Services Authorities receivables.

The following summary of maximum percentage limits, by instrument, is established for the Agencies' total portfolio. Maturities of investments will be selected based on liquidity requirements to minimize interest rate risk and maximize earnings.

Investment Type	Percentage/Amount
Local Agencies Investment Fund	$0 to $40,000,000 per account
CalTrust and County Pools	0% to 100%
Time Certificates of Deposit	0% to 25%
Sweep Accounts – not applicable	0% to 100%
U.S. Government Obligations	0% to 25%
California Agencies' Indebtedness	0% to 75%, limited to one year maturity
JPA Receivables	0% to 75%, limited to one year maturity

Excluded Investments

Ineligible investments are those that are not described herein, including but not limited to: common stocks; long term (over five years in maturity) notes and bonds; Reverse Repurchase Agreements; financial futures and financial options, inverse floaters, range notes, or interest-only strips that are derived from a pool of mortgages; any derivative security that could result in a zero interest accrual if held to maturity; and Guaranteed Small Business Administration (SBA) notes.

V. PERFORMANCE EVALUATION

The Agencies' investment portfolio is designed to attain safety and liquidity, with the rate of return being maximized while taking into account risk constraints of the Authorities, cash flow characteristics of the portfolio and compliance with state and federal regulations. Therefore, the Agencies are not establishing a benchmark because to do so would be impractical given the limited excess funds available for investment in longer-term, higher-yielding securities and the Authorities' liquidity needs.

Investment performance is monitored and evaluated by the Agencies' Executive Committees. Performance statistics and activity reports are generated on a quarterly basis for presentation to the Agencies' Executive Committees at their regularly scheduled meetings. Annually, a statement of investment policy, and any proposed changes to the policy, will be rendered to the Agencies' Boards of Directors for Board consideration at a public meeting.

VI. AUTHORITY TO INVEST MONIES

Government Code sections 53600 through 53601.6 provide legal authorization for investment of the funds of local agencies. All investments of the authority shall conform to the restrictions of those laws. LOCAL & REGIONAL GOVERNMENT SERVICES AUTHORTIES' Boards of Directors hereby assign responsibility for investing unexpended cash to the Agencies' Treasurer, who shall establish procedures for the operation consistent with this investment policy.

VII. ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that conflicts with proper execution of the investment program, or impairs their ability to make impartial investment decisions. Additionally the Treasurer/CFO and other Agency officials authorized to approve investment transactions are required to annually file applicable financial disclosures as required by the Fair Political Practices Commission (FPPC).

VIII. INTERNAL CONTROL

A system of internal controls shall be established and maintained in written form. These controls shall be designed to prevent losses of public funds arising from fraud, error, misrepresentation of third parties, unanticipated changes in financial markets, or imprudent actions by employee/offers of the Authority. The most important controls are: control of collusion, separation of duties, separation of transaction authority from accounting and bookkeeping, custodial safekeeping, delegation of authority, limitations regarding securities losses and remedial action, written confirmation of telephone transactions, minimization of the number of authorized investment officials, documentation of transactions and strategies, and annual review of controls by the Treasurer.

In recognition of the Agencies' current limited investment staffing (one primary person plus one backup staff member) and limited funds to invest (less than two million dollars), the Agencies rely more heavily on: separation of wire transfer preparation and approval of funds duties between the Agencies' outside Accountant and the Agencies' staff Treasurer; Executive Committee quarterly reviews of investments; annual independent audit of investments and investment transactions; and on an extremely conservative investment strategy that reduces risks associated with frequent investment transaction, negotiated investments, and with complex transactions. The Authority's investment products will be limited by this policy until such time that funds available to invest are sufficient to enable longer-term commitments. Proper documentation obtained from confirmation and cash disbursement wire transfers is required for each investment transaction. Timely bank reconciliation is conducted to ensure proper handling of all transactions.

The investment portfolio and all related transactions are reviewed and balanced to appropriate general ledger accounts by the Agencies' contract Accountant on a monthly basis. An independent analysis by an external auditor shall be conducted annually to review internal control, account activity and compliance with policies and procedures.

IX. REPORTING

The Agencies' Treasurer shall render quarterly reports to the Agencies Executive Committee. These reports shall include the face amount of the cash investment, the classification of the investment, the name of the institution or entity, the rate of interest, the maturity date, the current market value and accrued interest due for all securities. At the annual Boards of Directors meeting, the investment policy shall be submitted to the Boards for review and adoption.

X. BANKS AND SECURITIES DEALERS

In selecting financial institutions for the deposit or investment of Authority funds, the Treasurer shall consider their credit worthiness. The Treasurer shall continue to monitor their credit characteristics and financial history throughout the period in which Authority funds are deposited or invested. A commercial rating or bank watch service may be used to accomplish this objective.

Financial institutions/investment managers shall annually sign a certification form attesting that the individual responsible for the Authority's account with that firm has reviewed and understands the investment policy and intends to present only those investment transactions appropriate under the policy.

XI. LEGISLATIVE CHANGES

Any State of California legislative action that further restricts allowable maturities, investment type, or percentage allocations will be incorporated into the LOCAL & REGIONAL GOVERNMENT SERVICES AUTHORTIES' Investment Policy and supersedes any and all previous applicable language.

XII. LIMITING MARKET VALUE EROSION

The longer the maturity of securities, the greater their market price volatility. Therefore, it is the general policy of the Agencies to limit the potential effects from erosion in market values by adhering to the following guidelines:

- All immediate and anticipated liquidity requirements will be addressed prior to purchasing all investments.
- Maturity dates for long-term investments will coincide with significant cash flow requirements where possible, to assist with short term cash requirements at maturity.
- All long-term securities will be purchased with the intent to hold all investments to maturity under then prevailing economic conditions. However, economic or market conditions may change, making it in the Agencies' best interest to sell or trade a security prior to maturity.

XIII. PORTFOLIO MANAGEMENT ACTIVITY

The investment program shall seek to augment returns consistent with the intent of this policy, identified risk limitations and prudent investment principals. These objectives will be achieved by use of the following strategies:

Active Portfolio Management. Through active fund and cash flow management, taking advantage of current economic and interest rate trends, the portfolio yield may be enhanced with limited and measurable increases in risk by extending the weighted maturity of the total portfolio.

Portfolio Maturity Management. When structuring the maturity composition of the portfolio, the Agencies shall evaluate current and expected interest rate yields and necessary cash flow requirements. It is recognized that in normal market conditions longer maturities produce higher yields. However, the securities with longer maturities also experience greater price fluctuations when the level of interest rates change.

XIV. POLICY REVIEW

The LOCAL & REGIONAL GOVERNMENT SERVICES AUTHORTIES' investment policy shall be adopted by the Agencies' Boards of Directors on an annual basis. This investment policy shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity and yield, and its relevance to current law and financial and economic trends. Any amendments to the policy shall be forwarded to Agencies Boards of Directors for approval.

Glossary of Terms

Accrued Interest- Interest earned but not yet received.

Active Deposits- Funds which are immediately required for disbursement.

Amortization- An accounting practice of gradually decreasing (increasing) an asset's book value by spreading its depreciation (accretion) over a period of time.

Asked Price- The price a broker dealer offers to sell securities.

Basis Point- One basis point is one hundredth of one percent (.01).

Bid Price- The price a broker dealer offers to purchase securities.

Bond- A financial obligation for which the issuer promises to pay the bondholder a specified stream of future cash flows, including periodic interest payments and a principal repayment.

Bond Swap – Selling one bond issue and buying another at the same time in order to create an advantage for the investor. Some benefits of swapping may include tax-deductible losses, increased yields, and an improved quality portfolio.

Book Entry Securities – Securities, such stocks held in "street name," that are recorded in a customer's account, but are not accompanied by a certificate. The trend is toward a certificate-free society in order to cut down on paperwork and to diminish investors' concerns about the certificates themselves. All the large New York Agencies banks, including those that handle the bulk of the transactions of the major government securities dealers, now clear most of their transactions with each other and with the Federal Reserve through the use of automated telecommunications and the "book-entry" custody system maintained by the Federal Reserve Bank of New York. These banks have deposited with the Federal Reserve Bank a major portion of their government and Agencies securities holdings, including securities held for the accounts of their customers or in a fiduciary capacity. Virtually all transfers for the account of the banks, as well as for the government securities dealers who are their clients, are now affected solely by bookkeeping entries. The system reduces the costs and risks of physical handling and speeds the completion of transactions.

Bearer and Registered Bonds - In the past, bearer and registered bonds were issued in paper form. Those still outstanding may be exchanged at any Federal Reserve Bank or branch for an equal amount of any authorized denomination of the same issue. Outstanding bearer bonds are interchangeable with registered bonds and bonds in "book-entry" form. That is, the latter exist as computer entries only and no paper securities are issued. New bearer and registered bonds are no longer being issued. Since August 1986, the Treasury's new issues of marketable notes and bonds are available in book-entry form only. All Treasury bills and more than 90% of all other marketable securities are now in book-entry form. Book-entry obligations are transferable only pursuant to regulations prescribed by the Secretary of the Treasury.

Book Value- The value at which a debt security is shown on the holder's balance sheet. Book value is acquisition cost less amortization of premium or accretion of discount.

Broker – In securities, the intermediary between a buyer and a seller of securities. The broker, who usually charges a commission, must be registered with the exchange in which he or she is trading, accounting for the name registered representative.

Certificate of Deposit- A deposit insured up to $100,000 by the FDIC at a set rate for a specified period of time.

Collateral- Securities, evidence of deposit or pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposit of public moneys.

Comprehensive Annual Financial Report (CAFR) - The annual financial report for multi-fund municipal agencies. It includes five combined statements and basic financial statements for each individual fund and account group prepared in conformity with Generally Accepted Accounting Principals (GAAP).

Constant Maturity Treasury (CMT) - An average yield of a specific Treasury maturity sector for a specific time frame. This is a market index for reference of past direction of interest rates for the given Treasury maturity range.

Coupon- The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value.

Credit Analysis- A critical review and appraisal of the economic and financial conditions or of the ability to meet debt obligations.

Current Yield- The interest paid on an investment expressed as a percentage of the current price of the security.

Custody- A banking service that provides safekeeping for the individual securities in a customer's investment portfolio under a written agreement which also calls for the bank to collect and pay out income, to buy, sell, receive and deliver securities when ordered to do so by the principal.

Delivery vs. Payment (DVP) - Delivery of securities with a simultaneous exchange of money for the securities.

Discount- The difference between the cost of a security and its value at maturity when quoted at lower than face value.

Diversification- Dividing investment funds among a variety of securities offering independent returns and risk profiles.

Duration- The weighted average maturity of a bond's cash flow stream, where the present value of the cash flows serve as the weights; the future point in time at which on average, an investor has received exactly half of the original investment, in present value terms; a bond's zero-coupon equivalent; the fulcrum of a bond's present value cash flow time line.

Fannie Mae- Trade name for the Federal National Mortgage Association (FNMA), a U.S. sponsored corporation.

Federal Reserve System- The central bank of the U.S. that consists of a seven member Board of Governors, 12 local banks and 5,700 commercial banks that are members.

Federal Deposit Insurance Corporation (FDIC) - Insurance provided to customers of a subscribing bank that guarantees deposits to a set limit (currently $100,000) per account.

Fed Wire- A wire transmission service established by the Federal Reserve Bank to facilitate the transfer of funds through debits and credits of funds between participants within the Fed system.

Freddie Mac- Trade name for the Federal Home Loan Mortgage Corporation (FHLMC), a U.S. sponsored corporation.

Ginnie Mae- Trade name for the Government National Mortgage Association (GNMA), a direct obligation bearing the full faith and credit of the U.S. Government.

Inactive Deposits- Funds not immediately needed for disbursement.

Interest Rate- The annual yield earned on an investment, expressed as a percentage.
Investment Agreements- An agreement with a financial institution to borrow public funds subject to certain negotiated terms and conditions concerning collateral, liquidity and interest rates.

Liquidity- Refers to the ability to rapidly convert an investment into cash.

Market Value- The price at which a security is trading and could presumably be purchased or sold.

Maturity- The date upon which the principal or stated value of an investment becomes due and payable.

Negotiable CD- An uncollateralized CD issued by a large banking institution which trades in the secondary market. Minimum size is $1 million, but most are much larger.

New Issue- Term used when a security is originally "brought" to market.

Perfected Delivery- Refers to an investment where the actual security or collateral is held by an independent third party representing the purchasing entity.

Portfolio- Collection of securities held by an investor.

Primary Dealer- A group of government securities dealers that submit daily reports of market activity and security positions held to the Federal Reserve Bank of New York and are subject to its informal oversight.

Purchase Date- The date in which a security is purchased for settlement on that or a later date.

Rate of Return- The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

Repurchase Agreement (REPO) - A transaction where the seller (bank) agrees to buy back from the buyer (Agencies) the securities at an agreed upon price after a stated period of time.

Reverse Repurchase Agreement (REVERSE REPO) - A transaction where the seller (Agencies) agrees to buy back from the buyer (bank) the securities at an agreed upon price after a stated period of time.

Risk- Degree of uncertainty of return on an asset.

Safekeeping- see custody.

Sallie Mae- Trade name for the Student Loan Marketing Association (SLMA), a U.S. sponsored corporation.

Secondary Market- A market made for the purchase and sale of outstanding issues following the initial distribution.

Settlement Date- The date on which a trade is cleared by delivery of securities against funds.

Time Deposit – A deposit in an interest-paying account that requires the money to remain on account for a specific length of time. While withdrawals can generally be made from a passbook account at any time, other time deposits, such as certificates of deposit, are penalized for early withdrawal.

Treasury Bills- U.S. Treasury Bills which are short-term, direct obligations of the U.S. Government issued with original maturities of 13 weeks, 26 weeks and 52 weeks; sold in minimum amounts of $10,000 in multiples of $5,000 above the minimum. Issued in book entry form only. T-bills are sold on a discount basis.

U.S. Government Agencies- Instruments issued by various US Government Agencies most of which are secured only by the credit worthiness of the particular Agencies.

Yield- The rate of annual income return on an investment, expressed as a percentage. It is obtained by dividing the current dollar income by the current market price of the security.

Yield to Maturity- The rate of income return on an investment, minus any premium or plus any discount, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond, expressed as a percentage.

Yield Curve- The yield on bonds, notes or bills of the same type and credit risk at a specific date for maturities up to thirty years.

LOCAL AND REGIONAL GOVERNMENT SERVICES AUTHORITIES

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TO: BOARD OF DIRECTORS **BOD Meeting: 6-09-11**
FROM: RICHARD H. AVERETT, Executive Director/CFO **Item: 4D**
SUBJECT: FINANCIAL RESERVES DESIGNATION POLICY UPDATE

RECOMMENDATION

Approve the Financial Reserves Policy update to designate a portion of reserves for Other Post-Employment Benefits (OPEB) liabilities.

BACKGROUND

The Board of Directors and the Executive Committee had both expressed interest in establishing a prudent reserve for contingencies. At their June 10, 2010 meeting, the Board approved a reserve policy that designated fifty percent of current cumulative retained earnings for a reserve amount until that amount equals fifty percent of the agency's annual budget. Reserves would enable the Agency to pay deductibles and other claims expenses not covered by the Agency's policies without disrupting cash needs for normal operations. A reserve could also better enable the agency to smoothly transition to significant and rapid increases or decreases in client workload, and for use as an opportunity fund enabling the agency to take advantage of unique circumstances that have a high likelihood of resulting in increased reimbursement revenue.

The JPAs are unique public sector providers of staffing and consulting services to public agencies, many with defined benefit pension plans. Considerable time and effort has been expended over the last ten years to establish the platform, client and employee contracts and operating procedures necessary to minimize risks of an employer-of-record status adverse ruling. However, it still is prudent that the Agency establish a reserve amount that is sufficient to meet the three objects noted above: adverse determinations, normal business risks (e.g. significant and rapid loss of revenue) and business opportunities. Long term, a reserve amount equaling fifty percent of the Agency's annual budget was deemed to be sufficient.

During fiscal year 2011, the JPAs contracted with an actuarial firm to conduct a study of the agencies' OPEB funding requirement. Prior to completion of the study, the JPAs began charging an OPEB fee to client agencies to fund this liability. The study determined that LGS should set aside $114,000 by the end of FY2011 and RGS should set aside $87,000. By the end of FY2011, LGS's retained earnings should be more than $1,170,000 and its reserve at least $585,000. RGS's retained earnings should be greater than $581,000 and its reserves at least $290,000. Therefore designated $114,000 and $87,000 for OPEB liabilities is well within the capacity of both JPAs' reserve capacity.

FISCAL IMPACT

There is no adverse fiscal impact to the agency of approving the revised reserve policy to designate a portion of reserves for the purposes identified. At our independent auditor's recommendation, the reserve is a 'designation' of general funds and not a separation that requires establishing separate accounting treatment. Reserve funds will be comingled with all other assets for investment and custodial purposes.

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TO: BOARD OF DIRECTORS **BOD Meeting: 6-09-2011**
FROM: JENNIFER BOWER, Director of Human Resources **Item: 6A**
SUBJECT: PERSONNEL RULES, REGULATIONS AND POLICIES

RECOMMENDATION

Approval of the revised personnel rules, regulations and policies.

BACKGROUND

The Board has previously adopted JPA rules and regulations for each entity. Each year staff reviews these Rules, Regulations and Policies to ensure clarity and compliance with new laws and operational changes. In 2008, staff performed a major update of the rules and regulations to make them more specific to the JPAs. In that revision, the two agencies' rules and regulations were combined into a single document. Any updates to the document are reviewed with the Agency's attorney to ensure legal compliance with recent decisions and practices. Updates to this document are made as needed, and brought to the Board once a year at its June meeting. Attached is the revised document for 2011 with the changes tracked.

ANALYSIS

The Personnel Rules, Regulations and Policies are in one all-encompassing document. Given the nature of the JPAs, with employees at various worksites, there is a need for employees to be able to go to one document to find information relevant to employment rules and policies. This document is on the JPAs website for reference by all employees.

FISCAL IMPACT

There is no fiscal impact of approving these updates to the JPAs' Personnel Rules, Regulations and Policies.

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Local Government Services, JPA
and
Regional Government Services, JPA

Personnel Rules, Regulations, and Policies

Revised and Approved
June 10, 2010

Local Government Services (LGS)
And
Regional Government Services (RGS)

Personnel Rules, Regulations, and Policies

WHEREAS, the Boards of Directors for Local Government Services and Regional Government Services (The JPAs) are authorized to adopt rules and regulations for the administration of the personnel system; and

WHEREAS, the objectives of these Personnel Rules and Regulations are to facilitate efficient and economical services to the public and to provide for an equitable system of personnel management; and

WHEREAS, these Personnel Rules and Regulations set forth those procedures that ensure similar treatment for persons who apply for, are selected for, or who are employed by the Agencies, and define many of the obligations, rights, privileges, and prohibitions that are placed upon all employees in the service of the JPAs; and

WHEREAS, at the same time, within the limits of administrative feasibility, considerable latitude shall be given to Executive Director and designee in the interpretation of these rules; now, therefore, be it

RESOLVED, that the Board of Directors of the JPAs does hereby adopt the following Personnel Rules and Regulations.

