



San Gabriel Valley Council of Governments

AGENDA AND NOTICE OF THE REGULAR MEETING OF THE SGVCOG EXECUTIVE COMMITTEE

April 2, 2018- 12 NOON

**SGVCOG Office - 1000 S. Fremont Ave., Building 10, Suite 10210,
Alhambra, California 91803**

Thank you for participating in tonight's meeting. The Executive Committee encourages public participation and invites you to share your views on agenda items.

President
Cynthia Sternquist

1st Vice President
Margaret Clark

2nd Vice President
Joe Lyons

3rd Vice President
Becky Shevlin

Past President
Barbara Messina

Transportation Chair
John Fasana

Homelessness Chair
Joseph Lyons

EENR Chair
Denis Bertone

Water Resources Chair
Diana Mahmud

ACE Chair
Juli Costanzo

MEETINGS: *Regular Meetings of the Executive Committee are held the first Monday of every month at 12:00 p.m. at the SGVCOG Office (1000 S. Fremont Ave., Building 10, Suite 10210, Alhambra, California 91803).* The Executive Committee agenda packet is available at the San Gabriel Valley Council of Government's (SGVCOG) Office, 1000 South Fremont Avenue, Suite 10210, Alhambra, CA, and on the website, www.sgvkog.org. Copies are available via email upon request (sgv@sgvcog.org). Documents distributed to a majority of the Board after the posting will be available for review in the SGVCOG office and on the SGVCOG website. Your attendance at this public meeting may result in the recording of your voice.

CITIZEN PARTICIPATION: Your participation is welcomed and invited at all Executive Committee meetings. Time is reserved at each regular meeting for those who wish to address the Board. SGVCOG requests that persons addressing the Executive Committee refrain from making personal, slanderous, profane or disruptive remarks.

TO ADDRESS THE EXECUTIVE COMMITTEE: At a regular meeting, the public may comment on any matter within the jurisdiction of the Board during the public comment period and may also comment on any agenda item at the time it is discussed. At a special meeting, the public may only comment on items that are on the agenda. Members of the public wishing to speak are asked to complete a comment card or simply rise to be recognized when the Chair asks for public comments to speak. We ask that members of the public state their name for the record and keep their remarks brief. If several persons wish to address the Board on a single item, the Chair may impose a time limit on individual remarks at the beginning of discussion. **The Executive Committee may not discuss or vote on items not on the agenda.**

AGENDA ITEMS: The Agenda contains the regular order of business of the Executive Committee. Items on the Agenda have generally been reviewed and investigated by the staff in advance of the meeting so that the Executive Committee can be fully informed about a matter before making its decision.

CONSENT CALENDAR: Items listed on the Consent Calendar are considered to be routine and will be acted upon by one motion. There will be no separate discussion on these items unless a Board member or citizen so requests. In this event, the item will be removed from the Consent Calendar and considered after the Consent Calendar. If you would like an item on the Consent Calendar discussed, simply tell Staff or a member of the Executive Committee.



In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the SGVCOG office at (626) 457-1800. Notification 48 hours prior to the meeting will enable the SGVCOG to make reasonable arrangement to ensure accessibility to this meeting.



PRELIMINARY BUSINESS

1. Call to Order
2. Roll Call
3. Public Comment (*If necessary, the President may place reasonable time limits on all comments*)
4. Changes to Agenda Order: Identify emergency items arising after agenda posting and requiring action prior to next regular meeting (*It is anticipated that the Executive Committee may take action on these matters*)

CONSENT CALENDAR (*It is anticipated that the Executive Committee may take action on the following matters*)

5. Executive Committee Meeting Minutes – Page 1
Recommended Action: Approve Executive Committee minutes.

PRESENTATION

UPDATE ITEMS

- Update of Investment Policy – Page 5
- FY 2018-2019 Draft Budget – Page 27
- Draft Employee Handbook – Page 47
- Legislative Update – Page 101
- Salary Resolution Amendment – Page 125
- Update on ACE/COG Integration – Page 129

PRESIDENT’S REPORT

EXECUTIVE DIRECTOR’S REPORT

GENERAL COUNSEL’S REPORT

ACTION ITEMS (*It is anticipated that the Executive Committee may take action on the following matters*)

6. Draft Governing Board Agenda – Page 135
Recommended Action: Provide direction to staff.

ANNOUNCEMENTS

CLOSED SESSION

ADJOURN



SGVCOG
Executive Committee Minutes
March 5, 2018
12:00 PM
SGVCOG Offices, Alhambra

PRELIMINARY BUSINESS

1. Call to Order

The meeting was called to order at 12:08 P.M.

2. Roll Call

Members Present

C. Sternquist, President
M. Clark, 1st Vice President
J. Lyons, 2nd Vice President, Homelessness Chair
B. Shevlin, 3rd Vice President
B. Messina, Past President
J. Costanzo, ACE Chair
D. Bertone, EENR Chair
D. Mahmud, Water Policy Chair
J. Fasana, Transportation Chair

Members Absent

Staff/Guests:

M. Creter, Interim Executive Director
K. Ward, Staff
E. Wolf, Staff
C. Cruz, Staff
M. Christoffels, Staff

C. Monroy, Staff
K. Barlow, Jones & Mayer
D. Lazzaretto, Arcadia

3. Public Comment

There were no comments from the public.

4. Changes to Agenda Order:

There were no changes to the agenda.

CONSENT CALENDAR

5. Executive Committee Meeting Minutes

There was a motion to approve the consent calendar (M/S: D. Bertone/ J. Lyons).

[MOTION PASSES]

AYES:	M. Clark, J. Lyons, B. Messina, D. Bertone, D. Mahmud, C. Sternquist
NOES:	
ABSTAIN:	B. Shevlin
ABSENT:	J. Costanzo, J. Fasana,

UPDATE ITEMS

- Review of Investment Policy – Carlos Monroy, Director of Finance

C. Monroy reported on this item. The Committee directed staff to revise and prepare a draft investment policy for presentation at the April Executive Committee meeting, using the MTA guidelines.

- FY 2016-2017 Audit
M. Creter and C. Monroy reported on this item.
- Rio Hondo Load Reduction Strategy
E. Wolf and M. Christoffels presented on this item. Staff was directed to reference this item in the weekly recap. The Committee directed staff to place this item on the March Governing Board agenda.
- Legal Services Update
M. Creter reported on this item.
- Legislative Update
C. Cruz reported on this item. There was a recommendation to include the CALPERS legislation, SB 1032, in next month's legislative update. The President requested staff research legislation on equitable emergency ambulance services.
- Draft Project Review/Development Process
M. Creter reported on this item.
- Update on ACE/COG Integration
M. Creter reported on this item.

PRESIDENT'S REPORT

EXECUTIVE DIRECTOR'S REPORT

GENERAL COUNSEL'S REPORT

- K. Barlow reported on this item.

ACTION ITEMS

6. Treasurer Contract

There was a motion to approve the treasurer contract to the Governing Board (J. Fasana/D. Mahmud).

[MOTION PASSES]

AYES:	M. Clark, D. Bertone, D. Mahmud, C. Sternquist, B. Shevlin, J. Costanzo, J. Fasana
NOES:	
ABSTAIN:	
ABSENT:	J. Lyons, B. Messina

7. Draft Governing Board Agenda

K. Barlow recommended an item be added on the Chief Engineer pay for open and closed session.

There was a motion to approve the Governing Board agenda as amended (D. Mahmud/J. Fasana).

[MOTION PASSES]

AYES:	M. Clark, D. Bertone, D. Mahmud, C. Sternquist, B. Shevlin, J. Costanzo, J. Fasana
NOES:	
ABSTAIN:	
ABSENT:	J. Lyons, B. Messina

ANNOUNCEMENTS

CLOSED SESSION

8. PUBLIC EMPLOYMENT: Title: Executive Director pursuant to California Government Code section 54957

CONFERENCE WITH LABOR NEGOTIATORS: Agency designated representatives: Richard D. Jones, Kimberly Hall Barlow, Dominic Lazzaretto, Bob Russi, Brian Saeki and Chris Jeffers; Unrepresented employee: Executive Director pursuant to California Government Code section 54957.6.