Table of Contents

Section	Title	Page	Date
	Resolution	2	2002
1	**Introduction**	9	
1.1	JPAs	9	06/08
1.2	Board of Directors and Executive Committee	9	06/08
1.3	Name	9	06/08
1.4	Conflicting Rules	9	06/08
1.5	Additional Rules	9	06/09
1.6	Amendments	9	06/08
1.7	Accessing Rules	9	06/08
1.8	Violation of Rules	9	06/08
1.9	Discrepancies	9	06/08
1.10	Severability	9	06/08
1.11	Word Usage	9	06/08
1.12	Executive Director	9	06/08
2	**Employer/Employee Relations**	10	
2.1	Meyers-Milias-Brown Act	10	06/08
2.2	Board Management Rights	11	06/08
2.3	Employee Rights	12	06/08
2.4	Bargaining Units	12	06/08
2.5	Certification as Exclusive Bargaining Representative	13	06/08
2.6	Election Procedures	14	06/08
2.7	Bargaining Unit Modification	15	06/08
2.8	Timing	17	06/08
2.9	Unit Disputes Involving Professional Employees	17	06/08
2.10	Rights and Responsibilities	17	06/08
2.11	Impasse Resolution Procedures	18	06/08
2.12	Agency Shop	19	06/08
2.13	Miscellaneous Provisions	19	06/08
3	**Definition of Terms**	19	06/08
4	**At Will Employment**	21	06/08
5	**Recruitments, Applications, and Examinations**	22	
5.1	Recruitment	22	06/08
5.2	Announcement	22	06/08
5.3	Application Materials	22	06/08
5.4	Disqualification	22	06/08
5.5	Examinations	23	06/09
6	**Benefits and Compensation**	24	06/11
6.1	Benefits	24	06/11

6.2	Group Health Insurances	24	06/11
6.3	Other Benefits	25	06/11
6.4	Deferred Compensation Plans	25	06/11
6.5	Domestic Partner Health Benefits Eligibility	25	06/11
6.6	Eligible Dependents Change in Relationship	26	06/11
6.7	COBRA Requirements	26	06/11
6.8	Retiree Medical Benefits	26	06/11
6.9	Retirements Plans	26	06/11
6.10	Mileage Reimbursement	27	06/09
6.11	Vehicle Allowances	27	06/08
6.12	Compensation	27	06/09
7	**Personnel Files, Personnel Identifying Information, and Medical Information**	30	
7.1	Official Personnel Files	30	06/08
7.2	Inspection of Personnel Files	30	06/08
7.3	Confidential Files	30	06/08
7.4	Employee Data	30	06/10
7.5	Personnel Identifying Information	30	06/10
7.6	Confidentiality of Medical Information Act	32	06/10
8	**Attendance, Working Hours, and Workplace Attire**	34	
8.1	Attendance	34	06/08
8.2	Overtime	34	06/11
8.3	Workweek	34	06/08
8.4	Change in Work Hours	34	06/11
8.5	Alternate Work Schedules	34	06/08
8.6	Meal Period	35	06/08
8.7	Rest Periods	35	06/08
8.8	Workplace Attire	35	06/10
9	**Leaves**	35	
9.1	General Provisions	35	06/09
9.2	Available Leave Categories	35	06/08
9.3	Administrative Leave	36	06/09
9.4	Annual Vacation Leave	36	06/11
9.5	Bereavement Leave	36	06/09
9.6	Holidays	36	06/08
9.7	Job-incurred Disability Leave	36	06/08
9.8	Jury Duty	37	06/08
9.9	Leave of Absence	37	06/09
9.10	Leave of Absence – Without Pay	37	06/09
9.11	Leave of Absence – Unauthorized	38	06/08
9.12	Military Leave	38	06/09

9.13	Military Family Leave		06/08
9.14	Military Spouse Leave		06/08
9.15	Other Authorized Leaves	38	06/08
9.16	Pregnancy Disability Leave (PDL)	38	06/08
9.17	Parental Leave	40	06/08
9.18	Sick Leave	40	06/08
9.19	School Leave	40	06/08
9.20	Time Off to Vote	40	06/09
9.21	State Disability Insurance Leave	41	06/08
9.22	Short- and Long-term Disability Benefits	41	06/08
9.23	Disability Retirement Eligibility	41	06/08
10	**Separation From Service**	41	06/11
10.1	Resignation	41	06/08
10.2	Automatic Resignation	41	06/08
10.3	Failure to Report	41	06/08
10.4	Discharge	41	06/08
10.5	Layoff Policy and Procedure	42	06/11
11	**Evaluations, Transfer, and Reinstatement**	42	
11.1	Employee Performance Evaluations	42	06/08
11.2	Transfer	42	06/08
11.3	Reinstatement	42	06/08
12	**Grievance Procedure**	43	
12.1	Definition of Grievance	43	06/08
12.2	Eligibility to File a Grievance	43	06/08
12.3	Exclusions from the Grievance Procedure	43	06/08
12.4	Grievance Procedure	43	06/08
12.5	Representation	44	06/08
12.6	Waiver of Grievance	44	06/09
12.7	No Retaliation	44	06/08
13	**Disciplinary Action**	44	
13.1	Policy	44	06/08
13.2	Types of Discipline	44	06/08
13.3	Written Notice	44	06/08
13.4	Grounds for Disciplinary Action	45	06/09
13.5	Employee Review	46	06/08
13.6	Relief of Duty	46	06/08
13.7	No Rights to Appeal	46	06/08
14	**Equal Employment/Anti-discrimination Policy**	46	
14.1	Discrimination Policy	46	06/08
14.2	Equal and Fair Personnel Practices	46	06/08
14.3	Non-discrimination and Harassment Policy	46	06/08
14.4	Reporting Unlawful Harassment or Discrimination	49	06/08

14.5 Remedial Action ---------- 49 06/08
14.6 No Retaliation ---------- 50 06/08
14.7 Dissemination ---------- 50 06/08

14.8	Department of Fair Employment and Housing and the Equal Employment Opportunity Commission	50	06/08
14.9	Obligations of Employees	50	06/08
15	**Drug and Alcohol-free Policy**	50	
15.1	JPAs Policy	50	06/08
15.2	Unlawful Behavior	51	06/09
15.3	Suspicion	51	06/08
16	**Safety in the Workplace Policy**	51	
16.1	Workplace Safety Policy	51	06/08
16.2	Management Responsibilities	51	06/08
16.3	Employee Responsibilities	51	06/08
16.4	Reporting Injuries	51	06/08
16.5	Other Safety Rules	51	06/08
16.6	Injury and Illness Prevention Program	51	06/09
16.7	DMV Pull Program	52	06/10
17	**Smoking Policy**	52	06/08
18	**Policy on Accepting Gifts**	52	06/08
19	**Travel and Training Policy**	52	
19.1	Travel and Training	52	06/08
19.2	Minimizing Lost Work Time	52	06/08
19.3	Cost-effective Travel	52	06/09
19.4	Travel Guidelines for Allowable Travel	53	06/08
19.5	Government or Group Transportation Lodging Rates	53	06/08
19.6	Sponsored Lodging Rates	53	06/08
19.7	Receipts	53	06/08
19.8	Meal Guidelines	53	06/08
20	**Policy on Agency Equipment and Vehicle Use**	54	
20.1	Use of JPAs Equipment/Automobile Use	54	06/09
20.2	Automobile Use	54	06/10
20.3	Use of Vehicle Safety Belts	54	06/08
20.4	Vehicle Accidents	54	06/08
21	**Information and Electronic Systems Use Policy**	55	
21.1	Definitions	55	06/08
21.2	Public Disclosure	55	06/08
21.3	Serial Meetings	55	06/08
21.4	Use During Normal Business Hours	55	06/08
21.5	Account Access	56	06/08
21.6	Prohibited Use	56	06/08
21.7	Public Records	57	06/08
21.8	Intellectual Property Rights	57	06/08

22	**Outside Employment Policy**	58	
22.1	Outside Employment	58	06/08
22.2	Workday Activities	58	06/08
22.3	Incompatible Work	58	06/08
23	**Policy on Workplace Violence Prevention**	58	
23.1	Violence in the Workplace Policy	58	06/08
23.2	Notification	58	06/08
23.3	Possession of Inappropriate Items	58	06/08
23.4	Disciplinary Action	58	06/08
23.5	Counseling Services	59	06/08
23.6	Procedures for Imminent or Actual Violent Acts	59	06/08
24	**Policy on Relatives Working for the JPAs**	60	
24.1	Relatives Working for the JPAs	60	06/08
24.2	JPAs Rights	60	06/08
25	**Political Activity Policy**	60	06/08
26	**Policy on Violations of the Hatch Act**	61	
26.1	Hatch Act	61	06/08
27	**Policy on Workplace Accommodations for Employees With Disabilities**	61	06/09
28	**Family and Medical Leave Policy**	61	
28.1	Family and Medical Leave Policy	61	06/09
28.2	Purpose	61	06/08
28.3	Eligibility	61	06/08
28.4	Type of Leave Covered	62	06/09
28.5	Policy Definitions	62	06/09
28.6	Amount of Leave	64	06/08
28.7	Intermittent Leave or Leave on a Reduced Work Schedule	65	06/08
28.8	Substitution of Paid Accrued Leaves	65	06/09
28.9	Payment of Health Insurance Premiums While on Leave	65	06/09
28.10	Medical Certification	66	06/08
28.11	Procedures for Requesting Leave	67	06/09
28.12	Accrual of Benefits While on Leave	67	06/08
28.13	Right to Reinstatement Upon Return From FMLA Leave	67	06/08
28.14	Employee's Obligation to Periodically Report on Condition	67	06/08
28.15	Fitness-for-Duty Certification	67	06/08
28.16	Failure to Return From FMLA Leave	67	06/08
29	**Policy on Fitness-for-Duty Evaluations**	68	06/08
29.1	Fitness-for-Duty	68	06/08
30	**Confidentiality Policy**	68	06/11
30.1	Policy	68	06/11
30.2	Protecting Information	68	06/11

30.3	Confidential Information	68	06/10
30.4	Penalties for Disclosing Confidential Information	69	06/10
31	**Emergency Service Workers**	69	
31.1	Emergency Service Workers	69	06/10
31.2	Emergency Situations	69	06/10
32	**Fraud Policy**	69	
32.1	Background	69	06/11
32.2	Policy Scope	69	06/11
32.3	Policy	69	06/11
32.4	Actions Constituting Fraud	70	06/11
32.5	Other Irregularities	70	06/11
32.6	Investigation Responsibilities	70	06/11
32.7	Reporting Procedure	70	06/11
32.8	Confidentiality	70	06/11
32.9	Investigating Suspected Fraud	71	06/11
32.10	Investigation Outcome	71	06/11
32.11	Disciplinary Action	71	06/11
33	**Conflict of Interest Code**	71	
33.1	Background	71	06/11
33.2	Designated Positions	71	06/11
33.3	Disclosure Categories	71	06/11
33.4	Code Approval	71	06/11

All policies affect all LGS or RGS employees regardless of at-will status.

Section 1 Introduction

1.1 **JPAs**: Local Government Services and/or Regional Government Services, herein after, the JPAs, provide services to a variety of clients with employees assigned to perform those services. Employees are the JPA's representatives when performing services.

1.2 **Board of Directors and Executive Committee**: The Boards of Directors for Local Government Services and Regional Government Services are each comprised of one representative from each member organization. Member organizations are the City of Larkspur and the Association of Bay Area Governments.

1.3 **Name**: These Personnel Rules, Regulations, and Policies (hereafter "Rules") generally describe the employment relationship between the Local Government Services (LGS) and Regional Government Services (RGS) and their employees. These Rules apply to both LGS and RGS JPA employees, except where otherwise indicated in these Rules or where an applicable employee agreement specifically conflicts with a Rule, in which case the employee agreement provision shall govern. These Rules do not apply to appointive officers of the either JPA Governing Board or executive committee members.

1.4 **Conflicting Rules**: These Rules were established to conform and be complementary to JPAs policies. In cases where there is deemed to be a conflict between a Rule and the policies, the policies shall prevail.

1.5 **Additional Rules**: Unit managers are the executive leadership of client organizations who may issue additional rules or policies as deemed necessary for the efficient administration of the unit. However, such unit rules or policies shall not conflict with these Rules. In cases where there is deemed to be a conflict between a unit rule and these Rules, these Rules shall prevail.

1.6 **Amendments**: These Rules may be amended from time to time and approved by both JPAs Governing Board.

1.7 **Accessing Rules**: These Rules are available to all employees and are posted on both JPAs website. Each employee is responsible for reading and complying with them.

1.8 **Violation of Rules**: Violations of the provisions of these Rules shall result in disciplinary action, up to and including dismissal, to be taken in accordance with these Personnel Rules and Regulations.

1.9 **Discrepancies**: In the event there is a discrepancy between the language in these Rules and state or federal law, federal or state law shall prevail over these Rules.

1.10 **Severability**: If any part of these Rules is determined to be unconstitutional or illegal, such part shall be severed from these Rules and the remaining Rules shall be given full force and effect.

1.11 **Word Usage**: The term Agency JPA or JPAs as used in these Rules refers to either Local Government Services and/or Regional Government Services. Responsibilities and rights of the JPAs under these Rules are exercised by the Executive Director, and may be delegated by the Director in his/her discretion.

1.12 **Executive Director**: The term Executive Director refers to Local Government Services and/or Regional Government Services Executive Director. The Executive Director may designate authority to the human resources or unit manager, as appropriate. When interpreting these Rules, anytime the Executive Director is listed, it should also be interpreted to mean the Executive Director or his/her designee.

Section 2 Employer/Employee Relations

2.1 **Meyers-Milias-Brown Act**: The JPAs labor relations policies are governed by the Meyers-Milias-Brown Act (MMBA), Government Code section 3500 et seq.

2.1.1 **Bargaining Unit**: Means a unit of employee classifications and/or positions established by the Board.

2.1.2 **Board**: This refers to the Board of Directors, the governing body of either Local Government Services (a public agency under Article 1, Chapter 5, Division 7, Title 1 commencing with Section 6500 of the Government Code of the State of California) and the Executive Committee of LGS, and the governing body of Regional Government Services (a public agency under Article 1, Chapter 5, Division 7, Title 1 commencing with Section 6500 of the Government Code of the State of California) and the Executive Committee of RGS. The Board includes any duly authorized Board representative or Committee thereof.

2.1.3 **Certify**: Means the process by which the Board formally acknowledges an employee organization as the exclusive representative of a bargaining unit.

2.1.4 **Confidential Employee**: Means an employee or position, as designated by the Board, who could reasonably have access to confidential information that could affect employer-employee relations.

2.1.5 **Day**: Means calendar day unless expressly stated otherwise.

2.1.6 **Employee**: Means any person employed by either JPAs, but generally does not include appointed and elected officials, temporary or intermittent workers, or program participants.

2.1.7 **Employee Organization**: Means any organization that includes employees of either JPAs, and which has one of its primary purposes to represent such employees in their labor relations with either JPAs.

2.1.8 **Impasse**: Means a deadlock in negotiations concerning matters within the scope of representation.

2.1.9 **Management, Managerial, or Supervisory Employee**: Means any employee, as reasonably designated by the Executive Director, having significant authority, in the interest of the Board, formulate and effectuate policies by expressing and making operative the decisions, or who is substantially involved in developing and/or implementing management policies, or who hires, transfers, suspends, lays off, recalls, promotes,

discharges, assigns, rewards, or disciplines one or more other employees; or to direct or supervise them; or to adjust or advise regarding grievances. Such employees are so distinguished as they:

2.1.9.1 **Primary Duty**: Have as their primary duty the management of an unit.

2.1.9.2 **Authority**: Have authority to hire and fire, or to make recommendations as to those decisions.

2.1.9.3 **Discretionary Powers**: Customarily and regularly exercise discretionary powers.

2.1.9.4 **Management Function**: Carry out those functions primarily performed by managers.

2.2.9.5 **Non-management Work**: Do not devote more than 20 percent of their weekly work time to non-management activities.

2.1.10 **Memorandum of Understanding (MOU)**: Means a written agreement between the Board and the recognized employee representative regarding wages, hours, and working conditions within the scope of representation. MOUs and each of their provisions shall not be valid or enforceable unless and until adopted by the Board.

2.1.11 **Notice**: Means depositing the information at issue, properly addressed with correct postage for first class delivery, in a United States Postal Service (USPS) facility, unless otherwise agreed between the affected parties in writing.

2.1.12 **JPAs Executive Director**: Refers to the JPAs Executive Director of Local Government Services and/or Regional Government Services. The Executive Director may delegate any responsibility specified in these Rules.

2.1.13 **Recognized Employee Representative**: Means an employee organization which has been formally recognized by the Board or its designee, the Executive Committee, as the exclusive representative of a bargaining unit or units for purposes of meeting and conferring on matters within the scope of representation under the MMBA.

2.1.14 **Scope of Representation**: The scope shall include all matters relating to employment conditions and employer-employee relations, including, but not limited to, wages, hours, and other terms of conditions of employment; provided, that the scope of representation shall not include consideration of the merits, necessity, or organization of any service or activity provided by law or executive order, or any other matter excluded by applicable case law or statute.

2.2 **Board Management Rights**: Unless specifically in conflict with any MOU, all management rights shall remain vested exclusively with the Board or its Executive Committee, and any omission in a management right listed below shall not be construed as the Board's waiver of such right. Board management rights include, but are not limited to the right to:

- Determine the mission of its JPAs, institutions, divisions, committees, boards,

and commissions.

- Full and exclusive control of the management and organization of the employer; supervision of all operations; determinations of methods, means, location, and assignments of performing all work; and the composition, assignment, direction, location, and determination of the size and mission of the work force.
- Determine the work to be done by employees, including establishment of service levels, appropriate staffing, and the allocation of funds for any position(s) within the organization.
- Review and inspect, without notice, all employer-owned facilities, including without limitation desktop computers, desks, email, facsimile, and copy machines, computer storage drives, voicemail systems, and filing cabinets and systems. This section shall not grant the unfettered right to inspect personal property without legal cause.
- Change or introduce different, new, or improved operations, technologies, methods, or means regarding any work, and to contract out for the work.
- Establish and modify qualifications for employment, including the content of any job classification, job description, or job announcement, and to determine whether minimum qualifications are met.
- Establish and enforce employee performance standards.
- Schedule and assign work, make reassignments, and assign overtime work.
- Hire, fire, promote, reassign, transfer, release, discipline, layoff, terminate, demote, suspend, or reduce in step or grade, all employees.
- Reorganize any of its divisions and reassign workers accordingly.
- Require fitness-for-duty evaluations upon reasonable cause.
- Require drug and/or alcohol tests upon reasonable suspicion of possession of illegal drugs or alcohol in the workplace, or impairment while on the job.
- Investigate regarding complaints or concerns about employee performance deficiencies or misconduct of any sort, including the right to require employees to appear, respond truthfully, and cooperate in good faith regarding any employer investigation.
- Designate employees as exempt, or non-exempt, pursuant to the Fair Labor Standards Act.
- Maintain orderly, effective, and efficient operations.

2.3 **Employee Rights**: Unless specifically in conflict with an MOU, all employees shall enjoy the following rights to:

- Form, join, and participate in the activities of employee organizations of their own choosing for the purpose of representation on all matters of employer-employee relations.
- Refuse to join or participate in the activities of employee organizations, and to represent themselves individually in their employment relations with the Board.
- Be free from interference, intimidation, restraint, coercion, or discrimination because of exercising rights specified in this section.

2.4 **Bargaining Units**: The JPAs Executive Director (which includes any authorized

designee), shall designate and maintain a description of all current bargaining units in the JPAs. The Executive Director shall have the management discretion to form and define reasonable bargaining units, and to modify bargaining units based on the procedures specified in this Rule. In exercising discretion regarding bargaining unit composition, including initial formation and subsequent modification, the Executive Director shall consider the following criteria, which are not necessarily listed in order of importance:

2.4.1 **Community of interest** among employees, and avoiding actual or potential conflicts of interest within the bargaining unit.

2.4.2 **Historical relationships** including the organizational structure and collective bargaining.

2.4.3 The **effective delivery** of services.

2.4.4 The **application of consistency** of wage, hour, and benefit packages (including retirement benefits).

2.4.5 **Specific legal requirements**, such as the rights of certain employees to be in bargaining units exclusive of other employees.

2.4.6 **Employee rights to freely choose** labor representatives according to their preference.

2.4.7 The **interest of broad-based units** composed of the largest number of employees having a reasonable community of interest.

2.5 **Certification as Exclusive Bargaining Representative**:

2.5.1 **Elements of Petition**: An employee organization seeking recognition as an exclusive representative of a bargaining unit shall file with the Executive Director a written petition for certification, which shall include the items listed below. The Executive Director may provide appropriate forms for such petitions.

2.5.1.1 The complete name and street address of the organization.

2.5.1.2 The names, titles, mailing addresses, e-mail addresses, and telephone numbers of the organization's officers.

2.5.1.3 The names, addresses, e-mail addresses, and telephone numbers of those persons who are authorized to represent the organization.

2.5.1.4 The names, addresses, and e-mail addresses where notices from the Board to the organization may be sent.

2.5.1.5 A statement that the organization has no restriction on membership and does not discriminate based on race, color, creed, national origin, sex, age, disability, sexual orientation, or political affiliation.

2.5.1.6 A statement that one or more of the primary purposes of the organization is to represent employees on matters concerning wages, hours, and other terms and conditions of employment.

2.5.1.7 A statement whether the organization is affiliated in any manner, directly or indirectly, with another organization (for example as a local or chapter of a national or international parent union), and if so, the name, address, and website address of the affiliated organization.

2.5.1.8 Copies of the employee organization's constitution and by laws, accompanied by a statement of authenticity.

2.5.1.9 Authorization cards demonstrating support for the petition, signed by 30% or more of the employees within the bargaining unit, that are dated no later than 6 months earlier than the date of the petition, and which appear authentic to the party reviewing them.

2.5.1.10 A request that the Board certify the petitioner as the exclusive bargaining representative for those employees in the bargaining unit(s) at issue.

2.5.2 **Response to Petition**: Within 30 days after receiving a petition, the Executive Director shall determine whether the petition contains the necessary elements demonstrating the requisite showing of interest. If the petition is defective in some respect, the Executive Director may reject and return it, with a brief explanation. Alternatively, the Executive Director may retain the petition, and permit the petitioner to alleviate the deficiencies promptly.

2.5.3 **Notice**: After the Executive Director determines that a petition meets the requirements under this Rule, the Executive Director shall provide notice that a petition has been filed to all employees in the bargaining unit at issue, all recognized employee organizations, and the Board.

2.5.4 **Elections**: Elections shall be conducted in accordance with the provisions herein.

2.5.5 **Certification**: The Executive Director shall provide notice of the election outcome to all affected employee organizations and the Board. For certification petitions, the Board shall certify the prevailing organization, if any, as the exclusive bargaining representative for the bargaining unit(s) at issue.

2.6 **Election Procedures**: The following procedures are applicable to elections, except as specified herein.

2.6.1 **Third-party Election**: Elections will be conducted by a third party as designated by the Executive Director. The Executive Director may take reasonable measures, not in conflict with this Rule or applicable law, to ensure the integrity of elections.

2.6.2 **Executive Director Discretion**: The Executive Director has the discretion to refer the election matter at issue to a neutral organization such as the State Mediation and Conciliation Services (SMCS), or the Public Employee Relations Board (PERB), for handling.

2.6.3 **Supported Petition**: In order for an election to be held, petitions to certify or decertify a recognized bargaining representative, or to rescind an agency shop provision, must be accompanied by cards showing that the petition at issue is supported by 30% or more of the bargaining unit employees.

2.6.4 **Challenges**: Challenges to certification petitions may be initiated by other employee organizations. If the challenging organization meets these

requirements, the organization will also be included in the election. The requirements are:

2.6.4.1 **Challenging Organization**: The challenging organization provides the information contained in this Rule.

2.6.4.2 **Percent of Signed Cards**: The challenging organization produces cards demonstrating that at least 10% of employees in the bargaining unit subject to the petition support the challenge.

2.6.4.3 **Time Period**: The challenge must be initiated within 30 days after the Executive Director gives notice of a petition for certification.

2.6.5 **Authenticity**: The authenticity of cards and signatures shall be verified by a neutral party designated by the Executive Director.

2.6.6 **Secret Ballot**: Elections will be conducted by secret ballot. Over 50% of the employees in the bargaining unit must participate in the election in order for the election to be certified. Elections will be determined by majority vote of those employees' casting votes.

2.6.7 **No Representation Choice**: Ballots shall contain the choice of "no representation".

2.6.8 **No Majority Result**: If no representative receives a majority of the votes, the Executive Director shall conduct a runoff election between the 2 choices receiving the most votes.

2.6.9 **Costs**: Except for initial elections regarding certification of an exclusive bargaining representative, costs of elections shall be borne equally among the Board and the employee organizations appearing on the ballot, to the extent permitted by law.

2.6.10 **Decertification Election**: Elections concerning the proposed decertification of an exclusive bargaining representative may be held no sooner than 12 months following the date the Board certified and recognized the bargaining representative as the exclusive bargaining representative for the bargaining unit(s) at issue. A decertification petition alleging that the incumbent recognized employee organization no longer represents a majority of employees in an established unit may be filed with the Executive Director only during the 30 day period commencing 120 days prior to the termination date of an MOU then having been in effect less than 3 years. For MOUs in effect 3 years or longer, decertification petitions may be filed during the month of January in every year the MOU is in effect.

2.6.11 **Rescinding Agency Shop**: No more than one vote to rescind an agency shop agreement may be taken during the life of a MOU that provides for agency shop.

2.6.12 **Granting Recognition**: Notwithstanding the procedures in this Rule, the Board shall grant exclusive recognition to an employee organization based on a signed petition, authorization cards, or union membership cards showing that a majority of the employees in a bargaining unit determined appropriate by the Executive Director desire the representation, unless another labor

organization has previously been lawfully recognized as exclusive or majority representative of all or part of the same unit. Exclusive representation shall be determined by a neutral third party selected by the Executive Director and the employee organization who shall review the signed petition, authorization cards, or union membership cards to verify the exclusive or majority status of the employee organization. In the event the parties cannot agree on a neutral third party, the parties shall utilize the services of the SMCS. In the event the neutral third party determines, based on a signed petition, authorization cards, or union membership cards, that a second labor organization has the support of at least 30% of the employees in the unit in which recognition is sought, the neutral third party shall order an election to establish which labor organization, if any, has majority status.

2.7 **Bargaining Unit Modifications**: Bargaining unit modifications may be initiated by the Executive Director, by a group of employees, or by a recognized employee representative. Modifications to existing bargaining units must be supported by some legitimate reason.

2.7.1 **Executive Director Initiated Unit Modifications**: The Executive Director may initiate a modification of its unit structure, including the creation of new units, or the reallocation of classifications from one bargaining unit to another bargaining unit. The Executive Director shall provide notice to all affected employee organizations, and to each employee who may be affected by the proposed change. Before implementing any modification or reallocation, the Executive Director shall provide the opportunity to meet and confer (or consult), to the extent required by law, with affected, recognized employee representatives.

2.7.2 **Employee and Union Initiated Modifications**: An employee, group of employees, or a recognized employee organization may request that a unit be modified, or that one of more classifications be reallocated to a new or existing bargaining unit. The Executive Director shall provide notice to all affected employee organizations upon receipt of such a request. The request must be accompanied by authorization cards, dated no later than 6 months earlier than the request, showing that at least 40% of the employees in the new proposed unit, or 30% of the employees in the classification(s) proposed to be reallocated to another bargaining unit, support the request.

2.7.2.1 **Denying the Request**: The Executive Director may exercise discretion to deny the request in the event the criteria listed in section 2.4 of this Rule suggest to the Executive Director that the modification or reallocation is inappropriate. The Executive Director shall provide notice of the rejection to all recognized employee representatives promptly after such determination.

2.7.2.2 **Consistent Modifications**: If the Executive Director determines that the modification or reallocation is consistent with the criteria listed, the Executive Director shall further process the request. If the

Executive Director determines that a new unit or reallocation is appropriate, the Executive Director shall provide notice to all recognized employee representatives. If no protest is filed within 30 days, the Executive Director shall promptly reassign affected classifications to the new unit, or reallocate the classifications to an existing bargaining unit. In the event of an assignment to a newly created bargaining unit, the Executive Director shall also notify the employees of their rights under this Rule, including the right to select a representative of their choice for the purpose of meeting and conferring regarding wages, hours, and working conditions under the MMBA.

2.7.2.3 **Protests**: Within 30 days of notice regarding the Executive Director's determination to modify a bargaining unit, or reallocate classifications, an affected recognized employee representative may submit a protest to the Executive Director's office. The protest must include the following in order to be considered.

2.7.2.3.1 **Data**: The name, address, e-mail address, and telephone number of the protesting representative.

2.7.2.3.2 **Facts**: The facts and arguments supporting the protest.

2.7.2.3.3 **Resolution**: The proposed resolution.

2.7.2.4 **Response**: Upon receipt of a protest, the Executive Director shall meet and confer to the extent required by law. If there is no resolution, the dispute shall be submitted to the SMCS for mediation. If the SMCS is unable to achieve a resolution, the matter shall be referred to the Executive Director for final written decision and notice to all affected parties. After issuing a decision, the Executive Director may reassign or reallocate the classifications at issue, and inform the employees of their rights under this Rule.

2.8 **Timing**: Unless required by law, unit modifications or reallocations may not be initiated sooner than 12 months following the date of any memorandum of understanding which covers the classifications proposed to be reallocated or moved from the bargaining unit.

2.9 **Unit Disputes Involving Professional Employees**: In the event of a dispute on the appropriateness of a unit of representation for professional employees, upon request of any of the parties, the dispute shall be submitted to State Mediation and Conciliation Services (SMCS) for mediation or for recommendation for resolving the dispute. Professional employees, for the purposes of this section, mean employees engaged in work requiring specialized knowledge and skills attained through completion of a recognized course of instruction, including, but not limited to, attorneys, physicians, registered nurses, engineers, architects, teachers, and the various types of physical, chemical, and biological scientists.

2.10 **Rights and Responsibilities**:

2.10.1 **Meet and Confer**: An exclusive bargaining representative shall have the

right to meet and confer in good faith with authorized representatives from the designated JPAs regarding wages, hours, and working conditions within the scope of representation. If an agreement is reached, the parties shall jointly prepare a written MOU, which shall not be binding, and present it to the Board. If the Board adopts the written MOU, it shall become binding on the parties. The JPAs are under no obligation to meet and confer with an employee organization, unless it has been certified as a recognized employee representative.

2.10.2 **Current Information**: Recognized employee representatives have the responsibility to inform the Executive Director, in writing, of any changes in the information specified in section 2.5 of this Rule, and the Board may rely on its information on file for purposes of notice under this resolution and the MMBA.

2.10.3 **Release Time**: During the period of meet and confer regarding a memoranda of understanding, recognized employee representatives shall be entitled to a reasonable number of representatives who may receive paid release time during the period when formal negotiations are occurring at the table. The precise number shall be subject to the parties' discussions and the Executive Director's approval at the outset of negotiations. Employee representatives shall cooperate with the Executive Director on a reasonable schedule, and the employees released for negotiations shall notify their supervisors, obtain their consent (which shall not be unreasonably withheld) and ensure that the dates scheduled for negotiations do not adversely affect either JPAs' operation. Paid release time may not be authorized for activities such as soliciting membership, internal union elections, campaigning for office or other political activity, organizing efforts, or for any other purpose not authorized by this Rule or an MOU.

2.10.5 **JPAs Resources**: Use of JPAs resources, including without limitation; stationery, computers, mail, e-mail, copy machines, and fax machines, for Union business is prohibited. Use of Board facilities for other than JPAs-related business is prohibited.

2.10.6 **Dues and Other Authorized Payroll Deductions**: Recognized employee representatives may sponsor payroll deduction programs for membership dues, charitable causes, and benefit premiums and contributions. In order to participate, each affected employee must submit a written authorization on a form prescribed by the Executive Director. Deductions shall comply with the JPAs administrative procedures.

2.10.7 **Appeals**: An employee or labor organization aggrieved by any adverse action taken pursuant to this Rule may submit an appeal to the Executive Director. The Executive Director may adopt reasonable procedures, after appropriate meet and consult, to resolve such appeals. To be considered, an appeal must be filed within 30 days of when the aggrieved party knew or should have known of the alleged violation. Failure to file an appeal within the 30 day

time limit shall constitute a waiver of any challenge to the action at issue. Appeals must contain specific allegations that the employer violated a specific provision of this Rule or applied the Rule in a manner that violates an applicable law. To the fullest extent permitted by law, appeals must be submitted and appeal procedures exhausted before resorting to any other forum, so that the underlying facts may be gathered, an appropriate record may be created, and the Executive Director is provided a reasonable opportunity to correct or remedy complaints. No other grievance or appeal process may be used to address issues covered by this Rule.

2.11 **Impasse Resolution Procedures**:

2.11.1 **Impasse Meeting**: If impasse is reached during negotiations concerning an MOU, either party may declare an impasse by submitting a written letter formally declaring an impasse. The declaration of impasse must contain all of the following elements:

2.11.1.1 **Tentative Agreements**: A list of all tentative agreements, if any.

2.11.1.2 **Disputed Issues**: A list of all disputed issues.

2.11.1.3 **Last and Final Offer**: For each disputed issue, the declarant's last and final offer. The party against whom the impasse is declared shall submit a formal response within 7-working days of notice of impasse, and shall meet within 7-working days thereafter.

2.11.2 **Mediation**: Upon and after impasse, either party may request that the dispute be submitted to mediation, and the other party must participate in good faith upon request, or submit a letter within 7-working days of the request specifically declining to participate in mediation. The costs of mediation shall be borne equally. Mediation shall be conducted by a mediator supplied by the SMCS, or by some other mutually agreed upon mediator. Mediation shall be confidential. The mediator shall not make public recommendations or issue any decision concerning the issues. If no agreement is reached after an opportunity for mediation, the matter may be referred to the Board for final determination.

2.11.3 **Miscellaneous**: The impasse resolution section shall not apply to economic disputes involving employees governed by different impasse resolution procedures imposed by lawful statute. This impasse resolution section shall only cover bargaining impasses regarding comprehensive memoranda of understanding (MOUs), and it does not cover day-to-day issues subject to meet and confer/meet and consult; or Board actions that may be subject to meet and confer/meet and consult requirements.

2.12 **Agency Shop**: If made, agency shop arrangements must accord with all requirements of California Government Code section 3502.5.

2.13 **Miscellaneous Provisions**:

2.13.1 **Savings and Separability**: This Rule is intended to comply with all applicable state and federal laws, and it should be interpreted and applied to harmonize with all such law, reserving the broadest legal measure of

authority to the Board. In the event a court of competent jurisdiction determines that some provision is inconsistent with applicable and binding law, then that provision shall be severed and all remaining portions of the Rule shall continue in full force and effect. Upon request by the Executive Director, a recognized bargaining representative will meet and consult promptly in an effort to resolve any amendments that are necessary or advisable in light of changes to existing law, or interpretations of the law that impact this Rule.

2.13.2 **Anti-discrimination**: The Board is committed to ensuring that its workplaces are free from discrimination and harassment made unlawful pursuant to Title VII of the Civil Rights Act, the Fair Employment and Housing Act, and other applicable local, state, and federal laws regarding discrimination. This Rule shall be interpreted to comply with such laws. All memoranda of understanding, including side letters, adopted pursuant to the MMBA, and this Rule shall be interpreted to comply with such laws.

Section 3 Definition of Terms

The terms used in these Personnel Rules and Regulations shall have the meanings as defined below:

3.1 **Advancement**: A salary increase within the position.

3.2 **Agency JPA or JPAs**: As used in these Rules refers to the Local Government Services, JPA or Regional Government Services, JPA. Responsibilities and rights of the JPAs under these Rules are exercised by the LGS or RGS JPAs Executive Director or as delegated by the Executive Director in his/her discretion.

3.3 **Allocation**: The assignment of a single position to its proper class in accordance with the duties performed and responsibilities exercised.

3.4 **Anniversary Date**: Date an employee is appointed, promoted, demoted, or reinstated to a position within the JPAs.

3.5 **Applicant**: Any person submitting a formal, completed application materials for employment with either JPAs.

3.6 **Appointing Authority**: The Executive Director or designee, has the authority to make an appointment to a position to be filled.

3.7 **Appointment**: Placement of a candidate into a position.

3.8 **At Will Employee**: Employees of both JPAs are at will and serve at the pleasure of the Executive Director, who retains the authority to terminate any such employee at any time with or without notice or cause and without right of appeal. At will employees do not acquire a property interest in their positions with the JPAs.

3.9 **Compensation**: Salary, wages, fees, benefits, allowances, or monies paid to, or on behalf of, an employee for work services.

3.10 **Compensatory Time Off**: Time off in lieu of pay for overtime worked.

3.11 **Continuous Examination**: An examination which is administered periodically.

3.12 **Continuous Service**: Employment without interruption. This includes approved paid leaves of absences and leaves of absences to serve in the armed forces of the United States, as provided by Section 395 of the Military and Veterans Code.
3.13 **Days**: Means calendar days unless otherwise stated.
3.14 **Demotion**: The voluntary or involuntary movement of an employee from one position to another position having a lower maximum base rate of pay.
3.15 **Disciplinary Action**: The discharge, demotion, reduction in pay, suspension, or transfer of an employee for disciplinary reasons.
3.16 **Employee**: An individual appointed to a position within either JPAs.
3.17 **Employment Date**: For retirement, sick leave, and other benefit purposes, this is the effective date of an employee's initial appointment to a full-time or part-time position.
3.18 **Examination**: An examination open to qualified applicants either within or outside either JPAs.
3.19 **Full-Time Position**: A position requiring a minimum of 40 hours of work per week each week of a calendar year.
3.20 **Grievance**: A grievance is defined as any dispute involving the interpretation, application, or alleged violation of a specific express term of these Rules.
3.21 **Grievance Procedure**: The systematic means by which an employee may obtain consideration of a grievance.
3.22 **Grievant**: An employee or group of employees filing a grievance.
3.23 **Initial Appointment**: The appointment of a person to a position in either JPAs.
3.24 **Layoff**: The separation of employees from the active work force due to lack of work, lack of funds, organizational changes, or the abolition of positions. An employee who is laid off has no bumping rights, no right of appeal, nor any greater rights to return status.
3.25 **Local Government Services and Regional Government Services:** Are referred to herein and in other official documents as the JPA or JPAs.
3.26 **Miscellaneous Employee**: For CalPERS retirement purposes, this is an LGS JPA employee who is not a sworn safety officer.
3.27 **Part-Time Position**: A position of less than 35 hours per week each week of a calendar year.
3.28 **Position**: A group of duties and responsibilities requiring the full-time or part-time employment of one person.
3.29 **Position Specification**: The written job description, including the title; a statement of the nature of the work, examples of duties and responsibilities, and the requirements that are desirable for the satisfactory performance of the duties of the position.
3.30 **Position Title**: The title assigned to a particular position and used for reference to that position.
3.31 **Promotion**: The movement of an employee from one position to another position having a higher maximum base rate of pay.

3.32 **Reallocation**: The official determination that an employee be assigned to a position different from the one to which it was previously assigned.
3.33 **Reinstatement**: The return of an employee to a classification in which the employee formerly served.
3.34 **Relief of Duty**: The temporary assignment of an employee to a status of leave with pay.
3.35 **Resignation**: Voluntary termination of employment by an employee.
3.36 **Safety Employee**: A fire or police employee, as defined by California Public Employees' Retirement System statutes.
3.37 **Salary Advancement**: A salary increase from one salary step to a higher salary step in the same pay range.
3.38 **Selection Process**: The process of testing, evaluating, investigating, and determining the fitness and qualification of applicants for positions within either JPAs.
3.39 **Separation**: Leaving employment for any reason.
3.40 **Suspension**: The temporary suspension of an employee without pay for disciplinary purposes.
3.41 **Termination**: The separation from service in either JPAs with the action initiated by designated JPA.
3.42 **Transfer**: A change of an employee from one position to another position with comparable pay and skill requirements.
3.43 **Unit**: This term refers to the various client organizations within the JPAs.
3.44 **Unit Manager**: This is an employee providing services to the client organization and who is the lead employee for the client organization or project. The unit manager shall supervise the other JPAs employees providing services to the client organization.
3.45 **Vacancy**: A duly created position which is not occupied and for which monies have been appropriated.
3.46 **Y-rating**: An action to freeze an employee's salary at the current rate until such time that the top step of the salary range for such position equals or exceeds the employee's salary at the time of the Y-rating action.

Section 4 At Will Employment

All positions within the JPAs are at will positions. The employment of at will employees may be terminated at any time, for any reason, and without any requirement of demonstrating "good cause." At will employees have no right to appeal any discipline or termination. At will employees do not acquire a property interest in their positions with either JPAs.

Section 5 Recruitments, Applications, and Examinations

5.1 **Recruitment**: The JPAs may utilize any legitimate recruitment procedure for attracting qualified applicants. Recruitments may be open or may be limited to either JPAs employees, depending on the respective JPAs' needs. The Executive Director may make appointments without going through a recruitment procedure, when in the best interest of the JPAs.

5.2 **Announcement**: Examinations for positions shall be publicized by such methods as human resources deems appropriate. Recruitments shall be conducted in accordance with equal employment opportunity guidelines as well as appropriate and valid selection procedures.

5.3 **Application Materials**: Application materials shall require information covering training, experience, and other pertinent information designed to determine if the applicant can perform the essential job duties. Application materials may include references and background checking, including fingerprints. False information of material fact on application materials may result in rejection or dismissal of the applicant. Applications and examinations are confidential records and shall not be returned to applicants. No applicant information shall be asked that is prohibited under any state or federal law.

5.4 **Disqualification**: Human resources may disqualify any candidate for any legitimate reason. An applicant has no right to grieve or appeal any such actions by the JPAs. Any one or more of the following reasons may result in disqualification.

5.4.1 **Improperly Completed Application**: The applicant did not properly complete the application materials.

5.4.2 **Minimum Qualifications**: The application indicates on its face that the applicant does not possess the minimum qualifications for the position.

5.4.3 **Essential Duties:** The applicant is unable to perform the essential functions of the position sought, with or without reasonable accommodations.

5.4.4 **Illegal Drugs**: The applicant is currently using illegal drugs.

5.4.5 **Conviction of a Crime**: The applicant has been convicted of a crime that may have an adverse impact on the applicant's ability to perform the job for which the applicant is applying.

5.4.6 **Legal Right to Work:** The applicant is not legally permitted to work within the United States.

5.4.7 **False Statements**: The applicant has made false statement of any material fact or practiced or attempted to practice deception or fraud in making the application for employment.

5.4.8 **Material Cause**: Material cause, in the judgment of human resources, would render the applicant unsuitable for the position, including a prior resignation from either JPAs's service, termination from either JPAs' service, or significant disciplinary action.

5.5 Examinations

5.5.1 **Examination Process:** All hiring shall be made according to merit and fitness. The JPAs may utilize any legitimate objective method to determine the qualifications of applicants, including without limitation, written tests, physical agility tests, oral examinations, training and experience review, panel interviews, assessment centers, and oral interviews. The selection practices used in the examination process shall be impartial and relate to those subjects that, in the opinion of human resources, fairly measure the relative capacities of the candidates to execute the duties and responsibilities of the class.

5.5.2 **Conduct of Examination**: The JPAs may hold the selection processes itself or contract with any competent organization, individual, or firm for preparing and/or administering examinations.

5.5.3 **Notification of Examination Results and Review of Materials**: Examination results are not provided. However, if requested by a candidate in an examination, exam results may be given, within the sole discretion of the human resources.

5.5.4 **Continuous Recruitments**: When necessary to meet continued requirements for filling positions, the closing date for any selection process may be indefinite and applicants may be tested continuously in such manner and at such times and places as may be determined by human resources.

5.5.5 **Backgrounds**: As part of the pre-employment procedure, applicants may be required to supply references, and submit to a thorough background check. In addition, all employees must be physically and mentally capable of performing the essential functions of their jobs with or without reasonable accommodation. The JPAs shall have the right to conduct a complete and exhaustive background investigation on all applicants seeking employment, including a criminal background check, where applicable, and a medical and/or psychological examination by JPA-retained medical practitioners, where deemed appropriate by the JPAs. However, any medical or psychological examination shall be conducted only after a conditional job offer has been made, in accordance with applicable law.

5.5.6 **Appointment**: The Executive Director of either JPAs is the only employee authorized to hire. The Executive Director may appoint any competent applicant to a position for which the applicant is qualified. Positions may be full-time or part-time, long-term or short-term, depending on the needs of the JPAs. The Executive Director may appoint a designee to perform this function.