No action was reported.

ADJOURN

The meeting adjourned at 2:20 PM.



SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS

STATEMENT OF INVESTMENT POLICIES

INTRODUCTION

It is the policy of the San Gabriel Valley Council of Governments (SGVCOG) to ensure that the temporarily idle funds of the agency are prudently invested to preserve capital and provide necessary liquidity, while maximizing earnings, and conforming to state and local statutes governing the investment of public funds.

This investment policy conforms to the California Government Code ("Code") as well as to customary standards of prudent investment management. Investments may only be made as authorized by the Code, Section 53600 et seq., Sections 16429.1 through 16429.4 and this investment policy. Should the provisions of the Code become more restrictive than those contained herein, such provisions will be considered as immediately incorporated in this investment policy. Changes to the Code that are less restrictive than this investment policy may be adopted by the Board of Directors (Board).

2.0 Scope

This investment policy sets forth the guidelines for the investment of surplus Enterprise and Capital Projects, and any new fund created by the Board, unless specifically exempted.

Internal and external portfolio managers may be governed by Portfolio Guidelines that may on an individual basis differ from the total fund guidelines outlined herein. The Finance Director/Treasurer is responsible for monitoring and ensuring that the total funds subject to this investment policy remain in compliance with this investment policy, and shall report to the Board regularly on compliance.

3.0 Investment Objectives

The primary objectives, in priority order, of investment activities shall be:

- A. Safety:** Safety of principal is the foremost objective of the investment program. The investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The SGVCOG shall seek to ensure that capital losses are avoided whether from institutional default, broker-dealer default, or erosion of market value. Diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
- B. Liquidity:** The investment portfolio will remain sufficiently liquid to meet all operating requirements that might be reasonably anticipated.
- C. Return on Investments:** The SGVCOG shall manage its funds to maximize the return on investments consistent with the two objectives above, with the goal of exceeding the performance benchmarks (Section 12.0) over a market cycle (typically a three to five-year period).

It is policy to hold investments to maturity. However, a security may be sold prior to its maturity and a capital gain or loss recorded if liquidity needs arise, or in order to improve the quality, or rate of return of the portfolio in response to market conditions and/or SGVCOG risk preferences.

Internal and external investment managers shall report such losses to the Finance Director/Treasurer quarterly.

Investments shall be made with the judgment, skill, and diligence of a prudent investor acting in like capacity under circumstances then prevailing, for the sole benefit of the SGVCOG, and shall take into account the benefits of diversification in order to protect the investment from the risk of substantial loss.

The standard of prudence to be used by investment officials shall be the "prudent investor" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with this investment policy, written portfolio guidelines and procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in the quarterly investment report to the Board, and appropriate action is taken to control adverse developments.

4.0 Delegation of Authority

The Board shall be the trustee of funds received by the SGVCOG. The Board hereby delegates the authority to invest or reinvest the funds, to sell or exchange securities so purchased and to deposit securities for safekeeping to the Finance Director/Treasurer for a one-year period, who thereafter assumes full responsibility for such transactions and shall make a monthly report of those transactions to the Board. Subject to review by the Board, the Board may renew the delegation of authority each year.

The Finance Director/Treasurer shall establish written procedures for the operation of the investment program consistent with this investment policy, including establishment of appropriate written agreements with financial institutions. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. The Finance Director/Treasurer may engage independent investment managers to assist in the investment of its financial assets.

No person may engage in an investment transaction except as provided under the terms of this investment policy and the procedures established by the Finance Director/Treasurer.

Officers and employees involved in the investment process shall be governed by the standards regarding ethical behavior and conflicts of interest established in the San Gabriel Council of Governments Ethics Policy and annually shall file a Statement of Economic Disclosure with the Ethics Office.

5.0 Permitted Investments

All funds which are not required for immediate cash expenditures shall be invested in income producing investments or accounts, in conformance with the provisions and restrictions of this investment policy as defined in Section 5.1A and as specifically authorized by the Code, (Sections 53600, et seq.).

In order to reduce overall portfolio risk, investments shall be diversified among security type, maturity, issuer and depository institutions. See Section 5.1A for specific concentration limits by type of investment.

- A.** Percentage limitations where listed are only applicable at the date of purchase.
- B.** In calculating per issuer concentration limits commercial paper, bankers' acceptances, medium term notes, asset-backed securities, placement service assisted deposits, and negotiable certificates of deposit shall be included; deposits collateralized per Section 7.3 of this investment policy are excluded from this calculation.
- C.** Credit requirements listed in this investment policy indicate the minimum credit rating (or is equivalent by any nationally recognized statistical rating organization) required at the time of purchase without regard to modifiers (e.g., +/- or 1,2,3), if any.

Maturities of individual investments shall be diversified to meet the following objectives:

- A.** Investment maturities will be first determined by anticipated cash flow requirements.
- B.** Where this investment policy does not state a maximum maturity in Section 5.1A, no investment instrument shall be purchased which has a stated maturity of more than five years from the date of purchase, unless the instrument is specifically approved by the Board or is approved by the Board as part of an investment program and such approval must be granted no less than three months prior to the investment. The Board hereby grants express authority for the purchase of new issue securities with a 5-year stated maturity with extended settlement of up to 30 days from date of purchase.
- C.** The average duration of the externally managed funds subject to this investment policy shall not exceed 150% of the benchmark duration. The weighted average duration of the internal portfolios shall not exceed three (3) years.

State and local government sponsored Investment Pools and money market mutual funds as authorized by this investment policy are subject to due diligence review prior to investing and on a continual basis as established in Section 5.1A, #11 and #12.

This investment policy specifically prohibits the investment of any funds subject to this investment policy in the following securities:

- A.** Derivative securities, defined as any security that derives its value from an underlying instrument, index, or formula, are prohibited. The derivative universe includes, but is not limited to, structured and range notes, securities that could result in zero interest accrual if held to maturity, variable rate, floating rate or inverse floating rate investments, financial futures and options, and mortgage derived interest or principal only strips. Callable or putable securities with no other option features, securities with one interest rate step-up feature, and inflation indexed securities meeting all other requirements of this investment policy are excluded from this prohibition, as are fixed rate mortgage-backed securities and asset-backed securities.

- B.** Reverse repurchase agreements and securities lending agreements.

6.0 Selection of Depository Institutions, Investment Managers and Broker-Dealers

To minimize the risk to the overall cash and investment portfolio, prudence and due diligence as outlined below shall be exercised with respect to the selection of Financial Institutions in which funds are deposited or invested. The SGVCOG's Financial Advisor (FA) will conduct competitive processes to recommend providers of financial services including commercial banking, investment management, investment measurement and custody services.

- A.** In selecting Depositories pursuant to Code Sections 53630 (et seq.), the credit worthiness, financial stability, and financial history of the institution, as well as the cost and scope of services and interest rates offered shall be considered. No funds will be deposited in an institution unless that institution has an overall rating of not less than "satisfactory" in its most recent evaluation by the appropriate federal financial supervisory agency. The main depository institutions will be selected on a periodic and timely basis.
- B.** Deposits which are insured pursuant to federal law by the Federal Deposit Insurance Corporation (FDIC), or the National Credit Union Administration (NCUA) may be excluded from the collateralization requirements of Section 7.3 of this investment policy, at the Finance Director/Treasurer's discretion. A written waiver of securitization shall be executed, provided to the Depository Institution, and kept on file in the Treasury Department.
- C.** The Finance Director/Treasurer shall seek opportunities to deposit funds with disadvantaged business enterprises, provided that those institutions have met the requirements for safety and reliability and provide terms that are competitive with other institutions.
- D.** Deposits: The Agency's money shall be deposited in any state or national bank, savings association or federal association, state or federal credit union, or federally insured industrial loan company, as defined in Section 53630 et seq., with the objective of realizing maximum return, consistent with prudent financial management, except that money shall not be deposited in any state or federal credit union if a member of the Board of Directors, or an employee of the directors, or the credit committee or supervisory committee, of the state or deferral credit union. Deposits may be in inactive deposits, active deposits or interest-bearing deposits. The amount of the deposits cannot exceed the amount of the bank's savings and loan's credit unions paid up capital surplus.