Section 6 Benefits and Compensation

6.1 **Benefits**: All compensation and benefits afforded the JPAs employees and their eligible dependents are governed by the terms and conditions of the contractual agreements with the benefit providers. Compensation shall be determined by the Executive Director, consistent with these policies and procedures, in the best interest of the JPAs, and governed by the terms and conditions of the individual employment agreement. Insurance premiums not paid in whole or part by the Authorities shall be the responsibility of the employee.

6.1.1 **Qualifying for Benefits**: A medical plan, dental plan, vision plan, long- and short term disability programs, life insurance, employee assistance program, flexible spending accounts, and other such benefits are available to full-time employees and may be pro-rated for eligible regularly working part-time employees, with costs shared by the JPAs and the employee as defined and provided for in the individual employment agreement.

6.2 **Group Health Insurances:** These insurances are subject to the terms and conditions of the specific benefit plans.

6.2.1 **Insurance Premium**: Full time employees and their eligible dependents shall be provided insurance for themselves and eligible dependents, up to the maximum contribution as provided in the JPAs Health Contribution Plan.

6.2.2 **Eligibility**: All regular full-time and regular part-time employees are eligible to participate. Part-time employees shall have their benefit costs pro-rated and if employee elects coverage, such additional premium costs will be paid by the employee through payroll deductions.

6.2.3 **Coverage**:

6.2.3.1 **Dental and Vision Effective Dates**: Based on the terms and conditions with the provider, generally coverage shall become effective on the first day of the month following the employee's actual start date, and shall terminate on the last day of the month in which the employee leaves employment.

6.2.3.2 **Medical Effective Dates**: Based on the terms and conditions with the provider, generally coverage shall become effective on the first day of the month following the employee's initial appointment date, and shall terminate on the last day of the month following the month in which the employee leaves employment.

6.2.3.3 **Life, AD&D, and Short-term and Long-term Disability Effective Dates**: These benefits are only available for regularly working full time employees. Coverage shall become effective on the first day of the month following the employee's initial appointment date and shall terminate on the last day in which the employee was in paid status.

6.2.3.3.1 **Life and Accidental Death and Dismemberment Insurance**: Coverage for all employees is up to two times the employee's compensation to a maximum of $200,000.

6.2.3.3.2 **Short- and Long-term Disability Insurance**: The JPAs maintain a short- and long-term disability insurance program for all regular full-time employees. This insurance is intended to cover employees in the event of a long-term injury or illness that is not covered by some other leave benefit. Eligibility for disability benefits begins after the employee has been absent from work for a certified illness/injury for a minimum of 30 calendar days. The benefit pays up to 2/3rds of the employee's gross monthly salary up to a maximum level of $6,000, if employee is certified as disabled. Accumulated sick leave or vacation may be used during the waiting period.

6.3 **Other Benefits:** The JPAs contributes on the employee's behalf, the employer costs for Medicare. This benefit follows federal requirements. The JPAs do not participate in social security.

6.4. **Deferred Compensation Plans**: The JPAs participates in a deferred compensation (IRC sec. 457) plans and 401(a) plans. Employees may contribute pre-tax dollars to the 457 plan based on the terms and conditions of the plan, as well as federal requirements.

6.5. **Domestic Partner Health Benefits Eligibility**: The JPAs provide registered domestic partners and the children of domestic partners, the opportunity to enroll in JPAs health plans administered by the California Public Employees Retirement system. Domestic partners must meet the requirements for enrollment as stated in Article 9, Section 22873 of the Public Employees Retirement Law, and must submit the required documentation for confirmation.

6.5.1 **Definition**: For the purpose of providing health care benefits, a domestic partnership is defined as two adults of the same sex, both over the age of 18, and opposite sex domestic partners where one person is over the age of 62 and who are registered as domestic partners with the State of California.

6.5.2 **Dependent Children**: Children must be economically dependent upon the employee for their financial support and have a parent-child relationship with the employee. Coverage for children will be terminated when the child reaches age 23 (exceptions apply for children with disabilities), or when the child marries.

6.5.3 **Procedures**: Employees may enroll their registered domestic partner and or children of their registered domestic partner on the first day of the month following receipt of the notarized Declaration of Domestic Partner Registration from the Secretary of State. VCTC must receive the declaration within 60 days of issue. A Statement of Financial Liability for Domestic Partner Health Benefits must be completed and signed, along with the

declaration, as well as the health enrollment form before enrollment of partner or children.

6.5.4 **Tax Implications**: Federal law does not always recognize domestic partner relationships for tax purposes. Therefore the value of the additional benefits received by a domestic partner is considered taxable for tax purposes. The tax liability is an "imputed value" based on the fair market value of the benefit of all of the selected coverage, as assigned by the individual plans. However, if the domestic partner qualifies as a dependent for tax reporting requirements under the Internal Revenue Code, the Value of the additional benefits may be exempt for the imputed tax upon proper certification. Imputed earnings are subject to federal tax and are not added to your taxable gross income for California state tax purposes.

6.6. **Eligible Dependents Change in Relationship**: It is the responsibility of the employee to notify human resources to cancel a spouse or domestic partner's coverage if the relationship terminates or when the spouse or domestic partner no longer shares a common residence with employee. It is the responsibility of the employee to notify human resources to cancel an adult child's coverage once the adult child reaches the benefit limit. If the employee does not notify human resources of the termination of the relationship within 31 days of the event, the employee will be held responsible for all costs for medical services received by the spouse or partner and or children of the spouse or partner after the termination of the relationship.

6.7 **COBRA Requirements**: COBRA medical insurance will be offered through CalPERS to employees, and their legal dependents as required by law. Other COBRA required insurance will be offered through the JPAs insurance plans. In the event of termination of marriages, domestic partnership, the death of the employee, or a depend child reaching the age limit for insurance, under the same conditions used for traditional marriages, COBRA will be offered. Should the spouse or partner elect COBRA, the coverage will continue as required by law. The spouse or partner of the employee pays for COBRA benefits.

6.8 **Retiree Medical Benefits**: Retiree medical benefits are specifically outlined in each employee agreement. Those employees without a specific employment agreement indicating their retirement health benefits receive the minimum employer contribution as required by law.

6.9 **Retirement Plans**

6.9.1 **RGS Retirement**: All regular full-time and regular part-time RGS employees shall participate in the 401(a) retirement plan and shall be governed by its rules and regulations. RGS shall contribute 10% of salary towards the employee's 401(a) retirement plan.

6.9.1.2 Some employees are eligible for a 457 match, as outlined in their individual employment agreements.

6.9.2 **LGS Retirement**: All regular full-time and regular part-time LGS employees participate in the Public Employees' Retirement System and are

governed by its rules and regulations. Employee's retiring from LGS and eligible for concurrent retirement with CalPERS have the following benefits:

6.9.2.1 **Retirement Formula**: The retirement formula benefit for employees is 2% at age 55.

6.9.2.2 **Sick Leave Service Credit**: Employees retiring may use sick leave to obtain additional service time. This is known as Sick Leave Service Credit.

6.9.2.3 **Single Highest Year**: Employees retiring may choose any single 12-month period in which to base their retirement calculations.

6.9.2.4 **Other PERS Benefits**: Currently LGS has contracted with CalPERS to also provide these optional benefits.

6.9.2.4.1 **Pre-tax Service Credit Purchase**: Employees may purchase service credit on a pre-tax basis.

6.9.2.4.2 **Peace Corp Service Credit**: A member may elect to purchase up to 3 years of service credit for any volunteer service in the Peace Corps, AmeriCorps VISTA (Volunteers In Service To America), or AmeriCorps.

6.9.2.4.3 **Prior Service Credit**: This is service rendered by the employee prior to the effective date of the contract between the Commission and CalPERS. Permits employees to purchase prior service. The member is required to pay the normal employee contributions based on the contribution rate and compensation at date of membership plus interest until the date of completion of payments.

6.9.2.4.4 **Military Retiree Credit**: Permits certain retired persons to purchase up to 4 years of service credit for continuous active military or merchant marine service prior to employment.

6.9.2.4.5 **Military Stats:** A member may elect to purchase up to four years of service credit for any active military or merchant marine service prior to employment.

6.9.2.4.6 **2% Cost-of-Living Adjustments (COLA)**: Beginning the second calendar year after the year of retirement, the retirement and survivor allowances will be annually adjusted by CalPERS on a compound basis of up to 2% maximum.

6.9.2.4.7 **Retired Death Benefit**: Upon death of a retiree, a one-time lump-sum payment of $500 will be made to the retiree's designated survivor(s), or to the retiree's estate.

6.9.2.4.8 **Death Benefit Prior to Retirement**: Provides the death benefits being paid to a spouse of a member who

died prior to retirement will continue in full should the spouse remarry.

6.9.2.4.9 **Employer Paid Member Contribution (EPMC)**: The JPA may pay the employee's portion of the retirement contribution as well as the employer's portion as determined by the client group employee is assigned to.

6.10 **Mileage Reimbursement**: For employees who do not receive an auto allowance and are authorized by their unit manager to use their personal vehicles for work-related business, may request mileage reimbursement. Approved mileage reimbursement will be paid at the IRS per-mile business rate. The employee must have a valid California Driver's License, an acceptable driving record, and proof of automobile insurance.

6.11 **Vehicle Allowances**: Employees who receive a vehicle allowance are not eligible for mileage reimbursement.

6.12 **Compensation:** Human resources administers and maintains the JPAs Compensation Plan and may make appropriate revisions to the Plan as often as necessary to ensure that the Plan provides uniform and equitable compensation rates and policies.

6.12.1 **Salary Ranges**: Salary ranges and performance-based pay plans are intended to furnish administrative flexibility in recognizing individual differences among positions, in providing employee incentive, and in rewarding employees for meritorious service.

6.12.2 **Salary Advancements**: Salary advancements within an established range shall not be automatic, but shall be based upon satisfactory job performance as determined, and supported in writing, by the employee's unit manager.

6.12.3 **Timing of Salary Advancements:** Merit salary advancements shall occur in accordance with the following:

6.12.3.1 **Salary on Promotion:** An employee who is promoted to a position in a class allocated to a higher salary range than the class to which the employee was formerly assigned may receive the nearest higher monthly salary in the higher salary range.

6.12.3.2 **Salary on Transfer:** An employee who is transferred from one position to another in the same class or to another position in a class having the same salary range shall be compensated at the same step in the salary range as previously received. The employee's merit review and anniversary date may not change.

6.12.3.3 **Salary on Suspension without Pay**: Any employee who has been suspended for disciplinary reasons shall not receive pay for the duration of the suspension; nor shall any benefits which are calculated upon hours worked be credited to the employee, including, but not limited to, sick leave, vacation, retirement, or disability insurance, during the period of suspension. Should such suspension be later modified or revoked, the employee may be

entitled to receive payment to compensate proportionately for loss of income and benefits during the period of suspension.

6.12.3.4 **Salary on Demotion**: An employee who is involuntarily demoted may receive a salary adjustment as determined by the unit manager in consultation with human resources.

6.12.4 **Salary for Portion of Payperiod**: A Fair Labor Standards Act (FLSA) non-exempt employee serving on a full-time basis who works less than a full payperiod, except when on authorized leave of absence with pay, shall receive as compensation for such period an amount equal to the number of hours worked times the employee's hourly rate. For FLSA exempt employees when absent from work for a period of time, leave balances shall be used and the amount of compensation paid to said employee shall not be subject to a deduction. No deduction shall be made from the employee's paycheck even if the employee's absence cannot be covered or paid through accumulated vacation, sick leave, or compensatory time off, unless it is determined in accordance with law that such deduction will not result in the loss of exempt status of the employee.

6.12.4.1 **Allowable Deductions From Salaries**: Notwithstanding any other provisions in these Rules, the JPAs may take deductions from paychecks of FLSA-exempt employees for any of the following reasons:

- When an employee is absent from work for one or more full days for personal reasons other than sickness or disability.
- For absences of one or more full days due to sickness or disability if the deduction is made in accordance with a bona fide plan, policy or practice of providing compensation for salary lost due to illness.
- To offset amounts employees receive as jury or witness fees or for temporary military duty pay.
- For penalties imposed in good faith for infractions of safety rules of major significance.
- For unpaid disciplinary suspensions of one or more full days imposed in good faith for workplace conduct rule infractions.
- In the employee's initial or terminal week of employment if the employee does not work the full week.
- For unpaid leave taken by the employee under the federal Family and Medical Leave Act (FMLA).
- For absences due to a budget-required furlough.

6.12.4.2 **Prohibited Deductions From Salaries**: Notwithstanding any other provision in these Rules, if an FLSA-exempt employee is absent for one and one-half days for personal reasons, the JPAs may only deduct for the one full-day absence. The FLSA-exempt employee must receive a full day's pay for the partial day worked. In

no event shall the JPAs take deductions from paychecks of FLSA-exempt employees for any of the following:

- Jury duty on a workday in which the employee does any work.
- Temporary military leave.
- Witness leave on a workday in which the employee does any work, except when the employee has brought the legal action.
- Disciplinary action of suspensions less than one full workweek unless the discipline is based on an infraction of workplace conduct rules.

Section 7 Personnel Files, Personal Identifying Information, and Medical Information

7.1 **Official Personnel Files**: The JPAs shall maintain an official personnel file in either hard copy or electronic form for each of its employees. Personnel files contain such personnel records as may be deemed necessary for the administration of human resources.

7.2 **Inspection of Personnel Files**: Personnel files shall be made available for inspection by employees within a reasonable time after an employee's request and without loss of pay, provided that employees must make arrangements with their unit manager if the inspection occurs on duty. Upon written request, employees may obtain copies of the materials subject to inspection. The JPAs may preclude inspection of certain information in accordance with law, such as background and other pre-employment information, and materials relating to confidential investigations.

7.3 **Confidential Files**: Both JPAs maintain confidential files, such as injury reports and confidential medical records, in separate files.

7.4 **Employee Data**: Employees of either JPAs must ensure that human resources is kept apprised of their current address, personal phone number , as well as ensure that all legally required or JPAs-required documentation is kept up-to-date and on file in human resources. Employees are responsible for keeping human resources apprised of all personal information related to their benefit status. Changes in marital status, birth or death that affect benefits must be communicated to human resources within 30 calendar days of the event.

7.5 **Personal Identifying Information**:

7.5.1 **Policy Purpose**: It is the policy of the company to comply with any federal or state statute and reporting regulations. The JPAs recognize their need to maintain the confidentiality of Personal Identity Information (PII) and understands that such information is unique to each individual. The PII covered by this policy may come from various types of individuals performing tasks on behalf of the JPAs and includes employees, applicants, independent contractors, and any PII maintained on its various databases. The scope of

this policy is intended to be comprehensive and will include requirements for the security and protection of such information throughout the JPAs and its approved vendors both on and off work premises. PII may reside in hard copy or electronic records; both forms of PII fall within the scope of this policy.

7.5.2 **Key Elements of the Policy**: Personal Identity Information has unique personal identification numbers or data, including:

- Social Security Numbers (or their equivalent issued by governmental entities outside the United States).
- Taxpayer Identification Numbers.
- Employer Identification Numbers.
- State or foreign drivers license numbers.
- Date of birth.
- Corporate or individually held credit or debit transaction card numbers (including PIN or access numbers) maintained in organizational or approved vendor records.

7.5.3 **PII Retention**: The JPAs understand the importance of minimizing the amount of PII data it maintains and it retains such PII only as long as necessary.

7.5.4 **Data Breaches/Notification**: Databases that include PII may be breached inadvertently or through wrongful intrusion. Upon becoming aware of a data breach, Human Resources will notify all affected individuals whose PII data may have been compromised, and the notice will be accompanied by a description of action being taken to reconcile any damage as a result of the data breach. Notices will be provided as expeditiously as possible and in no event be later than the commencement of the payroll period after which the breach was discovered.

7.5.5 **Data Access**: The JPAs maintain multiple IT systems where PII data may reside; thus, user access to such IT systems is the responsibility of each client organization. Client organizations have created internal controls for such systems to establish legitimate access for users of data, and access shall be limited to those approved. Any change in vendor status or the separation of an employee or independent contractor with access will immediately result in the termination of the user's access to all systems where the PII may reside.

7.5.6 **Data Transmission and Transportation**:

7.5.6.1 **Access to PII**: The JPAs human resources, finance, and information technology groups have defined responsibilities for access of data that may include PII. Employees may need to access PII while off site and access to such data shall not be prohibited, subject to the provision that the data to be accessed is minimized to the degree possible to meet business needs and that such data shall reside only on assigned laptops/approved storage devices that have been secured in advance.

7.5.6.2 **Vendors**: The JPAs may share data with vendors who have a business need to have PII data. Where such inter-agency sharing of data is required, encryption and protection standards will be used safeguard all PII data.

7.5.6.3 **Portable Storage Devices**: The JPAs reserve the right to restrict PII data it maintains in the workplace. In the course of doing business, PII data may also be downloaded to laptops or other computing storage devices to facilitate business. To protect such data, the company will also require that any such devices use approved encryption and security protection software while such devices are in use on or off company premises.

7.5.7 **Employee Concerns**: If an employee has reason to believe that his or her PII data security has been breached or that JPAs representative(s) are not adhering to the provisions of this policy, an employee should contact the company Human Resources immediately.

7.5.8 **Confirmation of Confidentiality**: All company employees must maintain the confidentiality of PII to which they may have access and understand that that such PII is to be restricted to only those with a business need to know.

7.5.9 **Violations of PII Policies and Procedures**: The protection of PII data is of the utmost importance. Infractions of this policy or its procedures will result in disciplinary action up to and including termination.

7.6 **Confidentiality of Medical Information Act**: The JPAs has a bona fide business need to collect and review medical information about its employees for various reasons. This policy is established to comply with the State's Confidentiality of Medical Information Act (California Civil Code Section 56, et.seq.), and to protect the confidentiality of medical history, mental, or physical condition, or treatment, and to limit its use in employment decisions. This policy will define "medical information", who is authorized to access that information, and how it will be stored.

7.6.1 **Medical Information Definition**: The Confidentiality of Medical Information Act (CMIA) broadly defines the term "medical information as: "....any individually identifiable information in possession of or derived from a provider of health care regarding a patient's medical history, mental or physical condition, or treatment." This definition *includes* information obtained from pre-employment medical examinations, fitness for duty evaluations, worker's compensation claims, verifications of disability status, and drug and alcohol testing results. In essence, any document produced by a doctor, clinic, hospital, psychiatrist, employee assistance program, substance abuse professional, or testing laboratory is considered a confidential medical record.

7.6.2 **Authorized Use**: To ensure proper handling of employee medical information the Commission authorizes the following positions and their

designees to receive and use this type of information on an as-needed basis: Executive Director and the Human Resources Director.

7.6.3 **Utilization of Medical Information**: The JPAs may legally receive medical reports or information without the employee's authorization for administering and maintaining the following programs:

- Employee benefits plans, including health care plans.
- Plans providing short-term and long-term disability income.
- Worker's compensation benefits.
- Programs for determining eligibility for paid or unpaid medical leave.
- Fitness-for-duty results that describe the employee's job-related functional limitations and exclude any diagnosis or statement of cause.
- In a proceeding that is a lawsuit, arbitration, grievance, or other claim wherein the employee has placed in issue his or her medical condition.

7.6.4 **Protecting Employees Medical Information**: To protect employee's rights under the CMIA, the JPAs shall keep the information in a medical file, in a separate secure file, apart from personnel files.

7.6.5 **Release of Employee Medical Information**: Should the JPAs need medical information about an employee in order to assess accommodation, workplace safety, fitness for duty, etc, the following release of information will be requested from the employee.

- -

AUTHORIZATION FOR RELEASE OF MEDICAL INFORMATION

I, _____, hereby authorize _____
(employee name) *(health care provider)*

to release the medical information described below to Local Government Services or Regional Government Services' Director of Human Resources.

This authorization is limited to the following types of information: _____
_____

The recipient of this information will be using it for the following purpose(s):_____
_____
(e.g. to access reasonable accommodations)

This authorization shall expire on (*date*)_____

I understand that I have the right to receive a copy of this authorization upon my request. By placing my initials below, I hereby acknowledge that a copy of this authorization has been received. _____

Signature:_____ Dated: _____

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Section 8 Attendance, Working Hours, and Workplace Attire

8.1 **Attendance**: Employees shall be in attendance at their workplace in accordance with these Rules. All units shall keep attendance records of employees which shall be reported via the payroll system.

8.2 **Overtime**: The JPAs are committed to observing all of its obligations under the Fair Labor Standards Act (FLSA). These Rules, as well as all pay practices, shall comply with, and shall be interpreted to ensure the minimum requirements of the FLSA. Overtime shall be defined and compensated for in accordance with the appropriate compensation designated for the employee.

8.2.1 **FLSA-Exempt Employees**: The JPAs designate as FLSA Exempt those employees who work in professional, executive, or administrative capacities and who are therefore not entitled to overtime compensation under the FLSA.

8.2.2 **Overtime Paid**: The JPAs follow FLSA guidelines and it pays overtime on hours worked and hours in a paid status of more than 40 hours in a workweek. All compensable overtime must be authorized by the employee's unit manager. Except when necessary to address an emergency or special circumstances, employees who are entitled to overtime compensation under the law may not work outside of regularly scheduled working hours, or during unpaid meal periods, without the prior authorization of their unit manager. In that event, employees shall report overtime work as soon as possible after the work is performed.