The bank or savings and loan must secure the active and inactive deposits with eligible securities having a market value of 110% of the total amount of deposits. State law also allows, as an eligibility security, first trust deeds having a value of 150% of the total amount of the deposits. A third class of collateral is letters of credit drawn on the Federal Home Loan Bank (FHLB) of San Francisco having a value of 105% of the total amount of the deposits.

In selecting external investment managers and brokers, past performance, stability, financial strength, reputation, area of expertise, and willingness and ability to provide the highest investment return at the lowest cost within the parameters of this investment policy and the Code shall be

considered. External investment managers must be registered with the Securities and Exchange Commission (SEC) under the Investment Advisor Act of 1940.

Pursuant to Code Section 53601.5, the SGVCOG and its investment managers shall only purchase statutorily authorized investments either from the issuer, from a broker-dealer licensed by the state, as defined in Section 25004 of the Corporations Code, from a member of a federally regulated securities exchange, a national or state-chartered bank, a federal or state association (as defined by Section 5102 of the Financial Code), or from a brokerage firm designated as a primary government dealer by the Federal Reserve Bank.

- A.** Internal investment manager will only purchase or sell securities from broker-dealers that are Primary Dealers in U.S. Government Securities or are a direct affiliate of a Primary Dealer. Internal investment manager will only purchase securities from broker-dealers who have returned a signed Receipt of Investment Policy and completed the Broker-Dealer Questionnaire, and have been approved by the Finance Director/Treasurer (see Appendices B and C). A current copy of the Broker-Dealer's financial statements will be kept on file in the Treasury Department. Should market conditions limit access to inventory, the Finance Director/Treasurer may approve executing transactions through non-Primary Dealers who meet all of the criteria listed below:
- a. The broker dealer must qualify under Securities Exchange Commission rule 15C3-1 (Uniform Net Capital Rule);
 - b. Must be licensed by the state as a broker/dealer as defined in Section 25004 of the Corporations Code or a member of a federally registered securities exchange (i.e. FINRA, SEC, MSRB);
 - c. Have been in operation for more than five years; and
 - d. Have a minimum annual trading volume of \$100 billion in money market instruments or \$500 billion in U.S. Treasuries and Agencies.
- B.** In addition to Primary Dealers in U.S. Government Securities and direct affiliates of a Primary Dealer, external investment managers may purchase or sell securities from non-Primary Dealers qualified under U.S. Securities and Exchange Commission Rule 15C3-1, the Uniform Net Capital Rule, and provided that the dealer is a member of the Financial Industry Regulatory Authority. External investment managers shall submit, at least quarterly, a list of the non-Primary Dealers used during the period.
- C.** External investment managers must certify in writing that they will purchase securities in compliance with this investment policy, SGVCOG Procedures, and applicable State and Federal laws.

Financial institutions and external investment managers conducting investment transactions with or for SGVCOG shall sign a Certification of Understanding. The Certification of Understanding (see Appendix A) states that the entity:

- A.** Has read and is familiar with the Investment Policy and Guidelines as well as applicable Federal and State Law;
- B.** Meets the requirements as outlined in this investment policy;
- C.** Agrees to make every reasonable effort to protect the assets from loss;
- D.** Agrees to notify the SGVCOG in writing of any potential conflicts of interest.

Completed certifications shall be filed in the Finance Director/Treasurer's Office. Failure to submit a Certification of Understanding shall result in the withdrawal of all funds held by that financial institution, or investment manager and/or the rescission of any and all authority to act as an agent to purchase or invest funds.

All broker-dealers who do business with the SGVCOG's internal investment managers shall sign a Receipt of Investment Policy. The Receipt of Investment Policy (see Appendix B) states that the broker dealer:

- A.** Has received, read, and understands this investment policy;
- B.** Has communicated the requirements of this investment policy to all personnel who may select investment opportunities for presentation.

Failure to submit a Receipt of Investment Policy shall preclude the SGVCOG from purchasing or selling securities from such broker-dealer. Completed receipts shall be filed in the Finance Director/Treasurer's Office.

7.0 Custody and Safekeeping of Securities and SGVCOG Funds

A Master Repurchase Agreement must be signed with the bank or dealer before any securities and collateral for repurchase agreements shall be purchased and maintained for the benefit of the SGVCOG in the Trust Department or safekeeping department of a bank as established by a written third party safekeeping agreement between the SGVCOG and the bank. Specific collateralization levels are defined in Section 5.1A.

All investment transactions shall be settled "delivery vs. payment", with the exception of deposits, money market mutual fund investments, and Local Agency Investment Fund or other Local Government Investment Pools. Delivery may be physical, via a nationally recognized securities depository such as the Depository Trust Company, or through the Federal Reserve Book Entry system.

Funds deposited shall be secured by a Depository in compliance with the requirements of Code Section 53652. Such collateralization shall be designated and agreed to in writing.

8.0 Reports and Communications

The Finance Director/Treasurer is responsible for ensuring compliance with all applicable Local, State, and Federal laws governing the reporting of investments made with public funds. All

investment portfolios will be monitored for compliance. Non-compliance issues will be included in the quarterly Board report as stated in Section 8.3 of this investment policy.

The Finance Director/Treasurer shall annually submit a statement of investment policy to the Board for approval. The existing approved investment policy will remain in effect until the Board approves the recommended statement of investment policy.

The Finance Director/Treasurer shall render a quarterly cash, investment, and transaction report to the CEO and Board, and quarterly to the Internal Auditor within 30 days following the end of the quarter covered by the report. The report shall include a description of SGVCOG's funds, investments, or programs that are under the management of contracted parties, including lending programs. The report shall include as a minimum:

- A.** Portfolio Holdings by Type of Investment and Issuer
- B.** Maturity Schedule and Weighted Average Maturity (at market)
- C.** Weighted Average Yield to Maturity
- D.** Return on Investments versus Performance Benchmarks on a quarterly basis
- E.** Par, Book and Market Value of Portfolio for current and prior quarter-end
- F.** Percentage of the portfolio represented by each investment category
- G.** Total Interest Earned
- H.** Total Interest Received
- I.** A statement of compliance with this investment policy, or notations of non-compliance.
- J.** At each calendar quarter-end a subsidiary ledger of investments will be submitted with the exception listed in 8.3K.
- K.** For investments that have been placed in the Local Agency Investment Fund, in Federal Deposit Insurance Corporation-insured accounts in a bank or savings and loan association, in National Credit Union Administration insured accounts in a credit union, in a county investment pool, or in shares of beneficial interest issued by a diversified management company that invest in the securities and obligations as authorized by this investment policy and the Code, the most recent statement received from these institutions may be used in lieu of the information required in 8.3J.
- L.** At each calendar quarter-end the report shall include a statement of the ability to meet expenditure requirements for the next six months.
- M.** A quarterly gain or loss report on the sale or disposition of securities in the portfolio.

Internal and external investment managers shall monitor investments and market conditions and report on a regular and timely basis to the Finance Director/Treasurer.

- A.** Internal and external investment managers shall submit monthly reports to the Finance Director/Treasurer, such reports to include all of the information referenced in Section 8.3, items A-J of this investment policy. Portfolios shall be marked-to-market monthly and the comparison between historical cost (or book value) and market value shall be reported as part of this monthly report.

- B.** Internal and external investment managers shall monitor the ratings of all investments in their portfolios on a continuous basis and report all credit downgrades of portfolio securities to the Finance Director/Treasurer in writing within 24 hours of the event. If an existing investment's rating drops below the minimum allowed for new investments made pursuant to this investment policy, the investment manager shall also make a written recommendation to the Finance Director/Treasurer as to whether this security should be held or sold.
- C.** External and internal investment managers shall immediately inform the Finance Director/Treasurer, or the Executive Director in writing of any major adverse market condition changes and/or major portfolio changes. The Executive Director, and Finance shall immediately inform the Board in writing of any such changes.
- D.** External investment managers shall notify the SGVCOG internal managers daily of all trades promptly, via fax or via email.
- E.** Internal investment managers will maintain a file of all trades.