8.2.3 **Compensatory Time**: Employees, may with express approval of their unit manager, accrue compensatory time.

8.2.3.1 **Accrual**: No more than 80 hours may be accrued at any one time.

8.2.3.2 **Calendar Year:** All compensatory time must be used by 12/15 of each calendar year.

8.2.3.3 **Paying Off**: Compensatory time remaining on the books as of 12/15 of each year, will be paid as compensation.

8.2.3.4 **Tracking**: Unit managers will track employees accrual and use of compensatory time.

8.3 **Workweek**: The basic workweek for full time employees shall be 40 hours per week, in a 7-day period as identified in each individual employment agreement. The workweek commences at 12:01 a.m. every Sunday a.m., and is a regularly recurring 7-day period ending at 12 Midnight every Saturday evening.

8.4 **Change in Work Hours**: The JPAs shall establish and may modify regular working hours for its employees and may require employees to work additional hours, overtime, or ~~and~~ to perform standby responsibilities.

8.5 **Alternate Work Schedules**: Employees may work alternate work schedules, such as 4 ten-day workdays in each workweek, or a 9/80 schedule in a 2-week period, if approved by the unit manager, and the alternate work schedule does not have a negative operational affect on work output. For employees working such alternate

work schedules, all leaves will continue to accrue based on a 2080 work hours in each calendar year or prorated if working less than fulltime. No holiday shall be compensated at more than 8 hours.

8.6 **Meal Period**: Unless otherwise established for a unit or particular employee, employees receive a 30 or 60 minute meal period that is not compensable. During the meal period, the employee shall be completely relieved of duties. If the employee is authorized in advance and performs work during the meal period, the employee shall be compensated for such time. Meal periods may not be used to shorten the workday unless the employee obtains express prior approval from his/her unit manager.

8.7 **Rest Periods**: Unless otherwise established for a unit or particular employee, employees shall have a 15 minute rest period for each half of their shift. The rest period may be interrupted or cancelled if necessary to complete work. The rest periods may not be combined or used to shorten the workday.

8.8 **Workplace Attire**: The JPAs maintains a professional working environment for the benefit of its employees and the public. As public employees and representatives of the client agencies, each employee shall present him/herself appropriately and professionally, including but not limited to workplace attire, especially when attending off-site meetings and events. If an employee is on the job in inappropriate clothing, the immediate supervisor may require the employee to change into appropriate work wear.

Section 9 Leaves

9.1 **General Leave Provisions**: Employees are expected to be at work at their scheduled times. To ensure accountability and the integrity of public service, all employees are expected to account for their absences from work. Leave time for all employees is chargeable in increments of .25 hours (15 minutes).

9.1.1 **Leave Approval**: Leaves shall be subject to approval by the unit manager, and scheduled in advance whenever possible, with due regard for service needs.

9.1.2 **Leave Accounting**: The JPAs may employ any reasonable measure to ensure employees are properly accounting for leaves, including requiring reasonable proof that the basis for the leave is legitimate. Employees may be required to submit a medical certification of sickness supporting a request for sick leave. The JPAs may require a fitness-for-duty certification from any employee returning from medical leave.

9.1.3 **Leave Benefits**: Leave benefits are available only as identified in each individual employment agreement.

9.1.4 **Leave Accruals**: Employees eligible for leave shall accumulate leave from the date of the employee's initial appointment until separation from employment.

9.1.5 **Absent Without Pay Leave Accruals**: Leave accrues on hours in a paid status. No leaves will accrue when an employee is on an unpaid leave.

9.2 **Available Leave Categories**: The JPAs provide the following leave categories: administrative leave, annual vacation leave, bereavement leave, compensatory time, family and medical leave, holidays, job-incurred disability leave, jury duty, leave of absence with pay, leave of absence without pay, military leave (including military family leave), pregnancy disability leave and parental leave, sick leave with pay, school leave, and time off to vote.

9.3 **Administrative Leave**: Administrative leave may be granted to an employee as part of the terms of an individual employment agreement.

9.3.1 **Administrative Leave Pay on Separation From Service**: Any accrued but unused Administrative Leave shall not be paid out at the end of each calendar year nor upon separation from service.

9.3.2 **Administrative Leave Pay**: Employees who do not use their administrative leave each calendar year shall forfeit any unused amount as of 12/31 of each year.

9.3.3 **Others Types of Administrative Leave**: Administrative leave with or without pay may be granted by the Executive Director, as appropriate, to address administrative issues.

9.4 **Annual Vacation Leave**: The JPAs provide annual vacation leave as described in each individual employment agreement. Earned and accrued vacation leave may be taken as it accrues. An employee may take vacation that has not yet been accrued only with prior approval of human resources in consultation with ~~from~~ the unit manager ~~in consultation with human resources~~. Scheduling of vacations must be made in consideration of the unit's workload.

9.4.1 **Vacation Pay on Separation From Service**: Employees who separate from service shall be cashed out of their accrued but unused vacation at the employee's hourly rate at the time of separation from service.

9.4.2 **Maximum Vacation Accrual**: Employees may accrue vacation up to the maximum amount as indicated in their individual employment agreements. Excess vacation beyond the individual maximum limit will be paid at the employee's actual hourly rate of pay at the payperiod ending 12/15 of each year, unless specifically pre-approved by human resources.

9.5 **Bereavement Leave**: Bereavement leave is provided for employees as defined in their individual employment agreements. Unless otherwise stipulated in an individual employment agreement, employees may take bereavement leave in the event of death of any of the following family members: mother, father, spouse, child, registered domestic partner, or of any persons whose relationship is essentially similar to the aforesaid relationships upon approval of the unit manager in consultation with human resources.

9.6 **Holidays**: Paid 8-hour day holidays are provided for employees as described in the individual employment agreement. Employees must be in a paid status the day before and the day after the holiday to receive holiday pay.

9.7 **Job-incurred Disability Leave**: All employees are entitled to workers' compensation insurance benefits in accordance with state law. If an employee is injured or made ill arising out of or in the course of work, the employee may file a claim on the approved claim forms with the JPAs workers' compensation claims administrator. Employees are eligible to receive workers' compensation insurance benefits if the claim is declared compensable under the California workers' compensation laws. Payment of job-incurred disability leave shall be at the amount of temporary disability indemnity received, pursuant to workers' compensation law. If an employee becomes disabled to such an extent that the employee cannot return to work, the employee may be entitled to disability retirement.

9.7.1 **Labor Code Section 3352**: In accordance with Section 3352 of the Labor Code, the JPAs do not extend workers' compensation benefits to non-safety volunteers.

9.7.2 **Fitness for Duty**: When an employee seeks to return to work after being on job-incurred disability leave, the employee must provide medical certification that he/she is physically able to perform the duties of the position. The JPAs may require the employee to undergo a fitness-for-duty examination before returning to work. If the employee is not fit to perform his/her duties with or without reasonable accommodation, the JPAs may consider placing the employee in another position, seek the employee's disability retirement, or separate the employee in accordance with applicable law.

9.8 **Jury Duty**: An employee summoned and required to serve as a juror in a trial, upon notification and appropriate verification submitted to his/her unit manager, may be absent from duty with full pay as defined in the individual employment agreement. The employee shall remit, within 15 days of receipt, all fees received for serving as a juror except those fees specifically allowed for mileage and expenses.

9.8.1 **Witness Leave**: An employee who is subpoenaed to appear in court in a matter regarding an event or transaction which he/she perceived or investigated in the course of his/her employment with the JPAs shall be allowed to do so without loss of compensation, unless it is the employee's own lawsuit. An employee subpoenaed to appear in court in a matter unrelated to his/her official capacity, or who is appearing in court in a matter initiated by the employee, shall be permitted time off without pay, or if the employee chooses, to use accrued vacation for such purpose.

9.9 **Leave of Absence**: When an employee is requesting a leave of absence, a written request shall be provided to his/her unit manager with a copy to human resources, stating the dates of the leave requested, the type of leave requested, the specific cause of the leave, and any other information necessary for the request to be evaluated. The letter must be reviewed and approved by the unit manager in consultation with human resources prior to the leave commencing. Except for emergency circumstances, the written request must be completed in advance.

9.10 **Leave of Absence Without Pay**: Employees may be granted leaves of absence without pay for up to 3 months upon written approval of the Executive Director or

designee. The Executive Director in consultation with the unit manager and human resources may grant or deny a request for unpaid leave of absence in his/her sole discretion. Upon expiration of an approved leave, the employee shall be reinstated in the position held at the time leave was granted. Failure of an employee on leave to report to work promptly at the leave's expiration without request and approval for an extension of said leave in writing, shall constitute voluntary resignation by the employee. The depositing in the United States mail of a first class letter, postage paid, addressed to the employee's last known address or an e-mail to the employee's last known personal e-mail address, shall be reasonable notice of the applicable JPAs' acceptance of the employee's resignation.

9.11 **Leave of Absence – Unauthorized:** Any unauthorized leave of absence from duty by an employee shall result in disciplinary action and/or discharge. Subsequently such absence may be approved by the employee's unit manager in consultation with human resources, with or without pay, where extenuating circumstances are found to have existed.

9.12 **Military Leave**: Military leave shall be granted in accordance with the provisions of state and federal law. All employees entitled to military leave shall give the unit manager an opportunity, within the limits of military regulations, to determine when such leave shall be taken. Certain military leave shall be paid leave for a period of time as specified in state law. Employees on military leave are entitled to health, welfare, and seniority-related benefits as required by state and federal law. Employees on military leave shall be granted promotional opportunities and reinstatement after return from military leave in accordance with applicable law. As required by law, leave accruals will continue during paid military leave and contributions as appropriate, will be made under the applicable retirement plan. Employees on military leave have the option to continue health benefits as follows:

9.12.1 **Less Than 31 Days:** If the leave is less than 31 days, the employee is required to pay the employee's share of the insurance premiums.

9.12.2 **More than 30 Days:** If the leave is more than 30 days, the employee is required to pay 102% of the full costs the health (medical, dental, vision, and life insurance) premiums.

9.13 **Military Family Leave:** In accordance with the Family and Medical Leave Act (FMLA), eligible employees may use their 12 weeks of FMLA leave for any "qualifying exigency" arising out of a family member's active military duty. Eligible employees are also permitted to take up to 26 weeks of leave in a single 12-month period to care for a family member who sustains a serious illness or injury while on active military duty.

9.14 **Military Spouse Leave:** In accordance with California Military & Veterans Code, eligible spouses and domestic partners of active members of the military are entitled to up to 10 days of unpaid leave when their spouse or domestic partner, who is in active military service, is on leave.

9.15 **Other Authorized Leaves:** The unit manager may authorize employees to take leave with or without pay for training, education, conferences, or meetings.

9.16 **Pregnancy Disability Leave (PDL)**:

9.16.1 **Eligibility**: Any employee who is disabled because of pregnancy, childbirth, or a related medical condition may be entitled to pregnancy disability leave (PDL). For employees who are also eligible for FMLA/CFRA (California Family Rights Act) leave, PDL is not counted as time used for CFRA leave, but does run concurrently with available FMLA leave.

9.16.2 **Reasons for Leave**: This leave is for any period(s) of actual disability caused by pregnancy, childbirth, or related medical conditions. Pregnancy leave does not need to be taken in one continuous period of time but can be taken on an as-needed basis. Time off needed for prenatal care, severe morning sickness, doctor-ordered bed rest, childbirth, and recovery from childbirth are all covered by this leave.

9.16.3 **Amount of Leave**: Employees may take up to 4 months for pregnancy disability. Employees affected by pregnancy or a related medical condition, may also be eligible to transfer to a less strenuous or hazardous position or to less strenuous or hazardous duties, if this transfer is medically advisable.

9.16.4 **Benefits While On Leave**:

9.16.4.1 **Benefits: P**regnancy leave is unpaid. Employees may use accrued leave as if on FMLA and will receive benefits pursuant to these Rules up through exhaustion of the employees' available FMLA leave. Employees who are not eligible for FMLA leave or employees who continue taking PDL after they have exhausted their available FMLA leave, shall receive benefits only to the same extent as other similarly situated employees on leave for a disability.

9.16.4.2 **Accrued leaves**: While on unpaid leave, employees do not accrue vacation, sick, or other paid leave time, and performance evaluation dates may be adjusted, to the same extent as for any other unpaid leaves.

9.16.5 **Substitution of Paid Accrued Leaves**: Employees taking pregnancy leave shall concurrently use any available sick leave. Employees shall also use any accrued vacation or other accrued time off as a part of their PDL before taking the remainder of their leave as an unpaid leave.

9.16.6 **Employee Notice of Leave**: To the extent possible, employees requesting PDL should notify their unit manager and human resources as soon as possible or when they reasonably know an absence is pending.

9.16.7 **Medical Certification**: The JPAs may require an employee requesting PDL to provide certification from the health care provider. The certification should include all of the following:

9.16.7.1 **Date**: The date on which the employee became disabled due to the pregnancy.

9.16.7.2 **Duration**: The probable duration of the period(s) of disability.

9.16.7.3 **Statement**: A statement that, due to the disability, the employee is unable to work at all or to perform any one or more of the essential

functions of their position without undue risk to the employee, the successful completion of the pregnancy, or to other persons, or a statement that, due to the pregnancy, a transfer is medically advisable.

9.16.8 **Reinstatement Upon Return From Leave**:

9.16.8.1 **Reinstatement to Position**: Upon expiration of leave, an employee is entitled to be reinstated to the position of employment held when the leave commenced, or to an equivalent position with equivalent employment benefits, pay, and other terms and conditions of employment. Employees have no greater rights to reinstatement, benefits, and other conditions of employment than if the employee had been continuously employed during the PDL period.

9.16.8.2 **Fitness-for-Duty Certification**: As a condition of reinstatement or a transfer, the employee may be asked to provide to the JPAs a fitness-for-duty certification from a health care provider that the employee is able to resume work in the position sought. Failure to provide such certification may result in denial of reinstatement.

9.17 **Parental Leave**: After the employee's pregnancy disability ends, the employee may be eligible for CFRA leave, in accordance with the Family and Medical Leave policy, to care for a newborn. The JPAs may require that the employee provide a medical certification indicating when the pregnancy disability ended. In addition, an employee may request leave without pay to care for the newborn. Such requests may be granted within the discretion of the unit manager in consultation with human resources.

9.18 **Sick Leave**: Sick leave credit for employees is identified in each individual employment agreement. Unused sick leave may be accrued without limit. Employees shall not be entitled to sick leave as a matter of right, but only in accordance with the provisions of law, JPAs policies, and the individual employment agreement. An employee shall not receive payment for unused accumulated sick leave upon separation of employment or retirement (either disability or service retirement). The unit manager may request, in his/her discretion, that the employee produce a certificate issued by a licensed physician or other satisfactory proof of illness before sick leave is granted. The unit manager may also direct an employee to attend a physical examination by an JPAs-retained licensed physician, at JPAs' expense, to ascertain whether the employee is fit to perform the duties of his/her position.

9.18.1 **Sick Leave as Kin Care**: In cases of illness of a family member, employees are entitled to use not less than up to one-half of the employee's annual sick leave entitlement to attend to the illness of a spouse, domestic partner, parent, or child, in accordance with Labor Code section 233. Additional family sick leave usage for special circumstances may be granted on a case-

by-case basis in the discretion of the unit manager in consultation with human resources.

9.18.2 **Notification of Sick Leave**: When an employee is unable to report for duty due to the employee's own illness or that of a designated family member as defined in Labor Code 233, the employee must notify his/her unit manager as soon as possible. The employee shall report the intended use of sick leave and the reason for the absence. If the unit manger is not immediately available, the employee may leave a voice mail message, unless otherwise directed.

9.19 **School Leave**: Employees are allowed to take up to 40 hours off per year for school activities for children in kindergarten through twelfth grade. The employee must use existing vacation, administrative leave, or compensatory time off during such absences and the employee must give reasonable notice to his/her unit manager of the planned school leave.

9.20 **Time Off to Vote**: Employees who are registered voters may claim necessary time off to vote at statewide elections under the provisions of the State Elections Code Section 14350. If an employee does not have sufficient time outside of working hours to vote at a statewide election, the employee may without loss of pay, take enough working time off, which when added to the voting time available outside of working hours, will enable the employee to vote. Absentee voting is encouraged if the employee lives such a distance that considerable time would be needed to travel to the employee's designated polling place.

9.20.1 **Amount**: No more than 2 hours of the time taken off for voting shall be without loss of pay. The time off for voting shall be only at the beginning or end of a regular working shift, whichever allows the most free time for voting and the least time off from work. In no event is the voter/employee eligible to take off more time than is necessary to vote.

9.20.2 **Notice**: The employee shall give the unit manager at least 2-working days' notice that time off for voting is desired.

9.20.3 **Scheduling Absence**: Registered voters/employees who need time off to vote must make arrangements with his/her unit manager.

9.21 **State Disability Insurance Leave:** The JPAs do not participate in State Disability Insurance, or any leaves associated with it. The JPAs contributes to a short-term and long-term disability plan.

9.22 **Short- and Long-term Disability Benefits**: Eligibility for short- or long-term disability is identified in each individual employment agreement. Employees may not simultaneously use sick leave and disability benefits. Employees may use all discretionary leaves prior to going on short- or long-term disability.

9.23 **Disability Retirement Eligibility**: If an employee is determined to be eligible for PERS disability retirement, the employee shall not be permitted to exhaust paid sick leave balances prior to retiring.

Section 10 Separation From Service

10.1 **Resignation**: Employees are encouraged to give at least 2 weeks notice when resigning. The resignation becomes effective upon receipt of an oral, written, or e-mailed notice of the resignation. The resignation letter or e-mail should state the effective date and reasons for leaving. Once a resignation becomes effective, it is irrevocable except that the Executive Director after consultation with the unit manager and human resources may, in his/her discretion, may permit a resignation to be rescinded.

10.2 **Automatic Resignation**: Employees are deemed to have resigned when absent from work without prior authorization for at least one workday. The JPAs shall give notice of such automatic resignation. The employee, who is an at will employee, shall have no right of appeal the automatic resignation in such circumstances.

10.3 **Failure to Report**: Failure on the part of an employee, absent without leave, to return to duty within one working day, shall be cause for immediate discharge, including failing to show up at any time and/or failing to return after an authorized leave.

10.4 **Discharge**: At will employees may be discharged by the Executive Director with or without reason or just cause and without right of appeal.

10.5 **Layoff Policy and Procedure**:

10.5.1 **Statement of Intent**: When, in the judgment of the Executive Director, it becomes necessary to abolish a position or employment due to lack of funds, curtailment of work, organizational changes, or for other business reasons, the employee holding such position or employment may be laid off or demoted without disciplinary action and without the right of appeal. An employee who is laid off has no bumping rights, no right to appeal the decision to layoff, nor any greater rights to return status. Employees may choose to appeal based on Skelly rights as afforded by law.

10.5.2 **Order of Layoffs**: Layoffs shall be by made in accordance with serving the best needs of the JPAs.

10.5.3 **Notification**: Employees to be laid off shall be given as much notice as possible, prior to separation.

Section 11 Evaluations, Transfer, and Reinstatement

11.1 **Employee Performance Evaluations**: The JPAs shall strive to provide a professional work environment that encourages and supports fair and equitable treatment of its employees. The JPAs recognize the importance of employee performance appraisals in sustaining an effective staff, and further, encourages an open, ongoing dialogue between unit managers, supervisors, and employees. Performance appraisals are completed generally once a year and may be done more frequently at the discretion of the unit manager. The purpose of the employee performance evaluation process is to provide an opportunity for the unit manager

and employee to review and evaluate performance standards and objectives. Performance evaluations are completed generally once a year and may be done more frequently at the discretion of the unit manager. Performance appraisals are not subject to the grievance procedure.

11.1.1 **Annual Performance Appraisals**: At a minimum, a work planning and performance evaluation shall occur at least once a year for all employees at an appropriate and logical date.

11.1.2 **Evaluation Forms**: The performance evaluation shall be completed on any form acceptable to human resources.

11.1.3 **Performance Improvement Plan**: The unit manager may propose a Performance Improvement Plan to improve deficiencies in performance. Such Performance Improvement Plan is to be considered part of the evaluation program and is not considered disciplinary action.

11.2 **Transfer:** Upon approval of the Executive Director after consultation with the unit manager and human resources, an employee may be transferred at any time from one position to another.

11.3 **Reinstatement:** The Executive Director after consultation with the unit manager and human resources may approve the reinstatement of an employee who has resigned with a good record, to a vacant position without competing for the position.

Section 12 Grievance Procedure

This grievance procedure is intended to ensure that every reasonable effort will be made to resolve problems as near as possible to the point of origin.

12.1 **Definition of Grievance**: Subject to the exclusions listed in this Rule, a grievance is defined as any dispute involving the interpretation, application, or alleged violation of a specific express term of these Rules.

12.2 **Eligibility to File a Grievance**: Only employees who are adversely affected by either JPAs' act or omission are eligible to file a grievance.

12.3 **Exclusions From the Grievance Procedure**: The following matters are excluded from the definition of a grievance.

12.3.1 Requests for changes in wages, hours, or working conditions.

12.3.2 The content of employee evaluations or performance reviews, except those that result in a loss of benefits to the employee.