9.0 Portfolio Guidelines

Portfolio Guidelines are the operating procedures used to implement this investment policy approved by the Board. The Finance Director/Treasurer may impose additional requirements or constraints within the parameters set by this investment policy.

10.0 Internal Control

The Finance Director/Treasurer shall establish a system of internal controls designed to prevent losses of public funds arising from fraud, employee or third party error, misrepresentation of third parties, unanticipated changes in financial markets, or imprudent actions by employees or agents. Such internal controls shall be approved by the Executive Director and shall include authorizations and procedures for investment transactions, custody/safekeeping transactions, opening and dosing accounts, wire transfers, and clearly delineate reporting responsibilities.

- A.** SGVCOG officials with signature authority shall be bonded to protect against possible embezzlement and malfeasance, or at the option of the governing board self-insured.
- B.** Electronic transfer of funds shall be executed upon the authorization of two official signatories.
- C.** Transaction authority shall be separated from accounting and record keeping responsibilities.
- D.** All investment accounts shall be reconciled monthly with custodian reports and broker confirmations by a party that is independent of the investment management function. Discrepancies shall be brought to the attention of the investment manager, the Finance Director/Treasurer and if not resolved promptly, to the Executive Director.
- E.** The Finance Director/Treasurer shall establish an annual process of independent review by an external auditor. This review will provide independent confirmation of compliance with policies and procedures.
- F.** The Finance Director/Treasurer is responsible for the preparation of the cash flow model. The cash flow model shall be updated monthly based upon the actual and projected cash flow.

- G.** Annually, the Finance Director/Treasurer shall notify the external investment managers of the cash flow requirements for the next twelve months. The Finance Director/Treasurer shall monitor actual to maximum maturities within the parameters of this investment policy.
- H.** The Finance Director/Treasurer shall annually submit the Financial Institutions Resolution to the Board for approval. The existing resolution will remain in effect until the Board approves the recommended resolution.

11.0 Purchasing Guidelines

Investment managers shall purchase and sell securities at the price and execution that is most beneficial to the SGVCOG. The liquidity requirements shall be analyzed and an interest rate analysis shall be conducted to determine the optimal investment maturities prior to requesting bids or offers. Investments shall be purchased and sold through a competitive bid/offer process. Bids/offers for securities of comparable maturity, credit and liquidity shall be received from at least three financial institutions, if possible.

Such competitive bids/offers shall be documented on the investment managers' trade documentation. Supporting documentation from the Wall Street Journal, Bloomberg or other financial information system shall be filed with the trade documentation as evidence of general market prices when the purchase or sale was effected.

12.0 Benchmarks

Internal and external investment managers' performance shall be evaluated against the following agreed upon benchmarks. If the investment manager does not meet its benchmark over a market cycle (3 to 5 years), the Finance Director/Treasurer shall determine and set forth in writing reasons why it is in the best interests of the SGVCOG to replace or retain the investment manager.

Portfolio
Intermediate Duration Portfolios

Investment Benchmarks
Bank of America/Merrill Lynch
AAA-A 1-5 year Government &
Corporate Index (BV10)

Short Duration Portfolios

Three month Treasury

San Gabriel Council of Governments
Statement of Investment Policy ^a

Section 5.1A

* Percentage of portfolio authorized based on market value.

Investment Type	Maximum Maturity	Maximum Allowable Percentage of Portfolio*	Minimum Quality and Other Requirements
U.S. Treasury notes, bonds, bills or certificates of indebtedness or those for which the full faith and credit of the United States are pledged for payment of principal and interest	5 years ^b	100%	None
Registered state warrants or treasury notes or bonds of the other 49 states in addition to California.	5 years ^b	25%	Such obligations must be rated “A1” or better short term; or “AA” or better long term, by nationally recognized statistical rating organization
Bonds, notes, warrants, or other evidences of indebtedness of any local agency within the State of California	5 years ^b	25%	Such obligations must be rated “A1” or better short term; or “AA” or better long term, by a nationally recognized statistical rating organization
Federal Agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government –sponsored enterprises	5 years ^b	50% ^d	See Footnote d
Bills of exchanges or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers’ acceptances	180 days	40% ^c	The issuer’s short-term debt must have the highest letter and numerical rating as provided for by a nationally recognized statistical rating organization
Commercial paper or “prime” quality of the highest ranking or of the highest letter and numerical rating as provided for by a nationally recognized statistical rating organization	270 days	25% ^c	See Footnote e

Negotiable certificates of deposits issued by a nationally or state-chartered bank or a state or federal savings and loan association, a state or federal credit union, or by a state licensed branch of a foreign bank, or a federally licensed branch of a foreign bank.	5 years ^b	30% ^c	See Footnote f
Placement Service Assisted Deposits	5 years ^b	30% ^c	See Footnote g
Investments in repurchase agreements	90 days	20%	Limited to no more than 90 days. See Footnote h
Medium-term notes issued by corporations organized and operating within the United States, or by depository institutions licensed by the United States or any state and operating within the United States	5 years ^b	30% ^c	Must be rated “A” or better by a nationally recognized statistical rating organization. If rated by more than one rating agency, both ratings must meet the minimum credit standards.
Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission, as authorized by Code Section 53601	Not applicable	20% ^c	See Footnote i
State of California Local Agency Investment fund (LAIF) Code Section 16429.1 through 16429.4 or other Local Government Investment Pool (LGIP) established by public California entities pursuant to Section 53684	Not applicable	Set by LAIF and LGIP	See Footnote j
Asset-backed Securities	5 years ^b	15% combined with mortgage-backed securities	See Footnote k
Mortgage-backed Securities	5 years ^b	15% combined with asset-backed securities	See Footnote l

San Gabriel Council of Governments
Statement of Investment Policy ^a

Footnotes for Section 5.1A	
a	Sources: California Government Code Sections 16429.1, 53601, 53601.8, 53635 and 53638
b	Maximum maturity of five (5) years unless a longer maturity is approved by Board of Directors, either specifically or as part of an investment program, at least three (3) months prior to the purchase. New issue securities with a stated 5 year maturity can be purchased in the primary market with extended settlements of up to 30 days from the date of purchase.
c	Limited to no more than 10% of the portfolio in any one issue (i.e. bankers' acceptances, commercial paper, negotiable certificates of deposit, medium-term notes, and money market funds).
d	No more than 15% of portfolio in any one Federal Agency or government-sponsored issue
e	Eligible paper is further limited to 10% of the outstanding paper of an issuing corporation, the issuing corporation must be organized and operating within the United States and having total assets in excess of \$500,000,000 and have an "A" or higher rating for the issuer's debentures, other than commercial paper, if any, as provided for by a nationally recognized statistical rating organization. Issuing corporations that are organized and operating within the United States and have total assets in excess of \$500 million dollars and having an "A" or higher rating for the issuer's debentures, other than commercial paper, if any, as provided by a nationally recognized statistical rating organization.
f	The legislative body of the local agency, the Finance Director/Treasurer or other official of the local agency having custody of the money are prohibited from investing in negotiable certificates of deposit of a state or federal credit union if a member of the legislative body or any other specified city officer or employee also serves on the board of directors or certain committees of that credit union.
g	Investments in placement services assisted deposits is authorized under Sections 53601.8, 53635.8, and 53601 (i) of the California Government Code.
h	Repurchase agreements shall be executed through Primary Broker-Dealers. The repurchase agreement must be covered by a master repurchase agreement. Repurchase agreements shall be collateralized at all times. Collateral shall be limited to obligations of the United States and Federal Agencies with an initial margin of at least 102% of the value of the investment, and shall be in compliance if brought back up to 102% no later than the next business day. Collateral shall be delivered to a third party custodian in all cases. Collateral for term repurchase agreements shall be valued daily by the SGVCOG's investment manager (for internal funds) or external investment manager. Investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102% no later than the next business day. The SGVCOG shall obtain a first lien and security interest in all collateral.
i	Companies must have either 1) the highest ranking or the highest letter and numerical rating provided by not less than two of the nationally recognized statistical rating organizations, or (2) retained an investment advisor registered or exempt with the Securities and-Exchange Commission, with no less than five years experience investing in the securities and obligations authorized by California Government Code 53601 a-k inclusive and m-o inclusive and with assets under management in excess of five hundred million dollars (\$500,000,000). The purchase price may not include any commissions charged by these companies.