12.3.3 Challenges to reclassification, layoff, transfer, denial of reinstatement.

12.3.4 Challenges to examinations or appointment to positions.

12.3.5 Challenges to this grievance procedure.

12.3.6 Challenges to disciplinary action or termination.

12.4 **Grievance Procedure**: The grievance procedure shall consist of the following steps:

12.4.1 **Step 1 – Informal Grievance**: Employees shall bring their informal grievances to the attention of their supervisor, unit manager, or human resources within 5-working days of the occurrence of the act causing the basis for the grievance.

12.4.2 **Step 2 – Formal Grievance**: If the grievance is not resolved at this step within 15-working days of the date the grievance was raised with the immediate supervisor, the employee shall have the right to submit a formal written grievance to the employee's unit manager. If the employee's immediate supervisor is the unit manager, then it is still submitted formally at this step. The formal written grievance shall be presented in writing within 15-working days after the date upon which the grieving employee informally discussed the grievance with his/her immediate supervisor. Failure to do so will result in waiver of the right to pursue the grievance. The written grievance shall contain the following information:

12.4.2.1 **Grievant Name**: The name and signature of the grievant.

12.4.2.2 **Worksite:** The specific work site of the grievant.

12.4.2.3 **Immediate Supervisor**: The name of the immediate supervisor and unit manager of the grievant.

12.4.2.4 **Nature of Grievance**: A statement of the nature of the grievance, including date and place of occurrence.

12.4.2.5 **Violation**: The specific provision, policy, or procedure alleged to have been violated.

12.4.2.6 **Remedies**: The remedies sought by the grievant.

12.4.3 **Step 3 – Response to Formal Grievance**: Within 15-working days of receipt of the written grievance, the unit manager shall submit to the employee an answer in writing. If the grievance is not resolved at this level, the employee shall have 15-working days from receipt of the answer in which to file an appeal to the Executive Director.

12.4.4 **Step 4 – Executive Director Response**: The Executive Director shall respond to the grievance in writing within 15-working days of its receipt. Within this period, at the Executive Director's discretion, an informal hearing involving the parties to the dispute may be conducted. The decision of the Executive Director shall be binding.

12.5 **Representation**: The grievant is entitled to representation of his/her choice at any point in the grievance procedure. If the representative is a fellow employee, that employee shall receive time off from his/her work assignment for the time of the grievance meeting or hearing plus reasonable travel time. The grievant must inform human resources whether he/she will be represented at any meeting regarding the grievance, along with the identity of the representative, at least 48 hours prior to the grievance meeting.

12.6 **Waiver of Grievance**: Failure by the grievant to appeal his/her grievance to the next step within the specified time limits of this Rule shall constitute a waiver of the right to pursue the grievance further, unless an extension of time to a definite date

was granted by the appropriate JPAs employee. Failure by the JPAs to respond to the grievance within any of the specified time lines shall entitle the grievant to appeal to the next level of review. Additionally, failure on the part of an employee or his representative to appear for any scheduled meeting without notification may, in the applicable JPAs' discretion, result in the JPAs' denial of the grievance.

12.7 **No Retaliation**: Employees shall not be penalized or retaliated against in any way for using the grievance procedures, or testifying as a witness in a grievance proceeding.

Section 13 Disciplinary Action

13.1 **Policy**: Employees are at-will and may be discharged without cause by the Executive Director at any time. While disciplinary action may be taken, it does not limit the authority of the Executive Director to discharge an employee with or without cause, with no right of appeal.

13.2 **Types of Discipline**: The Executive Director may invoke disciplinary action for a violation of a rule, regulation, or practice and may impose the following types of disciplinary actions: oral reprimand; written reprimand; suspension without pay; reduction in pay, or demotion.

13.3 **Written Notice**: The JPAs will provide written notice to the employee of its intention to discipline for cause. The written notification will explain the incident, rule violation, and the proposed discipline. Such notice shall include a statement of the reason(s) for the proposed action and the ground(s) for the discipline being considered. In addition, the JPAs will provide the employee the right to respond, either verbally or in writing to the proposed discipline within 5-working days from the date of the notification. The employee shall have the right to have a representative present if the employee desires to respond verbally.

13.4 **Grounds for Disciplinary Action**:

13.4.1 **Disciplinary Causes**: Causes for disciplinary action against any employee may include, but shall not be limited to, the following:

13.4.1.1 Misstatements or omissions of fact in completion of the employment application or to secure appointment to a position with the JPAs.

13.4.1.2 Furnishing knowingly false information in the course of the employee's duties and responsibilities.

13.4.1.3 Inefficiency, incompetence, carelessness, or negligence in the performance of duties.

13.4.1.4 Violation of safety rules.

13.4.1.5 Violation of any of the provisions of these Rules or respective JPAs policies.

13.4.1.6 Inattention to duty.

13.4.1.7 Tardiness or overstaying lunch periods.

13.4.1.8 Being under the influence of an intoxicating beverage or non-prescription drug or prescription drugs not authorized by the employee's physician, while on duty or on work property.

13.4.1.9 Disobedience to proper authority, refusal or failure to perform assigned work, to comply with a lawful order, or to accept a reasonable and proper assignment from an authorized supervisor.

13.4.1.10 Any violation of the JPAs' harassment or retaliation policies.

13.4.1.11 Unauthorized soliciting on JPAs or client property.

13.4.1.12 Unauthorized absence without leave; failure to report after leave of absence has expired or after a requested leave of absence has been disapproved, revoked, or canceled, or any other unauthorized absence from work.

13.4.1.13 Conviction of a felony, or a misdemeanor involving moral turpitude, or a violation of a federal, state, or local law which negatively impacts the employee's ability to perform his/her job or brings discredit to either JPAs or the client organization. (For purposes of this section, a misdemeanor conviction does not include a conviction based on a plea of nolo contrendere).

13.4.1.14 Discourteous or offensive treatment of the public or other employees.

13.4.1.15 Falsifying any JPAs or client document or record.

13.4.1.16 Misuse of JPAs or client property, improper or unauthorized use of equipment or supplies, damage to or negligence in the care and handling of JPAs or client property.

13.4.1.17 Fighting, assault, and/or battery.

13.4.1.18 Working overtime without authorization.

13.4.1.19 Theft or sabotage of or client property.

13.4.1.20 Sleeping on the job, except as specifically authorized.

13.4.1.21 Accepting bribes or kickbacks.

13.4.1.22 Gambling.

13.4.1.23 Engaging in outside employment which conflicts with an employee's responsibilities.

13.4.1.24 Intimidation or interference with the rights of any employee.

13.4.1.25 Outside work or any other activity or conduct that creates a conflict of interest with the respective JPAs or client's work, causes discredit to the respective JPAs or client, negatively impacts the effective performance of either JPAs' or client functions, or is not compatible with good public service or interests of the JPAs or client.

13.4.1.26 Abusive or intemperate language toward or in the presence of others in the workplace.

13.4.1.27 Failure to obtain and/or maintain minimum qualifications for a position, including licenses or certificates.

13.4.1.28 Any other conduct of equal gravity to the reasons enumerated above as determined by the JPAs.

13.5 **Employee Review**: When requested, employees shall be given an opportunity to review the documents or materials upon which the proposed disciplinary action is based.

13.6 **Relief of Duty**: The Executive Director may place an employee on administrative leave with pay pending an investigation in order to determine if disciplinary action is to be taken.

13.7 **No Rights To Appeal**: The employee has no right to appeal any discipline action or proposed action.

Section 14 Equal Employment/Anti-discrimination Policy

14.1 **Anti-discrimination Policy**: The JPAs are committed to equal opportunity in employment and services. The JPAs, its employees, contractors, and agents shall not discriminate with respect to service provision, program operation, or in the recruitment, selection, testing, training, transfer, promotion, demotion, termination, performance appraisal process, compensation, or in any other term, condition, or privilege of employment because of the individual's actual or perceived race, color, religion, gender, national origin, ancestry, citizenship, age, marital status, physical disability, mental disability, medical condition, sexual orientation, military veteran's status, or any other basis protected by law, or on the basis of a perception that an individual is associated with a person who has, or is perceived to have, any of these characteristics.

14.2 **Equal and Fair Personnel Practices**: The JPAs, its employees, contractors, and agents must administer all human resource functions in a manner that is equal and fair to all employees and prospective employees. It is the obligation of every employee in all the locations to comply with this policy in substance, practice, and in spirit.

14.3 **Non-discrimination and Harassment Policy**:

14.3.1 **Purpose:** The purpose of this policy is:

14.3.1.1 **Reaffirm**: To reaffirm the JPAs commitment to prohibit and prevent unlawful discrimination (including harassment) in all workplaces.

14.3.1.2 **Define**: To define discrimination and harassment prohibited under this policy.

14.3.1.3 **Identify Procedures**: To set forth a procedure for resolving complaints of prohibited discrimination and harassment.

14.3.2 **Interpretation and Application of Policy**: This policy shall not be construed to create a private or independent right of action. Although this policy is intended to prohibit discrimination consistent with Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the California

Fair Employment and Housing Act, and California Labor Code Section 1102.1, the JPAs reserve the right to interpret and apply this policy to provide greater protection than what is afforded under those laws.

14.3.3 **Statement of Policy**: The JPAs are committed to providing an environment that is free from harassment and discrimination of any kind, including sexual harassment and harassment based on race, color, religion, national origin, ancestry, age, physical disability, mental disability, medical condition, marital status, sexual orientation, veteran's status, or any other characteristic prohibited by state or federal law. It is important that the JPAs maintain an atmosphere characterized by mutual respect in order to ensure fair and courteous treatment of employees and the public.

14.3.4 **Disapproval of Harassment**: The JPAs strongly disapprove of and will not tolerate harassment or discrimination against employees or applicants by elected or appointed officials, managers, supervisors, or coworkers. The JPAs also strongly disapprove of unlawful harassment of employees by persons with whom the JPAs or client organizations have a business, service, or professional relationship.

14.3.5 **Misconduct**: Illegal harassment and discrimination are considered serious acts of misconduct and will not be tolerated. Employees who violate this policy and engage in acts of illegal harassment or discrimination of any type, for any duration, shall be subject to severe disciplinary action, up to and including termination.

14.3.6 **Non-retaliation**: Retaliation against individuals who complain of illegal harassment or discrimination or who participate in an investigation into illegal harassment or discrimination shall not be tolerated. Employees who engage in such acts of retaliation shall be subject to serious disciplinary action, up to and including termination.

14.3.7 **Definitions**:

14.3.7.1 Harassment: Depending upon the circumstances, a single act of harassment, as defined below, can violate this policy.

14.3.7.1.1 **Verbal Harassment**: Includes epithets, jokes, comments, or slurs that identify a person on the basis of his/her protected classification, intimate or other nicknames, comments on appearance, including dress or physical features, or stories that tend to disparage those with a protected classification.

14.3.7.1.2 **Visual Forms of Harassment**: Includes gestures, posters, notices, bulletins, cartoons, photography, or drawings that tend to disparage those with a protected classification.

14.3.7.1.3 **Physical Harassment**: Includes the following conduct taken because of an individual's protected classification: assault, impeding or blocking movement, physically

interfering with normal work or movement, pinching, grabbing, patting, propositioning, leering, making express or implied job threats or promises in return for submission of physical acts, mimicking, stalking, or taunting.

14.3.7.1.4 **Sexual Harassment**: Includes unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual nature that are an express or implied condition of continued employment or other term and condition of employment.

14.3.7.1.5 **Retaliation**: Any adverse employment action taken because an employee has reported harassment, or has participated in the complaint procedure. "Adverse employment action" includes any personnel action that has a significant affect upon the terms or conditions of employment.

14.3.8 **Guidelines for Identifying Harassment**: To help clarify what constitutes harassment in violation of this policy, employees shall use the following guidelines:

14.3.8.1 **Unwelcome Conduct**: Harassment includes any conduct which would be unwelcome to a reasonable person of the recipient's same protected classification and which is taken because of the recipient's protected classification.

14.3.8.2 **Appearance of Consent**: It is no defense that the recipient appears to have voluntarily consented to the conduct at issue. A recipient may not protest for many legitimate reasons, including the need to avoid being insubordinate or to avoid being ostracized.

14.3.8.3 **Lack of Complaints**: Simply because no one has complained about a joke, gesture, picture, physical contact, or comment does not mean that the conduct is welcome. Harassment can evolve over time. Small, isolated incidents might be tolerated up to a point. The fact that no one is complaining now does not preclude anyone from complaining if the conduct is repeated in the future.

14.3.8.4 **Third-party Observer**: Even visual, verbal, and/or physical conduct between 2 employees who appear to welcome it can constitute harassment of a third applicant, officer, official, employee, or contractor who observes the conduct or learns about the conduct later. Conduct can constitute harassment even if it is not explicitly or specifically directed at an individual.

14.3.8.5 **Intention**: Conduct can constitute harassment in violation of this policy even if the individual engaging in the conduct has no intention to harass. The JPAs recognize that it is legitimate for those in protected classifications to have heightened sensitivities to harassment as a result of their life experiences. Even well-

intentioned conduct can violate this policy if the conduct is directed at, or implicates a protected classification, and if an individual of the recipient's same protected classification would find it offensive.

14.3.8.6 **Single Act**: A single act can violate this policy and provide grounds for discipline or other appropriate sanctions. Therefore, if employees are in doubt as to whether any particular conduct may violate this policy, they should not engage in the conduct, and should seek guidance from a supervisor.

14.4 **Reporting Unlawful Harassment or Discrimination**:

14.4.1 **Reporting**: Any employee who believes he/she has been unlawfully harassed or discriminated against should promptly report it orally or in writing to the employee's unit manager, human resources, or the Executive Director. An employee is not required to complain first to a unit manager if that person is the individual who is harassing and/or engaging in discriminatory actions against the employee. Instead, the employee may report the harassment/discrimination to any management employee.

14.4.2 **Receiving Complaints**: Any unit manager who receives a complaint of unlawful harassment/discrimination, or who observes or otherwise learns about unlawfully harassing conduct is required to notify human resources immediately. Failure to do so may result in disciplinary action.

14.5 **Remedial Action**:

14.5.1 **Action**: Upon receiving complaints of discrimination or harassment, the JPAs may undertake an investigation of the complaints. The Executive Director, human resources, or JPAs attorney may retain an outside investigator to conduct the investigation. All complaints shall be investigated to the extent that the JPAs deem appropriate. Any investigation and investigation report prepared relating to the complaint shall be kept confidential except as required by law. If harassment or discrimination is found to have occurred in violation of this policy, action shall be taken to ensure or confirm that the harassment or discrimination at issue is stopped. The JPAs may take whatever measures are appropriate to ensure its workplaces remain free from unlawful discrimination or harassment.

14.5.2 **Disciplinary Action**: Employees found to have engaged in discrimination or harassment covered by this policy may be subject to disciplinary action up to and including termination of employment. First-time violations of this policy, depending on the severity of the conduct, may lead to termination.

14.5.3 **Dishonest or Uncooperative Behavior**: Employees found to have been dishonest or uncooperative during an investigation into allegations of unlawful harassment or discrimination may be subject to disciplinary action up to and including termination of employment.

14.6 **No Retaliation**: Employees should feel free to report valid claims of unlawful harassment or discrimination without fear of retaliation of any kind. The JPAs will not retaliate against or tolerate retaliation against employees for making any

complaint of unlawful harassment in good faith, or against any employee for cooperating in an investigation.

14.7 **Dissemination**: Policy and complaint procedures shall be provided to employees, and to new employees. From time to time, the JPAs may also conduct training for its employees to assist them in learning how to recognize, avoid, and correct harassing and discriminatory behavior.

14.8 **Department of Fair Employment and Housing (DFEH) and the Equal Employment Opportunity Commission (EEOC)**:

14.8.1 **DFEH**: In addition to notifying the JPAs about unlawful harassment or retaliation, an affected employee may also direct his/her complaint to the California DFEH, which has the authority to conduct investigations of the facts. The deadline for filing complaints with the DFEH is one year from the date of the alleged unlawful conduct. The nearest DFEH office or the FEHC can be found by searching the internet, looking in the local telephone directory, or by checking in the area where employment-related posters are kept.

14.8.2 **EEOC**: An employee also has the right to direct his/her complaint to the federal Equal Employment Opportunity Commission (EEOC).

14.9 **Obligations of Employees:**

14.9.1 **Know the Policies**: Employees are responsible for knowing the JPAs anti-discrimination policy; refraining from discriminatory behavior, including harassment; reporting incidents of discrimination in a timely fashion; cooperating in any investigation concerning allegations of discrimination; and maintaining confidentiality concerning any investigation that is conducted.

14.9.2 **Communicate**: Employees are also encouraged to communicate with one another to assist co-workers in identifying, avoiding, and addressing behavior that may be perceived as harassing, discriminatory, or otherwise offensive.

Section 15 Drug and Alcohol-free Policy

15.1 **JPAs Policy**: Both JPAs's policy is to maintain a drug-free workplace. Involvement with alcohol and drugs on and off the job can take its toll on job performance and employee safety. Employees must be in a condition to perform their duties safely and efficiently. The presence of alcohol and drugs on the job, and the influence of these substances on employees during working hours, is prohibited. If an employee is misusing alcohol or drugs, the JPAs may refer the employee for treatment. This treatment may or may not be covered by the JPAs' health plan or the treatment may be at the employee's own expense.

15.2 **Unlawful Behavior**: No employee shall unlawfully manufacture, distribute, dispense, possess, use, or be under the influence of any alcoholic beverage, drug, or

controlled substance as defined in the Controlled Substances Act and Code of Federal Regulations during work hours or in any workplace. Employees who engage in this prohibited behavior may be subject to discipline up to and including termination.

15.3 **Suspicion**: Upon reasonable suspicion of an employee being under the influence of drugs or alcohol while on duty, the JPAs may require the employee to submit to drug and alcohol testing, at JPAs expense. Employees who decline to submit to such testing may be subject to discipline, up to and including termination of employment.

Section 16 Safety in the Workplace Policy

16.1 **Workplace Safety Policy**: The JPAs are committed to providing a safe and healthful work environment and maintains an employee safety program meeting the requirements of state law.

16.2 **Management Responsibilities**: Management shall be expected to take steps within its control to maintain a safe work environment and to be in compliance with federal and state safety regulations.

16.3 **Employee Responsibilities**: Employees shall be expected to obey safety rules, follow established safe work practices, and exercise caution in all their work activities. Employees are also expected to report any unsafe conditions to their unit manager. Employees at all levels who are responsible for correcting unsafe conditions are required to do so. Written safety rules are a basic part of the Injury and Illness Prevention Program and employees shall be required to know and follow the safety rules, and management shall enforce them.

16.4 **Reporting Injuries**: Work-related injuries should be reported to the employee's unit manager. The report should then be sent immediately to human resources.

16.5 **Other Safety Rules**: Individual units may adopt specific safety rules applicable to their operations.

16.6 **Injury and Illness Prevention Program**: The JPAs have an Injury and Illness Prevention Program (IIPP) designed to specifically address the legislation and regulations, and to function as an umbrella program that incorporates the elements of other occupational hazard control programs and procedures (e.g., Hazard Awareness and Communication Program, Chemical Hygiene Plan, etc.). The safety program includes: a written IIPP that provides for identification and correction of safety hazards; video display terminal and computer equipment policy; driver safety standards; and applicable ongoing safety training in compliance with federal and state safety regulations. The intent of the IIPP is to facilitate identification and evaluation of workplace hazards, enable the correction of unsafe conditions, provide a means of communication between employees and management on matters concerning employee safety and health, educate and train employees on health and safety matters, and implement a strategy by which compliance with the regulation

can be achieved and documented. The IIPP designates a responsible person (or persons) and a system for:

- Communicating with employees on matters concerning safety and health.
- Identifying and evaluating workplace hazards.
- Implementing procedures for injury/illness investigation,
- Mitigating hazards.
- Training employees.
- Maintaining records.

16.7 **Department of Motor Vehicles Pull Program**: The JPAs participate in the State of California Department of Motor Vehicles (DMV) Pull Notice Program. Under this program the State sends the JPAs driving records of all employees on an ongoing basis. Human Resources reviews the driving records of those employees who are required or expected to drive as part of their condition of employment and will take appropriate action should any of the driving records indicate any of the following: DUI, suspended license, or other serious driving offense (i.e., reckless driving, etc.)

Section 17 Smoking Policy

As required by state law, smoking is prohibited in all JPAs or client vehicles, facilities, and within 20 feet of any entrances, exits, and windows that can be opened. Smoking is also prohibited while driving or riding in a vehicle on work-related business.

Section 18 Policy on Accepting Gifts

Employees are discouraged from accepting gifts from any outside vendor, citizen, or organization except for gifts of food that are shared among other employees and that retail for less than $75. Employees shall adhere to the Fair Political Practices Commission (FPPC) rules for accepting and reporting gifts.

Section 19 Travel and Training Policy

19.1 **Travel and Training**: The JPAs are committed to ensuring that its employees receive adequate training to perform their jobs. Training and travel are subject to management approval. Training opportunities that occur during normal work hours require approval by the unit manager.

19.2 **Minimizing Lost Work Time**: The JPAs generally requires that training, and attendant travel, be scheduled in a way that will minimize expense.

19.3 **Cost-effective Travel**: JPAs business travel shall be carried out in an efficient, cost-effective manner resulting in the best value. Teleconferencing should be considered when possible. The JPAs will pay or reimburse all business travel-related expenses based on reasonableness, on the actual amount of expense

incurred by the employee, and on the terms and conditions of the employee's individual employment agreement. Receipts when available are required for all travel expenses. Reimbursement for personal expenses and alcoholic beverages will not be authorized for payment.