j	Maximum investment per individual pool limited to the amount for LAIF as set by the State Finance Director/Treasurer's Office. Limit does not include funds required by law, ordinance, or statute to be invested in pool. Each pool must be evaluated and approved by the Finance Director/Treasurer, as to credit worthiness, security, and conformity to state and local laws. An evaluation should cover, but is not limited to establishing, a description of who may invest in the program, how often, what size deposit and withdrawal; the pool's eligible investment securities, obtaining a written statement of investment policy and objectives, a description of interest calculations and how it is distributed; how gains and losses are treated; a description of how the securities are safeguarded and how often the securities are priced and the program audited. A schedule for receiving statements and portfolio listings. A fee schedule, when and how fees are assessed.
k	Limited to senior class securities with stated maturities of no more than 5 years. Further limited to securities rated in a rating category of "AAA", and issued by an issuer having an "A" or higher rating for the issuer's debt as provided for by a nationally recognized statistical rating organization. Further limited to fixed rate, publicly offered, generic credit card, automobile receivables, and equipment receivables only. Deal size must be at least \$250 million, and tranche size must be at least \$25 million
l	Pass-Through securities: Limited to Government Agency or Government Sponsored issuers, fixed rate, stated maturity no more than 5 years. CMOS: Limited to Government Agency or Government Sponsored Issuers "AAA" rated by a nationally recognized statistical rating organization. Planned Amortization Classes (PAC) only. The following are prohibited: ARMS, floaters, interest or principal (IOs, POs), Targeted Amortization Classes, companion, subordinated, collateral classes, or zero accrual structures

APPENDIX A

SAN GABRIEL COUNCIL OF GOVERNMENTS CERTIFICATION OF UNDERSTANDING

The San Gabriel Council of Governments (SGVCOG) Investment Policy as approved by the Board of Directors requires that all Financial Institutions and Investment Managers' conducting investment transactions with or for SGVCOG sign a Certification of Understanding acknowledging that:

1. You have read and are familiar with the SGVCOG's Investment Policy as well as applicable Federal and State laws.
2. You meet the requirements as outlined in Investment Policy.
3. You agree to make every reasonable effort to protect the assets from loss.
4. You agree to notify the SGVCOG in writing of any potential conflicts of interest.
5. You agree to notify the SGVCOG in writing of any changes in personnel with decision-making authority over funds within 24 hours of such event.

Failure to submit a Certification of Understanding shall result in the withdrawal of all funds held by the financial institution or investment manager and the immediate revocation of any rights to act as an agent of the SGVCOG for the purchase of securities or investment of funds on behalf of SGVCOG.

The Board of Directors is committed to the goals of the Community Reinvestment Act (CRA). As part of the certification process for depository institutions, it is requested that you remit evidence of your most recent CRA rating.

Sign _____ Date _____

Name and Title _____

After reading and signing this Certification of Understanding, please return with any supporting documentation to:

SGVCOG
Attention: Finance Director
4900 Rivergrade Road, Ste. A120
Irwindale, CA 91706

FOR SGVCOG USE ONLY

Approved: _____	Disapproved: _____	Date: _____
Signature: _____		
<i>SGVCOG Finance Director/Treasurer</i>		

APPENDIX B

SAN GABRIEL COUNCIL OF GOVERNMENTS BROKER-DEALER RECEIPT OF INVESTMENT POLICY

We are in receipt of the San Gabriel Council of Governments' (SGVCOG) Investment Policy.

We have read the policy and understand the provisions and guidelines of the policy. All salespersons covering SGVCOG's account will be made aware of this policy and will be directed to consider its provisions and constraints in selecting investment opportunities to present to SGVCOG.

Sign _____ Date _____

Name and Title _____

Firm Name _____

Sign _____ Date _____

Name and Title _____

Firm Name _____

After reading and signing this Certification of Understanding, please return with any supporting documentation to:

SGVCOG
Attention: Finance Director
4900 Rivergrade Road, Ste. A120
Irwindale, CA 91706

FOR SGVCOG USE ONLY

Approved: _____ Disapproved: _____ Date: _____

Signature: _____

SGVCOG Finance Director/Treasurer

APPENDIX C

SAN GABRIEL COUNCIL OF GOVERNMENTS BROKER/DEALER QUESTIONNAIRE

1. Name of Firm _____

2. Address Local

Headquarters

3. Telephone () ()
 Local *Headquarters*

4. Primary Representative Manager/Partner in Charge

Name	Name
------	------

Title	Title
-------	-------

Telephone No.

Telephone No.

No. of Yrs. In Institutional Sales	No. of Yrs. In Institutional Sales
1	1
2	2
3	3
4	4
5	5
6	6
7	7
8	8
9	9
10	10
11	11
12	12
13	13
14	14
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89	89
90	90
91	91
92	92
93	93
94	94
95	95
96	96
97	97
98	98
99	99
100	100

No. of Yrs. With Firm	No. of Yrs. With Firm
-----------------------	-----------------------

5. Are you a Primary Deal in U.S. Government Securities?

☐ YES ☐ NO

If NO, is the parent company or its subsidiary a Primary Dealer in U.S. Government Securities? Provide proof of certification.

☐ YES ☐ NO

Please explain your Firm's relationship to the Primary Dealer:

Please provide proof certification from the National Association of Securities Dealer.

6. Are you a Broker instead of Dealer, i.e., you DO NOT own positions of Securities?

☐ YES ☐ NO

7. What is the net capitalization of your Firm? _____

8. What is the date of your Firm's fiscal year-end? _____

9. Is your Firm owned by a Holding Company? If so, what is the name and its net capitalization? _____

10. Please provide your WIRING and DELIVERY Instructions _____

11. Which of the following instruments are offered regularly by your local desk?

☐ T-Bills ☐ Treasury Notes/Bonds ☐ Discount Notes ☐ NCD's

☐ Agencies (*specify*) _____

☐ BA's (*Domestic*) ☐ BA's (*Foreign*) ☐ Commercial Paper

☐ Med-Term Notes ☐ Repurchase Agreements

12. Does your Firm specialize in any of the instruments listed above? _____

13. Please identify your comparable government agency clients in the SGVCOG's geographical area.

Entity _____ Contact Person _____

Telephone _____ Client Since _____

14. What reports, confirmations, and other documentation would SGVCOG receive? Please include samples of research reports or market information that your firm regularly provides to government agency client.

15. What precautions are taken by your Firm to protect the interest of the public when dealing with government agencies as investors?

16. Have you or your Firm been censored, sanctioned or disciplined by a Regulatory State or Federal Agency for improper or fraudulent activities, related to the sale of securities within the past five years? ☐ YES ☐ NO

If YES, please explain

17. Please provide your most recent audited financial statements within 120 days of your fiscal year- end.

18. Please indicate the current licenses of the SGVCOG representatives:

Agent: _____ License or Registration: _____

APPENDIX D

SAN GABRIEL COUNCIL OF GOVERNMENTS INVESTMENT POLICY GLOSSARY

ASKED: The price at which securities are offered from a seller.

BANKERS' ACCEPTANCE (BA): Time drafts which a bank "accepts" as its financial responsibility as part of a trade finance process. These short-term notes are sold at a discount, and are obligations of the drawer (or issuer - the bank's trade finance client) as well as the bank. Once accepted, the bank is irrevocably obligated to pay the BA upon maturity if the drawer does not.

BID: The price offered by a buyer of securities.

BOOK VALUE: The original cost of the investment, plus accrued interest and amortization of any premium or discount.

BROKER: A broker brings buyers and sellers together for a commission.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large-denomination CD's are typically negotiable (marketable or transferable).

COLLATERAL: Securities, evidence of deposit, or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public moneys.

COMMERCIAL PAPER (CP): Unsecured promissory notes issued by companies and government entities at a discount. Commercial paper is negotiable, although it is typically held to maturity. The maximum maturity is 270 days, with most CP issued for terms of less than 30 days.

CUSTODY or SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DELIVERY VERSUS PAYMENT: Delivery of securities with a simultaneous exchange of money for the securities.

FEDERAL AGENCIES AND U.S. GOVERNMENT SPONSORED ENTERPRISES (AGENCIES): U.S. Government related organizations, the largest of which are government financial intermediaries assisting specific credit markets (housing, agriculture). They include:

- Federal Home Loan Banks (FHLB)
- Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac")
- Federal National Mortgage Association (FNMA or "Fannie Mae")

- Federal Farm Credit Banks (FFCB)
- Student Loan Marketing Association (SLMA or “Sallie Mae”)
- Tennessee Valley Authority (TVA)

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold. **MASTER REPURCHASE AGREEMENT:** A written contract covering all future transactions between the parties to repurchase/reverse repurchase agreements that establish each party’s rights in the transactions. A master agreement will specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

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

MEDIUM TERM NOTES (MTN): Interest bearing, continuously offered debt, issued in the 9 month to ten-year maturity range. Deposit notes, like Certificates of Deposit, actually represent an interest bearing deposit at a bank or other depository institution.

OFFER: The price asked by a seller of securities.

PAR VALUE: The face value, or principal amount payable at maturity.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York, and are subject to its informal oversight.

REPURCHASE AGREEMENT (RP OR REPO): A purchase of securities under a simultaneous agreement to sell these securities back at a fixed price on some future date. This is in essence a collateralized investment, whereby the security “buyer” in effect lends the “seller” money for the period of the agreement, and the difference between the purchase price and sale price determining the earnings. Dealers use RP extensively to finance their positions.

SECURITIES & EXCHANGE COMMISSION (SEC): An agency created by Congress to protect investors in securities transactions by administering securities legislation.

TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY NOTES AND BONDS: Long-term U.S. Treasury securities having initial maturities of 2 to 30 years.

YIELD: The rate of annual income return on an investment, expressed as a percentage.

YIELD TO MATURITY (YTM): The rate of return earned on an investment considering all cash flows and timing factors: interest earnings, discounts, and premiums above par.

REPORT

DATE: April 19, 2018

TO: City Managers' Steering Committee
Executive Committee
Governing Board Delegates and Alternates

FROM: Marisa Creter, Executive Director

RE: **FY 2018-19 DRAFT BUDGET**

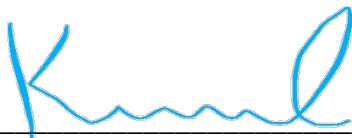
RECOMMENDED ACTION

For information only.


BACKGROUND

Attachment A provides a copy of the draft FY 2018-19 budget.

Prepared by: _____

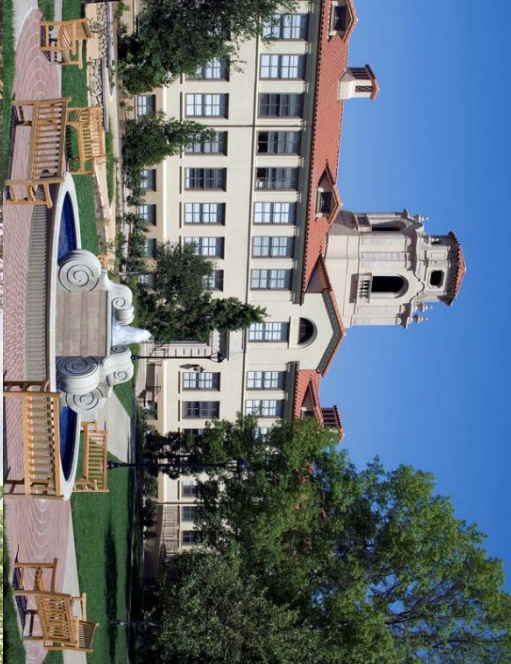

Katie Ward
Senior Management Analyst

Approved by: _____


Marisa Creter
Executive Director

ATTACHMENTS

Attachment A – FY 2018-19 Draft Budget



Attachment A



SGVCOG
San Gabriel Valley Council of Governments

Proposed Budget – FY 2019





SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS FISCAL YEAR 2018-19 BUDGET

Officers

President

Cynthia Sternquist

1st Vice President

Margaret Clark

2nd Vice President

Joe Lyons

3rd Vice President

Becky A. Shevlin

Marisa Creter

Executive Director

Carlos Monroy

Accountant/Treasurer

Richard Jones

General Counsel

Eric Wolf

Senior Management Analyst

Christian Cruz

Management Analyst

Kaitlin Ward

Senior Management Analyst

Stefanie Hernandez

Project Assistant

Peter Duyshart

Project Assistant

Alhambra	Arcadia	Azusa	Baldwin Park	Bradbury	Claremont
Covina	Diamond Bar	Duarte	El Monte	Glendora	Industry
Irwindale	La Canada Flintridge	La Puente	La Verne	Monrovia	Montebello
Monterey Park	Pomona	Rosemead	San Dimas	San Gabriel	San Marino
Sierra Madre	South El Monte	South Pasadena	Temple City	Walnut	West Covina
	LA County District 1	LA County District 4	LA County District 5	San Gabriel Valley Water Agencies	

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Grants & Special Projects	
Expenditures.....	7
Indirect Expenses	
Direct Expenses	



SGVCOG
San Gabriel Valley Council of Governments



May 17, 2018

Governing Board Delegates and Alternates:

On behalf of the San Gabriel Valley Council of Governments (SGVCOG), it is my pleasure to present a balanced budget for Fiscal Year 2018-19. The budget provides detailed information about anticipated revenues and planned expenditures for the upcoming fiscal year and demonstrates how available resources are allocated based on the Governing Board's Strategic Plan and objectives, which serve as the guiding principles. The budget was developed using a conservative approach to revenue forecasting and incorporates prudent expenditure adjustments to achieve a balanced operating budget.

Strategic Plan, Mission, Vision & Core Values

On April 21, 2016, the SGVCOG adopted the most recent update to its Strategic Plan. This update was developed through a comprehensive outreach process. The SGVCOG mission, vision and values, which were reaffirmed in October 2013 are shown below.

Mission

"The San Gabriel Valley Council of Governments is a unified voice to maximize resources and advocate for regional and member interests to improve the quality of life in the San Gabriel Valley."

Vision

"The San Gabriel Valley Council of Governments will be recognized as a leader in advocating for and achieving sustainable solutions for transportation, housing, economic growth and the environment."

Core Values & Guiding Principle

- | | | |
|-------------------------|--------------------------------------|-----------------------------------|
| • Accountability | • Integrity | • Reflecting the Diversity of Our |
| • Fiscal Responsibility | • Being Proactive & Results Oriented | Member Agencies |
| • Mutual Respect | • Unity of Common Goals & Objectives | • Collaboration |
| • Transparency | • Creativity | |

FY 2017-18 Major Accomplishments

As we look forward to another exciting and successful year, it is important to reflect on the accomplishments of the past year. Some of the major accomplishments completed over the past year include the following:

Administration and Integration

- Approved direction for integration of COG and ACE and expansion of ACE's authority to take on capital projects across the San Gabriel Valley.
- Adopted bylaws amendment and majority of member agencies approved JPA amendment to implement integration and expansion of ACE.
- Selected new Executive Director.
- Adopted new representation structure and election process to allow for regional representation on Capital Projects and Construction Committee.
- Governing Board considering approval of project review and evaluation process for new capital projects to implemented by the SGVCOG.
- Hosted General Assembly on "Shaping the Future of San Gabriel Valley: Transformative Changes in Mobility and Energy."