19.4 **Travel Guidelines for Allowable Travel**: Allowable travel is for such work-related items as:

- 19.4.1 **Legislators**: Communicating with representatives of regional, state, and the federal government on JPAs or client adopted policy positions.
- 19.4.2 **Professional Organizations**: Serving on professional organizations or governmental committees, boards, or task forces.
- 19.4.3 **Conferences**: Attending educational seminars, conferences, or organized educational activities designed to improve skill levels or provide information on topics important to JPAs or client policy and operations.
- 19.4.4 **Research**: Preparing research for either JPAs projects or implementing adopted plans, policies, goals, or programs.
- 19.4.5 **Meetings**: Attending meetings involving activities or decisions important to JPAs interests, consistent with adopted plans, policies, goals, or programs.
- 19.4.6 **Events**: Attending events where either JPAs or the client organization is a formal sponsor or participant, or in performance of official duties.
- 19.4.7 **Community Groups**: Communicating with individuals or representatives of community groups on policy positions adopted by or under consideration by the JPAs or client organization.
- 19.4.8 **Employee Recognition**: Recognizing employee service to the JPAs or client organization.
- 19.4.9 O**ther Business Activities**: Engaging in other business related activities with a direct connection to the implementation of adopted plans, policies, goals, or programs.

19.5 **Government or Group Transportation and Lodging Rates**: It is the policy to use discounted government or sponsoring group rates for transportation, whenever these are offered and available.

19.6 **Sponsored Lodging Costs**: When conference or training sponsors have made arrangements for lodging, employees shall stay at one of these facilities and the cost should not exceed the maximum group rate published. In the event that rooms are not available at one these facilities, employees should stay at a comparable facility at a comparable cost, not to exceed the maximum group rate published by the sponsor.

19.7 **Receipts**: Receipts must be submitted for all expenses. In the event that receipts are not available, an employee must provide a written explanation of the circumstances as to why this is the case and reason the expense was incurred.

19.8 **Meal Guidelines for Local Meeting and Training Costs**: The JPAs use the IRS meal allowances at the time the travel was undertaken for the state in which it was taken at the highest allowable cost for that state.

19.8.1 **Allowable Meal Expenses**: Meals not incurred as part of out-of-area or overnight travel are limited to activities outside of normal duties, such as business-related meetings held before or after regular working hours (including working lunches where this is the only time available) or extended overtime due to special projects or emergencies.

19.8.2 **Unallowable Meal Expenses**: Meal reimbursements are not allowed as part of routine daily work assignments, unless part of the registration cost or the meal is served on site as part of the program to keep all participants together and not have them disperse for meals.

Section 20 Policy on JPAs Equipment and Vehicle Use

20.1 **Use of JPAs Equipment/Automobile Use**: No JPAs or client-owned equipment, automobiles, instruments, supplies, machines, or any other item that is the property of the JPAs shall be used by an employee other than for work-related business, unless the unit manager approves in advance. No employee shall allow any unauthorized person to rent, borrow, or use any property, except upon prior approval of the Executive Director or unit manager.

20.2 **Automobile Use**: JPAs- or client-owned vehicles are to be used by employees who have valid driver's licenses and insurance certificates for travel on work-related business. Employees who utilize an JPAs- or client-owned vehicle or their own personal vehicle in the performance of their duties must maintain a valid California driver's license at all times, have a satisfactory driving record, and must maintain their driving insurance. Employees must comply with all traffic regulations, laws, and ordinances while engaged in driving on work-related business. Only hands-free mobile devices may be used when driving, and no communications device may be used while driving to write, send, or read a text-based communication. Prior to using a vehicle on work-related business, employees must obtain and provide a copy of their California driver's license and a copy of a Certificate of Insurance on the form provided by the JPAs which evidences that employee has comprehensive automobile liability insurance or business automobile liability insurance in an adequate amount.

20.3 **Use of Vehicle Safety Belts**: Employees who drive on work-related business shall use and ensure that all passengers use available safety belts in the vehicles being operated. Passengers shall ride only in those positions of a vehicle designed for the carrying of passengers.

20.4 **Vehicle Accidents**: When an accident occurs on the job involving one or more vehicles, the following steps should be taken by employees:

20.4.1 **Scene:** Secure the scene of the accident.

20.4.2 **Move Vehicles**: Move any involved vehicles out of the right of way, if possible.

20.4.3 **Emergency Response**: Call 911 for emergency services if someone appears to be injured or asks that 911 be called.

20.4.4 **Unit Manager**: Contact your unit manager immediately, if communication devices are available.

20.4.5 **Driver Information**: Exchange driver information and give the other driver a business card.

20.4.6 **Personal Information**: Obtain the names, phone numbers, addresses, and e-mail addresses of any vehicle occupants, or observers of the accident.

20.4.7 **Police Report**: Get the number of the police report that will be filed if the police respond to the accident.

20.4.8 **Statements**: Do not make any statements concerning the assumption of liability. Give out only the required information.

20.4.9 **Pictures**: Take pictures of the damage and all relevant aspects of the accident (the area where accident occurred, objects blocking view, etc.). If a camera is not immediately available, write down all of the relevant information.

20.4.10 **Insurance and Legal Requirements**: Follow any insurance and legal requirements, such as immediately notifying your insurance company or the State of California's Department of Motor Vehicles.

Section 21 Information and Electronic Systems Use Policy

21.1 **Definitions**: Electronic systems are defined as all hardware, software, and other electronic communication or data processing devices owned, leased, or contracted for by the JPAs or client organization and available for official use, by employees. This use includes, but is not limited to, electronic mail, voice mail, calendaring, and systems such as the internet.

21.2 **Public Disclosure**: Employees who use electronic systems and/or tools provided by the JPAs do not have a right of privacy in such uses. Under the Public Records Act, e-mail messages and information stored in work computers and other electronic systems are public records subject to disclosure to the public, or they can be subpoenaed. In addition, the JPAs reserve the right to review, audit, and disclose all matters sent over and/or stored in work systems at any time without advance notice. The Executive Director or his designee retains the right to enter and/or retrieve an employee's electronic communication system, data files, logs and programs used on JPAs or client-owned electronic systems. Security features provided by the electronic communication system, such as, passwords, access codes, or delete functions, shall not prevent authorized employees from accessing stored electronic communications. Deletion of e-mail messages or files may not fully eliminate the message from the system.

21.3 **Serial Meetings**: In accordance with the Brown Act (Gov Code section 54950 et seq.), employees must take care to ensure that electronic systems are not used to

transmit, either all-at-once or serially, legislative officials' positions on matters of JPAs business to a majority of any body of elected officials.

21.4 **Use During Normal Business Hours**: The JPAs' electronic systems are provided for the purposes of conducting business. Except for brief, occasional, necessary, or emergency use, the electronic systems shall not be utilized for personal use during normal business hours. Use of non-JPAs or non-client business software including games or entertainment software is considered an improper use of these electronic systems. Employees shall not conduct personal or private business, including purchase of goods or services via the JPAs or client organization's internet connection. Such uses are prohibited at all times during normal business hours or outside of normal business hours.

21.5 **Account Access**: Employees shall not attempt to gain access to another employees' personal file of electronic mail messages without the latter's express written permission or permission from the unit manager.

21.6 **Prohibited Use**: The electronic mail and other electronic systems shall not be used in a way that may be disruptive, offensive to others, harmful to morale, violate JPAs policies and procedures, or violate laws. These electronic systems shall not be used to solicit or proselytize others for commercial venture, religious or political causes, outside organizations, or other non-job-related solicitations. Improper use includes any display or messages that are derogatory, defamatory, obscene, violent, or offensive to employees or the public and/or any messages that are of a sexual or discriminatory nature, including, but not limited to, slurs, offensive jokes, or other offensive language of disparagement of others based on their race, national origin, sex, sexual orientation, age, disability, or religious beliefs.

21.6.1 **Policy Compliance**: Employees are required to comply with all operational guidelines developed by the JPAs. Such guidelines will address operational standards such as: message retention, schedule, copyright issues, use of passwords, system availability, back-up procedures, etc.

21.6.2 **Incidental Use**: Incidental and occasional personal use of electronic mail is permitted within the JPAs, but the messages will be treated no differently from other messages and will remain the property of the JPAs as to review and auditing procedures. All personal use shall be done outside of normal working hours.

21.6.3 **Personal Messages**: Employees who use the JPAs' electronic mail system to send or receive personal or private messages must remove such messages from the system no later than 30 days after receiving or sending. Employees have no right of privacy to any email, whether personal or business related, in JPAs computers.

21.6.4 **Internet Use**: Occasional personal access to the internet may be permitted. Such personal use shall only be permitted if it does not interfere with or delay the employee's work or interfere with regular JPAs business and shall comply with all provisions herein. All use of the internet may be periodically reviewed by the unit manager.

21.6.5 **Other Prohibited Uses**: In addition to other prohibited uses, employees shall not:

21.6.5.1 **Install**: Install programs on computer system (including but not limited to virus checking and screen savers) without the prior written consent of the unit manager.

21.6.5.2 **Copy**: Copy programs for personal use.

21.6.5.3 **Disclose**: Disclose an account password or otherwise make the account available to others.

21.6.5.4 **Infringe**: Infringe on others' access and use of computers, including but not limited to:

21.6.5.4.1 **Excessive Messages**: Send excessive messages, either locally or offsite.

21.6.5.4.2 **Unauthorized System Modification**: Unauthorized modification of system facilities, operating systems, or disk partitions.

21.6.5.4.3 **Crashing the Network**: Attempt to crash or tie up an computer or network.

21.6.5.4.4 **Damaging**: Damage or vandalize computing facilities, equipment, software, or computer files.

21.6.5.4.5 **Intentionally Developing or Using Bad Programs**: Use of programs that disrupts other computer users, intentionally developing bad programs, access private or restricted portions of the system, and/or damage system software or hardware components.

21.6.5.4.6 **Installing**: Install or use a modem on JPAs or client owned or leased computers without the prior written consent of the unit manager.

21.6.5.4.7 **Attorney-client Privileged Communication**: Forwarding or reproducing communications marked attorney-client privileged or confidential without the prior consent of the Executive Director and/or JPAs Attorney.

21.6.5.4.8 **Federal or State Laws**: Violating any federal, state, or local law in the use of either JPAs' or client organization information systems.

21.7 **Public Records**: All permanent business records, including those stored on paper and electronic media, may be governed by the mandatory public disclosure requirements of the Public Records Act (Gov Code section 6250 et seq.), and the limited exceptions thereto. If a draft record is retained, it may become a public record subject to disclosure unless it is subject to an exception under the Public Records Act.

21.7.1 **Permanent Records**: All permanent records, whether stored on paper or electronic media, shall not be destroyed unless prior written authorization is obtained pursuant to Government Code Section 34090.

21.7.2 **Public Records Requests**: Public Records requests shall be handled in accordance with Government Code section 6250 et seq.

21.7.3 **Media Disclosure**: The JPAs reserve the right for any reason to access and disclose all messages and other information sent or received by electronic means or stored on electronic media.

21.7.4 **JPAs Rights**: The JPAs have the right to delete or retain any or all messages or other information sent or received by electronic means or stored on electronic media by an employee who is no longer employed by the JPAs.

21.8 **Intellectual Property Rights**: No employee shall violate any copyright, software license, or other online information (including, but not limited to, text images, icons, programs, etc.) whether created by the JPAs or any other person or entity.

Section 22 Outside Employment Policy

22.1 **Outside Employment**: Employees may not engage in any outside employment, enterprise, or activity that the JPAs determines is in conflict with or impairs the employee's ability to perform their duties and responsibilities, or impacts any aspect of operations. Employees are required to notify their unit manager or human resources of all outside employment they are engaged in so that the outside employment may be assessed for conflict.

22.2 **Workday Activities**: During the workday, employees are expected to devote their time in performing their assigned duties as an employee of either JPAs. Any outside work, part-time job, hobbies, or personal business must be performed during off-duty hours.

22.3 **Incompatible Work**: Employee shall not perform work for compensation outside of his/her employment where any part of his/her efforts will be subject to approval by any officer, employee, board, or commission, unless the employee obtains the prior approval of the Executive Director after consultation with the unit manager and human resources.

Section 23 Policy on Workplace Violence Prevention

23.1 **Violence in the Workplace Policy**: Acts of violence, whether threatened, gestured, or carried out will not be tolerated in the workplace. Anyone witnessing or becoming the subject of such behavior shall immediately report it to their unit manager and human resources for proper investigation. Minimizing the threat of violence is a duty of all employees.

23.2 **Notification**: It is the responsibility of all employees to notify a unit manager, human resources, or the Executive Director immediately of any violent act or a

threat, or if a violent act or threat against themselves or any other employee occurs in the workplace or is directly associated with their employment. Notification may be made to any of these persons as appropriate and shall be reported as soon as practicable. Retaliation or the threat of retaliation against a person who reports such an incident is unlawful and shall not be tolerated.

23.3 **Possession of Inappropriate Items**: Employees shall not possess the following instruments at a worksite or on either JPAs' or client property, including parking lots, unless there is a work-related purpose and written approval has been obtained from the employee's unit manager.

23.3.1 **Firearms**: Any type of firearms.

23.3.2 **Explosives**: Any type of explosives or ammunition.

23.3.3 **Fixed Knives**: Fixed blade knives.

23.3.4 **Folding Knives**: Folding knives with blades over 3.5 inches.

23.3.5 **Weapons**: Illegal weapons such as defined in Section 12020 of the California Penal Code.

23.4 **Disciplinary Action**: The JPAs shall take appropriate disciplinary action, up to and including termination of employment, against an employee violating this policy.

23.5 **Counseling Services**: As needed, incident-related counseling services may be offered through the JPAs Employee Assistance Program (EAP), or any other resource or program made available by the JPAs, to employees who are the victims of violence, subjects of threats of violence, or subject to intimidation at the workplace. The JPAs will work with public safety, the courts, and other authorities necessary to ensure employee safety.

23.6 **Procedures for Imminent or Actual Violent Acts**:

23.6.1 **Employee Responsibilities**: An employee who is in immediate apparent danger of a violent act, or another employee who witnesses a violent act or the threat of a violent act shall, whenever possible:

23.6.1.1 **Safe Location**: Get in a safe location.

23.6.1.2 **Emergency Services**: Call 911 and request the immediate response of a police officer. Be prepared to inform the dispatcher of the circumstances and exact location of where an officer is needed.

23.6.1.3 **Management**: Inform a unit manager of the circumstances.

23.6.1.4 **Media**: Refer media inquiries to the unit manager.

23.6.1.5 **Cooperate**: Cooperate fully in any administrative or criminal investigation conducted within this policy and the laws.

24.6.2 **Unit Manager Responsibilities**:

23.6.2.1 **Safe Location**: Get in a safe location.

23.6.2.2 **Ensure Safety**: A unit manager who is informed of a violent act or the threat of a violent act shall whenever possible ensure the immediate safety of employees and the worksite by calling 911, and notifying their site manager and human resources.

23.6.2.3 **Involve Individuals**: If feasible, the unit manager shall have the involved individuals wait in separate rooms or locations until the police take control or remove them from the premises.

23.6.2.4 **Restraining Order**: In consultation with human resources, the unit manager should determine if it is appropriate to obtain a restraining order, other appropriate injunctive, legal, and/or equitable relief.

23.6.2.5 **Reassign**: Reassign/relocate employees or job duties, if required.

23.6.2.6 **Terminate:** Terminate any business relationship.

23.6.2.7 **Take Action**: Take any other action deemed to be necessary or required under the circumstances.

23.6.2.8 **Obtain Information**: Obtain basic information from the employee and provide to emergency responders.

23.6.2.9 **Media Inquiries**: Respond to media inquiries or ask the Executive Director's office to respond to them.

23.6.3 **Procedures – Future Violence**:

23.6.3.1 **Reasonable Belief**: Employees who have reason to believe they, or another employee, may be victimized by a violent act sometime in the future, at the workplace, or as a direct result of their employment, shall inform their unit manager immediately so appropriate action may be taken and so human resources can be notified.

23.6.3.2 **Restraining Orders**: Employees who have signed and filed a restraining order, temporary or permanent, against an individual due to a potential act of violence, who would be in violation of the order by coming near them at work, shall immediately supply a copy of the signed order to their unit manager and human resources.

23.6.4 **Post-incident Review**:

23.6.4.1 **Policy Evaluation**: The Executive Director, human resources, and the unit manager may conduct a post-incident review and use the review to evaluate this policy and procedure.

23.6.4.2 **Support Systems**: The JPAs may determine and oversee any post-incident support systems may be needed.

Section 24 Policy on Relatives Working for the JPAs

24.1 **Relatives Working for the JPAs**: No employee, prospective employee, or applicant shall be improperly denied employment or benefits of employment on the basis of marital status with another employee or official of the JPAs.

24.2 **JPAs Rights**: Notwithstanding the above, the JPAs retain the right to take appropriate steps to avoid inappropriate working relationships among relatives. For administrative purposes, a relative shall be defined as a spouse or domestic

partner, child, step-child, parent, grandparent, grandchild, brother, sister, half-brother, half-sister, aunt, uncle, cousin, niece, nephew, parent-in-law, brother-in-law, sister-in-law, or any other individual related by blood, marriage, living in the same household, or having a personal relationship that may be perceived as compromising employment objectivity. Notwithstanding the above, the JPAs retain its rights to:

24.2.1 **JPAs Rights**: Take under the direct or indirect supervision of another party of a relationship.

24.2.2 **Same Work Unit**: Refuse to place 2 parties to a relationship in the same unit or facility when such action has the potential for creating adverse impact on supervision, safety, security, or morale, or involves potential conflicts of interest.

24.2.3 **Disqualification**: Disqualify one party to a relationship for a position privy to confidential personnel matters who has a relative already in the JPAs' employment when the relationship may compromise confidential information.

24.2.4 **Transfer**: Effect a transfer in the event the JPAs learn of circumstances described above.

Section 25 Political Activity Policy

Except as specifically allowed by law, JPAs employees are prohibited from participating in any political activity while on duty or while performing official business.

Section 26 Policy on Violations of the Hatch Act

26.1 **Hatch Act**: The JPAs may apply for federal grant funding for a variety of projects. Some of those grant funds may be used for employee compensation. The Hatch Act prohibits government employees who are compensated by federal funding from engaging in partisan political activities, including but not limited to the following:

26.1.1 **Membership**: The Act precludes employees from membership in any political organization which advocates the overthrow of our constitutional form of government.

26.1.2 **Campaign Contribution Limits**: Employees receiving compensation from federal funds have an annual ceiling of $5,000 for contributions to the campaign of an individual candidate for federal office.

26.1.3 **Guidelines**: Below are some of the guidelines that employees receiving compensation from federal funds need to follow when working or volunteering on a political campaign for federal office. Employees may not:

- Be a candidate in a political election in which any candidate represents a political party.
- Raise money for a partisan political campaign.

- Allow their names to be used in any fundraising appeal on behalf of a partisan political campaign.
- Participate in a phone bank that is engaged in fundraising for a partisan campaign.

Section 27 Policy on Workplace Accommodations for Employees With Disabilities

Accommodation for Employees with Disabilities: If an employee believes he/she has a disability, the employee may request a reasonable accommodation for that disability. Such requests should be submitted to the employee's unit manager or human resources. Human resources, in consultation with the unit manager, may engage in an interactive process with the employee to determine an appropriate reasonable accommodation for the employee in accordance with applicable law.

Section 28 Family and Medical Leave Policy

28.1 **Family and Medical Leave Policy**: Under the Family and Medical Leave Act (FMLA) and the California Family Rights Act (CFRA), employees are not eligible for FMLA or CFRA leave benefits unless the employing LGS or RGS JPA provides work for 50 or more employees. Unless and until the employing JPAs employs 50 or more employees, employees are not legally entitled to FMLA or CFRA leave benefits.

28.2 **Providing Similar Benefits**: The JPAs will provide Family and Medical Leave ("FML") benefits to its employees according to the following rules.

28.3 **Eligibility:** In order to qualify for Family and Medical Leave, the employee must meet the following conditions:

28.3.1 **Employment Period**: The employee must have been employed by the JPAs for 12 months.

28.3.2 **Working Hours**: The employee must have actually worked at least 1,250 hours during the 12 month period immediately before the date when the leave begins. If an employee is employed but is on leave, any time spent on leave shall not count towards the 1,250 hours.

28.4 **Type of Leave Covered**: Family and Medical Leave is a leave taken for the following purposes:

28.4.1 **Newborn Children, Adoption, Foster Care**: In order to care for a newborn son or daughter, or for placement of a child for adoption or foster care.

28.4.2 **Family Members Covered**: In order to care for a spouse, domestic partner, child, or parent with a serious health condition.

28.4.3 **Employee's Own Serious Health Condition**: Because of a serious health condition that makes the employee unable to perform the functions of the employee's position.

28.4.4 **Military "Qualifying Exigency Leave"**: Necessary leaves that arises from the employee's spouse, son, daughter, or parent being a covered military member on active duty (or having been notified of an impending call or order to active duty).

28.4.5 **Military Caregiver Leave**: Leave may be taken for up to 26 workweeks in a single 12-month period to care for a spouse, child, parent, or next of kin who is a covered servicemember with a serious injury or illness.

28.5 **Policy Definitions**:

28.5.1 **Rolling 12-Month Period**: This means a rolling 12-month period measured backward from the date leave is taken and continuous with each additional leave day taken.