Stormwater

- Participated actively on County-wide Safe, Clean Waters Stakeholder Advisory Committee to advocate on behalf of member agencies.
- Conducted extensive outreach on stormwater, including COG staff leading Congresswoman Napolitano and staff on a tour of the County Flood Control system and conducting an information brief for Senator Harris' staff.
- Actively participated in redefining the definition and jurisdictional reach of Waters of the United States.
- Informed the California State Auditor's review of the Regional Water Board permitting processes.

Homelessness

- Secured funding and hired new Regional Homelessness Coordinator.
- Assisted 23 cities in securing a total of \$890,000 in funding to develop city-level homelessness plans; as well as assisting 19 cities in developing homelessness plans, to be completed by June 2018.

Transportation

- Developed Public Participation Plan for Measure M subregional funds.
- Hosting 6-mile Open Street event in partnership with the cities of San Dimas, La Verne, Pomona and Claremont in April 2018.
- Secured \$4.5 million in cap-and-trade funding to implement regional bike share program.
- Developing 5-year Measure M fund program, to be finalized in June 2018.

Sustainability

- Completed benchmarking policy project with the cities of Monrovia, Pomona, West Covina, and South Pasadena

Strategic Initiatives

The FY 2018-19 budget includes several key initiatives that align with the SGVCOG's strategic plan. A summary of the key initiatives for FY 2018-19 are listed below:

Administration and Integration

- Develop integrated Indirect Cost Allocation Plan (ICAP) and budget.
- Complete and implement recommendations from compensation and classification study.
- Initiate, complete and implement recommendations from retirement benefits study.
- Complete strategic plan update.

Stormwater

- Develop position on proposed Safe, Clean Waters measure and advocate on behalf of that position.
- Continue working with State and Federal legislators on stormwater-related legislation.
- Continue outreach to stakeholders.
- Continue monitoring stormwater litigation and the review of the jurisdictional reach of Waters of the United States.
- Continue monitoring regulatory actions of the State and Regional Water Boards.

Homelessness

- Host regional homelessness planning summit.
- Based on outcomes of city-level homeless plans, develop list of priority homelessness projects and programs to support.
- Create position paper on cities common concerns and stances regarding homelessness and homeless solutions.
- Support cities' local efforts to address homelessness through the creation of a master database of city contacts and providers; mapping current and planned services; conducting needs and gaps analysis; organizing staff trainings and other collaborative efforts.
- Engage federal, state and county legislative offices in partnership supporting cities homeless solutions.

Transportation

- Conduct outreach to member agencies about new review and evaluation process, implement LOI process, and present 5-year capital projects workplan.
- Host multi-day SCAG Go Human Demonstration Project along Arrow Highway in partnership with the cities of Glendora, San Dimas, La Verne, Pomona, and Claremont.

Sustainability

- Update Energy Action Plans for cities of Arcadia, Pomona, San Marino and Covina.
- Continue to implement the San Gabriel Valley Energy Wise workplan, including a planned goal of conducting over 30 community events.

Proposed FY 2018-19 Budget

The SGVCOG estimated revenues for the Fiscal Year 2018-19 budget are \$1,947,739 proposed expenditures are \$1,926,465, resulting in a net balance of \$21,274. The narrative provides detailed explanations of the anticipated changes and budgeted figures. Major changes from the current year's budget are as follows:

- **ACE/COG Integration:** Per direction from the Governing Board, the FY 2018-19 budget proposes costs to support the integration. For Example, in April 2018, the Governing Board is considering approval of an RFP to hire a consultant to conduct a study of the SGVCOG's current pension/retirement system, as well as an analysis of alternative systems.
- **Upper Los Angeles River (ULAR) Enhanced Watershed Management Program(EWMP):** The Los Angeles Regional Water Quality Control Board established a Coordinated Integrated Monitoring Program (CIMP) to monitor the ULAR EWMP progress toward meeting clean water goals. In 2015, all ULAR permittees voluntarily entered into a Memorandum of Agreement (MOA) with the City of Los Angeles to perform CIMP functions on behalf of the EWMP. In October 2017, the Governing Board approved the SGVCOG to lead the billing/financial management of this MOA between the City of Los Angeles and all eleven SGVCOG cities in the ULAR.

I anticipate this will be an exciting and rewarding year for the SGVCOG. The SGVCOG staff is working closely with you to deliver key projects and initiatives, and we will continue to reach out within our organization and externally to ensure the staff is meeting the Board's expectations and leverage the SGVCOG's resources to preserve and enhance the quality of life in the San Gabriel Valley.