28.5.2 **Child**: This means a child under the age of 18 years of age, or 18 years of age or older who is incapable of self-care because of mental or physical disability. An employee's child is one for whom the employee has actual day-to-day responsibility for care and includes a biological, adopted, foster, or step-child.

28.5.3 **Child Incapable of Self Care**: A child is incapable of self-care if he/she requires active assistance or supervision to provide daily self-care in 3 or more of the activities of daily living or instrumental activities of daily living, such as caring for grooming, hygiene, and bathing, dressing and eating, cooking, cleaning, shopping, taking public transportation, paying bills, maintaining a residence, and/or using telephones and directories.

28.5.4 **Parent**: This means a biological parent of an employee or an individual who stood in *loco parentis* (in place of the parent) to an employee when the employee was a child. This term does not include parents-in-law.

28.5.5 **Spouse**: This means a husband or wife as defined or as recognized as such under California law for purposes of marriage.

28.5.6 **Domestic Partner**: For this purpose, and any other benefit purpose, this means a domestic partner as defined under California Family Code section 297.

28.5.7 **Serious Health Condition**: This means an illness, injury, impairment, or physical or mental condition that involves any of the following:

28.5.7.1 **Inpatient**: Inpatient care (i.e., overnight stay) in the hospital, hospice, or residential medical care facility, including any period of incapacity (i.e., inability to work, or perform other regular daily activities due to the serious health condition, treatment involved or recovery therefrom).

28.5.7.2 **Continuing Treatment by a Health Care Provider**: A serious health condition involving continuing treatment by a health care provider includes any one of or more of the following:

28.5.7.3 **Period of Incapacity**: A period of incapacity (i.e., inability to work, or perform other regular daily activities due to serious health condition of more than 3 consecutive calendar days, and any

subsequent treatment or period of incapacity relating to the same condition), that also involves the following:

28.5.7.3.1 **Treatment**: Treatment 2 or more times within a 30-day period of the first day of incapacity, one of which must be within 7 days of incapacity, by a health care provider, by a nurse or physician's assistant under direct supervision by a health care provider, or by a provider of health care services (e.g., a physical therapist) under orders of, or on referral by, a health care provider.

28.5.7.3.2 **Treatment Regimen**: Treatment by a health care provider on at least one occasion within 7 days of incapacity, which results in a regimen of continuing treatment under the supervision of the health care provider. This includes for example, a course of prescription medication or therapy requiring special equipment to resolve or alleviate the health condition. If the medication is over the counter, and can be initiated without a visit to a health care provider, it does not constitute a regime of continuing treatment.

28.5.7.4 **Pregnancy-related Incapacity**: Any period of incapacity due to pregnancy or for prenatal care. (See section 9.16 of these Rules for Pregnancy Disability Leave. Pregnancy disability is included as FMLA leave, but not CFRA leave.) Under California law, an employee disabled due to pregnancy is entitled to pregnancy disability leave up to a maximum of 4 months. After the birth of the baby, the employee is entitled to additional CFRA bonding leave up to a maximum of 12 weeks. However, regardless of the length of time an employee takes leave for pregnancy disability and newborn care, under the FMLA and CFRA, the JPAs' obligation to pay for health insurance is limited to a maximum of 12 weeks over a 12 month period.

28.5.7.5 **Chronic Serious Health Condition**: Any period of incapacity or treatment for such incapacity due to a chronic serious health condition. A chronic serious health condition is one which involves the following:

28.5.7.5.1 **Periodic Health Care Visits**: Required periodic visits for treatment by a health care provider, or by a nurse or physician assistant under direct supervision of a health care provider.

28.5.7.5.2 **Continuous**: Continues over an extended period of time (including recurring episodes of a single underlying condition).

28.5.7.5.3 **Episodic**: May cause episodic rather than continuing period of incapacity (e.g., asthma, diabetes, epilepsy, etc.). Absences for such incapacity qualify for leave even if the absence lasts only one day.

28.5.7.6 **Long-term Treatment**: A period of incapacity which is permanent or long-term due to a condition for which treatment may not be effective. The employee or family member must be under the continuing supervision of, but need not be receiving active treatment by a health care provider.

28.5.7.7 **Multiple Treatments**: Any period of absence to receive multiple treatments (including any period of recovery incapacity) by a health care provider of health care service after an accident or other injury, or for a condition that would likely result in a period of incapacity of more than 3-consecutive calendar days in the absence of medical intervention or treatment.

28.5.7.8 **Health Care Provider**: This means an individual duly licensed as a physician, surgeon, or osteopathic physician or surgeon who directly treats or supervises treatment of a serious health condition; podiatrist, dentist, clinical psychologists, optometrists, and chiropractors, (limited to treatment consisting of manual manipulation of the spine to correct a subluxation as demonstrated by X-ray to exist) authorized to practice in California and performing within the scope of their practice as defined under California law; nurse practitioners and nurse-midwives and clinical social workers who are authorized to practice under California law and who are performing within the scope of their practice as defined under California law; and Christian Science practitioners listed with the First Church of Christ, Scientist in Boston and Massachusetts.

28.6 **Amount of Leave**:

28.6.1 **Leave Amount**: Eligible employees are entitled to up to a total of 12 weeks of leave during a 12-month period. Twelve weeks means the equivalent of 12 of the employee's normally scheduled workweeks. For eligible employees who work more or less than 5 days a week or who work alternative work schedules, the number of working days that constitute 12 weeks is calculated on a pro rata or proportional basis.

28.6.2 **Minimum Duration of Leave**: If leave is requested for the birth, adoption, or foster care placement of a child of the employee, basic leave must be concluded within the first year of the birth or placement of the child.

28.6.3 **Spouses/Domestic Partners Both Employed by the JPAs**: In any case in which a husband and wife or domestic partners are both employed by the JPAs and are both entitled to leave, the combined number of weeks of

leave to which both may be entitled may be limited to 12 weeks during a 12 month period if leave is taken for the birth or placement for adoption or foster care of the employee's child (i.e., bonding leave.) This limitation does not apply to any other type of leave under this policy.

28.7 **Intermittent Leave or Leave on a Reduced Work Schedule**: If an employee requests leave intermittently (a few days or hours at a time) or on a reduced leave schedule to care for an immediate family member with a serious health condition, the employee must provide medical certification that such leave is medically necessary. Medically necessary means there must be a medical need for the leave and that the leave can best be accomplished through an intermittent or reduced leave schedule. The leave may not exceed a total of 12 weeks over a 12 month period.

28.8 **Substitution of Paid Accrued Leaves**:

28.8.1 **Unpaid Leave**: Leave under this policy is unpaid. However, the JPAs shall require an employee to use concurrently all paid accrued leaves while on Family and Medical Leave as follows: Where an employee has accrued sick leave, administrative leave and/or vacation, the Family and Medical Leave shall run concurrently with all such accrued leaves. The JPAs shall require the concurrent use of sick leave only when the circumstances warrant the use of such leaves. The JPAs shall not require an employee to use compensatory time earned in lieu of overtime concurrently with Family and Medical Leave.

28.8.2 **Compensatory Time**: Employees may be required to use compensatory time earned in lieu of overtime concurrently with Family and Medical Leave. Employees are required to provide reasonable advance notice to the JPAs of their desire to use compensatory time concurrently with Family and Medical Leave.

28.8.3 **Leave Running Concurrently**: If an employee takes a leave of absence for any reason which is FMLA/CFRA-qualifying, the JPAs will designate that non-FMLA/CFRA leave as running currently with the employee's 12-week FMLA/CFRA leave entitlement.

28.9 **Payment of Health Insurance Premiums While on Leave**:

28.9.1 **Heath Insurance Coverage**: While an employee is on Family and Medical Leave, the JPAs shall maintain the employee's health insurance coverage on the same conditions as if the employee has been continuously employed during the entire leave period. If the employee's leave is unpaid, the JPAs shall maintain the employee's health coverage for a maximum of 12 weeks in a 12-month period, unless the employee requests, and the JPAs agree, to extend coverage beyond that period. If the employee would normally pay health insurance premiums, the JPAs shall require payment from the employee while the employee is on leave.

28.9.2 **Disability Plans**: An employee on unpaid leave will not continue to be covered under the JPAs' long-term disability and other non-health benefit plans unless the employee makes the appropriate contributions for

continued coverage and said continued coverage is permitted by the particular plan(s).

28.10 **Medical Certification**:

28.10.1 **Written Certification**: Employees who request leave for their own serious health condition, or to care for a child, parent, spouse, or domestic partner who has a serious health condition, must provide written certification from a health care provider of the individual requiring care.

28.10.2 **Statement**: If the leave is requested because of the employee's own serious health condition, the certification must include a statement that the employee is unable to work at all or is unable to perform the essential functions of his/her position during the entire period of leave. In cases where employees request intermittent leave, employees must submit medical certification which states that such intermittent leave is needed due to the employee's serious health condition and is medically necessary.

28.10.3 **Time to Provide a Certification**:

28.10.3.1 **Certification Filing Period**: When an employee's leave is foreseeable, the employee must provide the medical certification within 30 days before the leave begins. When this is not possible, the employee must provide certification within the time frame requested by the JPAs.

28.10.3.2 **Consequences for Failure to Provide an Adequate or Timely Certification**: If an employee fails to timely provide a medical certification or provides an incomplete medical certification, the JPAs may delay the taking of FMLA/CFRA leave until the required certification is provided.

28.10.4 **Recertification**:

28.10.4.1 **Medical Opinion Review**: If the JPAs have reason to doubt the validity of a medical certification provided by an employee, the JPAs may require a medical opinion of a second health care provider chosen and paid for by the JPAs. If the second opinion is different from the first, the JPAs may require the opinion of a third provider jointly approved by the JPAs and the employee, but paid for by the JPAs. The opinion of the third provider will be binding. An employee may request a copy of the health care provider's opinions when there is recertification.

28.10.5 **Recertification**: Recertification may also be requested under any of the following conditions:

28.10.5.1 **Changed Request**: When the basis for FMLA request has changed.

28.10.5.2 **Extension Requests**: When the employee requests an extension of leave.

28.10.5.3 **Reasonable Intervals**: At reasonable intervals requested, but not to be more than every 30 days, unless one of the aforementioned criteria also applies.

28.11 **Procedures for Requesting Leave**: All employees requesting leave under this policy must submit proper Family and Medical Leave forms to human resources. Although the JPAs recognize that emergencies arise which may require employees to request immediate leave, employees are required to give as much notice as possible of their need for leave. If leave is foreseeable, at least 30 days notice is requested. In addition, if any employee knows that he/she will need a leave in the future, but does not know the exact date(s) (e.g., for the birth of a child or to take care of a newborn), the employee shall inform his/her unit manager as soon as possible that such leave is needed. Such notice must be submitted in writing. If the JPAs determine the notice of the employee is inadequate or the employee knew about the requested leave in advance of the request, the JPAs may delay the granting of the leave until it can, in its discretion, adequately cover the position.

28.12 **Accrual of Benefits While on Leave**: Employees will not accrue benefits while in an unpaid leave status, including seniority rights, vacation, and sick leave accrual. Employee will accrue benefits while using paid leave concurrently with FMLA/CFRA leave.

28.13 **Right to Reinstatement Upon Return From FMLA Leave**: Upon the expiration of leave, an employee is entitled to be reinstated to the position of employment held when the leave commenced, or to an equivalent position with equivalent benefits, pay, and other terms and conditions of employment. Employees have no greater rights to reinstatement, benefits and other conditions of employment than if the employee had been continuously employed during the Family and Medical Leave period.

28.14 **Employee's Obligation to Periodically Report on Condition**: An employee on leave is required to periodically report every 30-calendar days on his/her status and within 5 days of intent to return to work.

28.15 **Fitness-for-Duty Certification**: As a condition of reinstatement of an employee whose leave was due to the employee's own serious health condition, which made the employee unable to perform his/her job, the employee must obtain and present a fitness-for-duty certification from the health care provider that the employee is able to resume work at least 5 days prior to the employee's intent to return to work. Failure to provide such certification may result in denial of reinstatement.

28.16 **Failure to Return From FMLA Leave**: If an employee uses Family and Medical Leave and fails to return to work, the JPAs may recover its share of health care premiums paid on behalf of the employee while the employee was on leave. The JPAs reserve the right to seek reimbursement from the employee by any legal means.

Section 29 Policy on Fitness for Duty Evaluations

29.1 **Fitness for Duty**: The JPAs, at its expense, may require an employee to undergo a fitness-for-duty evaluation for any reasonable cause. If the employee is not fit to perform his/her duties with or without reasonable accommodation, the JPAs may consider placing the employee in another position, seek the employee's disability retirement, or separate the employee in accordance with applicable law.

Section 30 Confidentiality Policy

30.1 **Policy**: The public and other parties with whom we do business entrust this JPAs with important information relating to their businesses. It is our policy to follow state and federal regulations and that all information considered confidential will not be disclosed to external parties or to employees without a "need to know." If there is a question of whether certain information is considered confidential, the employee should first check with his/her immediate supervisor. This policy is intended to alert employees to the need for discretion at all times and is not intended to inhibit normal business communications.

30.2 **Protecting Information**: Employees have access to a variety of sensitive and confidential information by virtue of their job assignment. Employees must comply with any measures and policies that the JPAs or JPA clients institute regarding confidential information and privacy, including those required by applicable laws. Employees must also protect that information from disclosure to anyone, except where that disclosure is required by their jobs. When a JPA client makes it possible to access or use confidential information from a remote location, employees shall follow the client's policies and procedures for doing so, and shall not store such information at the remote location. Writing about confidential information for non-work-related business in e-mails, on websites, on social networking sites, in chat rooms, or in blogs is expressly prohibited, as well as verbally communicating such information in person, over the phone, or in any other manner. Additionally JPAs logos may not be used in any of these forums.

30.3 **Confidential Information**: Confidential information shall include but may not be limited to any of the following:

- Passwords and access codes.
- Individual employment records.
- Citizen lists, personal information, or histories.
- Financial statements.
- Computer programs and object and source codes.
- Systems and their documentation.
- Other non-public business and technical information, whether related to past, present, or future programs and services.

30.4 **Penalties for Disclosing Confidential Information**: Employees who disclose confidential information are subject to disciplinary action up to and including dismissal from employment.

Section 31 Emergency Service Workers

31.1 **Emergency Service Workers**: All JPAs employees are designated per state law as emergency service workers and are deputized per civil defense rules under a declared emergency to carry out the orders of established emergency command sections with the provided limited immunity under the Government Code. Every employee should know where he or she reports in the event of an area-wide emergency. In the event of an emergency or disaster, every employee shall attempt to call in or contact their unit manager. Notwithstanding the call-in requirement, all employees are expected in an emergency or disaster to act as follows:

- **Attend** to the immediate physical safety of yourself and those immediately around you.
- **Contact** or see to the safety of your immediate family, develop a family plan, and establish a family call-in phone contact in advance, preferably with a relative out of state or out of the region.
- **Report to work** when directed to do so after trying to call in or when called back to work.

31.2 **Emergency Situations**: In an emergency situation, employees may be assigned to a variety of duties other than their normal assignments but generally related to their knowledge, skills, and abilities under their job class description. Those who are assigned to report to another organization shall be treated as JPAs employees assigned to another agency and shall be compensated and otherwise covered as JPAs employees upon proof of service attendance in another agency. Those reporting to work at their usual assigned JPAs shall be governed by established regular time and overtime rules.

Section 32 Fraud Policy

32.1 **Background**: This fraud policy aids in the detection and prevention of fraud against the JPAs and provides guidelines and assigns responsibility for the development of controls and conduct of investigations.

32.2 **Policy Scope**: This policy applies to any irregularity, or suspected irregularity, involving employees as well as consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship to the JPAs. Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position, title, or relationship to the JPAs.

32.3 **Policy**: Management is responsible for the detection and prevention of fraud, misappropriations, and other irregularities within the JPAs and their respective organizational units. Fraud is defined as the intentional, false representation, or concealment of a material fact for the purpose of inducing another to act upon it. Management should be familiar with the types of improprieties that might occur within own area of responsibility, and be alert for any indication of irregularity and develop any specific necessary controls to prevent, deter, or identify fraudulent activities. Any irregularity that is detected or suspected must be reported immediately to the Director of Human Resources, who coordinates all investigations.

32.4 **Actions Constituting Fraud:** The terms defalcation, misappropriation, and fiscal or other irregularities refer but are not limited to any of the following:

- Any dishonest or fraudulent act.
- Misappropriation of funds, securities, supplies, or other assets.
- Impropriety in the handling or reporting of money or financial transactions.
- Profiteering as a result of insider knowledge of agency activities.
- Disclosing confidential and proprietary information to outside parties.
- Accepting or seeking anything of material value from contractors, vendors, or persons providing services/material with the exception of gifts of less than $50 in value.
- Destruction, removal, or inappropriate use of records, furniture, fixtures, and equipment.
- Any similar or related irregularity.

32.5 **Other Irregularities**: If there is any question as to whether an action constitutes fraud, including irregularities concerning an employee's moral, ethical, or behavioral conduct, contact the Director of Human Resources for guidance.

32.6 **Investigation Responsibilities**: Human Resources has the primary responsibility for the investigation of all suspected fraudulent acts, and may conduct the investigation, select someone else within the organization to conduct the investigation, or have an external provider conduct the investigation.

32.7 **Reporting Procedures**: Any employee who suspects dishonest or fraudulent activity shall notify the Director of Human Resources immediately, and should not attempt to personally conduct investigations, interviews, or interrogations related to any suspected fraudulent act. The individual reporting the concern will be informed not to contact the suspected individual in an effort to determine facts or demand restitution and not to discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by human resources.

32.8 **Confidentiality**: Human Resources treats all information received confidentially. Care will be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations. All inquiries concerning the activity under investigation from the suspected individual, his or her attorney or representative, or any other inquirer should be directed to Human Resources. No information

concerning the status of an investigation will be given out. The proper response to any inquiries is: "This is a personnel issue and I am not at liberty to discuss this matter." Under no circumstances should any reference be made to "the allegation," "the crime," "the fraud," "the forgery," "the misappropriation," or any other specific reference. Investigations or their results will not be disclosed or discussed with anyone other than those who have a legitimate need to know.

32.9 **Investigating Suspected Fraud**: Human Resources or their designated representative will have free and unrestricted access to all Agency records and premises, whether owned or rented and the authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who might use or have custody of any such items or facilities when it is within the scope of their investigation.

32.10 **Investigation Outcome**: All investigation results will be forwarded to the executive director for a final determination of action. If the investigation substantiates that fraudulent activities have occurred, Human Resources will issue reports to appropriate designated staff and, if applicable, to the JPAs' Board. Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel and the executive director, as will final decisions on disposition of the case.

32.11 **Disciplinary Action**: Findings of fraudulent activity could result in disciplinary action, up to and including termination of employment.

Section 33 Conflict of Interest Code

33.1 **Background**: Under the Political Reform Act, all public agencies are required to adopt a conflict of interest code, which designates positions required to file Statements of Economic Interests (Form 700), and assigns disclosure categories specifying the types of interest to be reported. The Form 700 is a public document intended to alert public officials and members of the public to the types of financial interests that may create conflicts of interests for Authorities' staff.

33.2 **Designated Positions**: Client organizations shall designate their own covered positions. The Authorities designate the following:

- Board Members of either JPAs.
- Executive Committee members of either JPAs.
- Executive Director
- Director of Human Resources

33.3 **Disclosure Categories**: A primary purpose of the code is to require disclosure of those types of investments, interests in real property, sources of income, and business positions that designated positions may affect in their decision-making.

33.4 **Code Approval**: Codes are not effective until they have been approved by an agency's code reviewing body, which is for multi-county and state agencies is the FPPC.

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TO: BOARD OF DIRECTORS **BOD Meeting: 6-09-2011**
FROM: JENNIFER BOWER, Director of Human Resources **Item: 6B**
SUBJECT: **RECORDS RETENTION SCHEDULE**

RECOMMENDATION

Adopt records retention schedule.

BACKGROUND

The Authorities are developing a records management program, including records retention policies. The adoption of this retention schedule will result in efficiency gains and cost savings by reducing current and future records storage costs, eliminating duplication of effort, increasing efficiency, and taking advantage of current technology and changes in law.

DISCUSSION

The development of the records retention schedules are driven by many factors, including:

- Limited facility and electronic storage space.
- Others are filing and storing copies of the same records.
- The Authorities produce and manage many records, and expect to grow and produce higher volumes of records.
- Records storage expenses.
- Technology advancements.
- Changes in law.

The purpose of the program is to comply with legal records retention requirements as well as apply efficient and economical methods to the creation, utilization, maintenance, retention, preservation, and disposal of all written and electronic records managed by the Authorities.

The new retention schedules were written to include all departments/functions. They provide clear, specific records descriptions and retention periods, and apply current law and technology to the management of records. By identifying which function/department is responsible for maintaining the original record, and by establishing clear retention periods for different categories of records, the Authorities will realize significant savings in labor costs, storage costs, free filing cabinet and office space, and realize operational efficiencies.

There is still some minor changing of the schedules to better reflect the Authorities functions. However placeholders for functions, such as facilities and other areas will be kept. In the future, should the Authorities grow to include those functions, the records retention plan for those areas will be incorporated.

FISCAL IMPACT

A significant savings both in labor and storage expenses can be realized in the future; including the avoidance of future storage and/or construction costs.