Respectfully submitted,

Marisa Creter
Executive Director

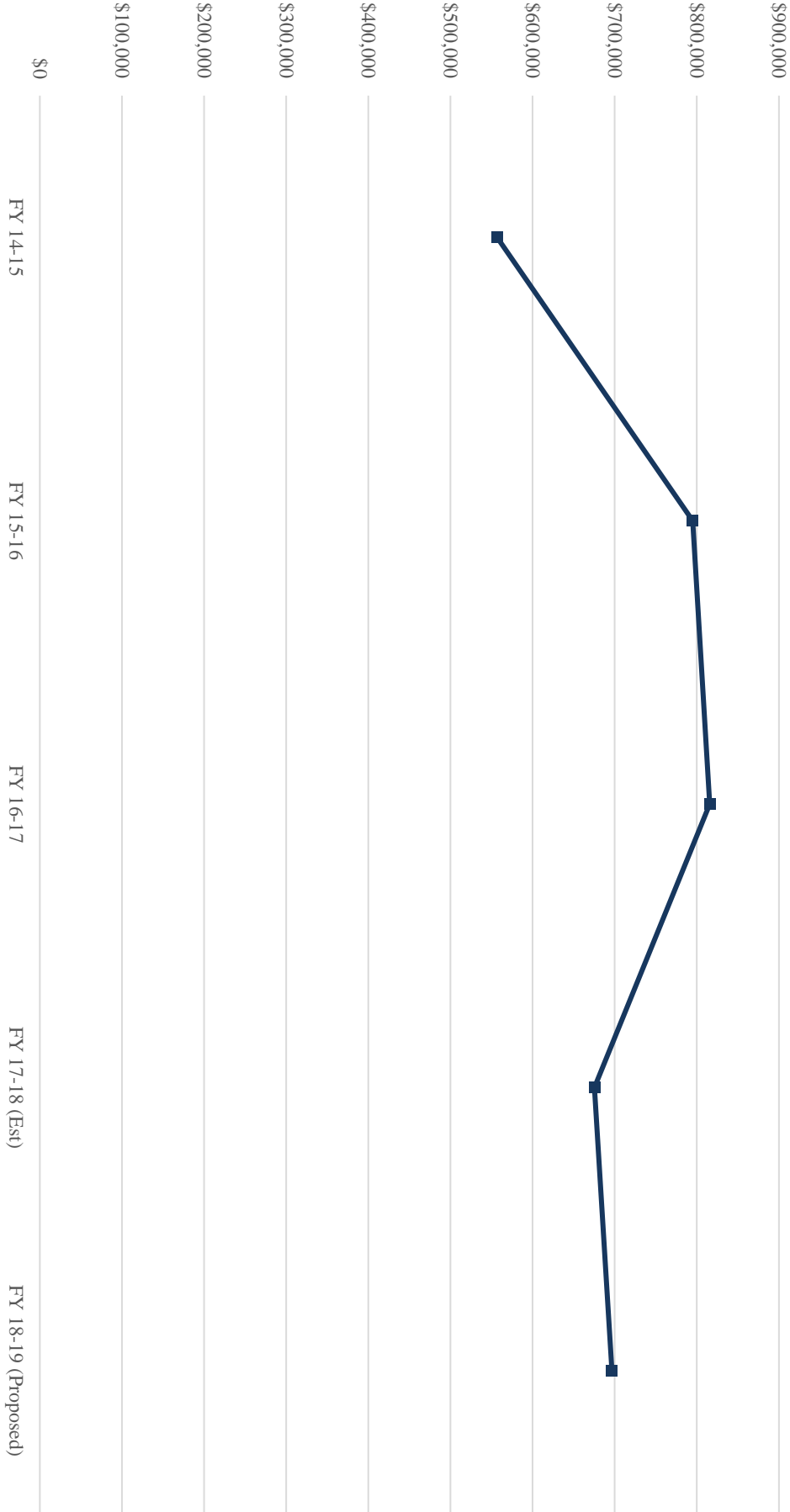
FY 2018-19 BUDGET
BUDGET OVERVIEW

San Gabriel Valley Council of Governments Proposed Budget: Fiscal Year 2018-19	
<u>Description</u>	<u>Amount</u>
Revenues:	
General Operating	
Member Dues	754,007
Transportation Administration (Local)	96,611
Sponsorships	50,000
Hero Program	12,000
Interest	2,050
Subtotal General Operating Income	914,668
Grants & Special Projects	
Homelessness (Local)	158,000
Energy Efficiency (Local)	340,000
Measure M Subregional Administration (Local)	52,000
Stormwater (Local)	483,071
Subtotal Grants & Special Projects	1,033,071
Total Revenues	1,947,739
Expenditures:	
Indirect Expenses	
Personnel	529,780
Board & Employee Expenses	60,000
Professional Services	346,980
Other Expenses	198,927
Total Indirect	1,135,687
Direct Expenses	
Personnel	322,707
Program Management	468,071
Total Direct	790,778
Total Expenditures	1,926,465
Estimated Year-End Balance	\$ 21,274

COMPARISON OF REVENUES AND EXPENSES

Description	FY 17-18 (Adopted)	FY 17-18 (Estimated)	FY 18-19 (Proposed)	% Change
Revenues:				
General Operating	\$ 862,164	\$ 930,441	\$ 914,668	-2%
Grants & Special Project	314,378	1,661,500	1,033,071	-38%
Total Revenue	1,176,543	2,591,941	1,947,739	-25%
Expenditures:				
Indirect Expenses	963,551	1,219,983	1,135,687	-7%
Direct Expenses	179,781	1,512,205	790,778	-48%
Total Expenditures	1,143,339	2,732,188	1,926,465	-29%
Year-End Balance	\$ 33,204	\$ (140,247)	\$ 21,274	115%

SGVCOG Fund Balance 2014-2019¹



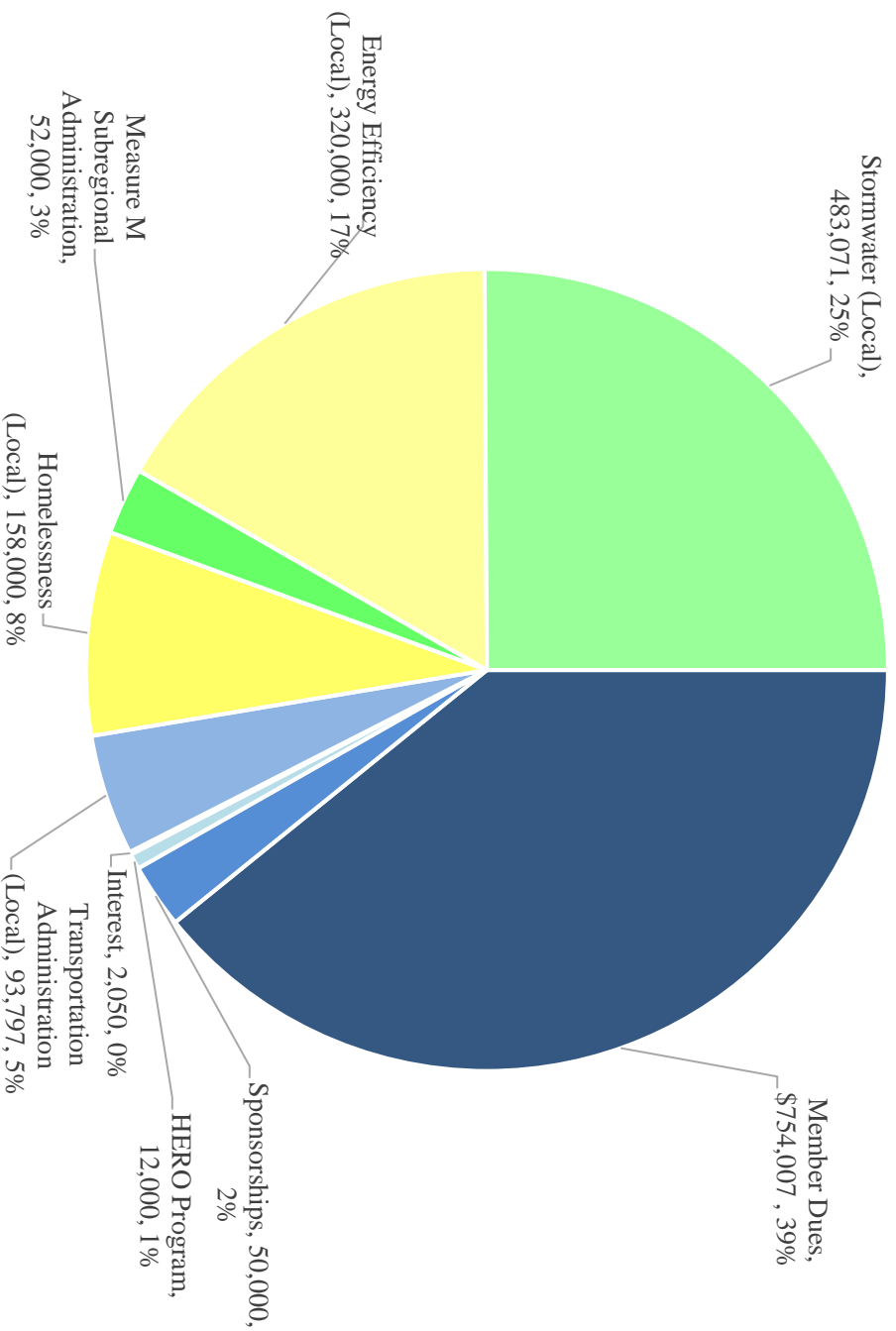
Estimated Fund Balance (7/1/2018):	\$675,433
Estimated Fund Balance (6/30/2019):	\$696,707

¹ FY 16-17 includes back payments to CalPERS and employee costs from FY 2015-16.

REVENUES

In FY 2018-19, SGVCOG total revenues are projected at \$1,947,739. The SGVCOG general operating revenue is made up of five categories: member agency dues; interest; sponsorships for the general assembly; transportation administration and the HERO program, for a combined total 47% of overall revenues. The remaining 53%, of the SGVCOG revenues are received through grants, Measure M Subregional Administration funding and other restricted funding.

FY 2018-2019 – SGVCOG Revenues \$1,947,739



General Operating

Member Dues - Total member agency dues for FY 2018-19 are estimated to be \$754,007. The revenue from dues is the primary source of income to support the SGVCOG's day-to-day staffing and operations. On March 19, 2015, the Governing Board approved a revised dues structure for members as follows:

$$[\$5,000 \text{ base fee} + \$.32 \text{ per capita}] \times \text{Annual CPI Adjustment} = \text{Member Dues}$$

California HERO (\$12,000) - The SGVCOG has an existing agreement with Western Riverside Council of Governments (WRCOG) to promote the California HERO program in the San Gabriel Valley. In exchange for the SGVCOG's program support, WRCOG is obligated to pay Participant fees to the SGVCOG equal to 0.05% of the aggregate cost of the bonds issued to fund California HERO eligible projects within the subregion.

Transportation Administration (Local) (\$96,611) - The Los Angeles County Metropolitan Transportation Authority (Metro) provides an annual allocation to the SGVCOG via a Memorandum of Understanding (MOU), be used to provide the support services either through the use of a consultant or by hiring an employee to the SGV representative on the Metro Board of Directors, John Fasana. Under the terms of this MOU, the SGVCOG and Board Member are responsible for selecting, employing/contracting with, compensating and overseeing the work of the individual responsible for providing the support services. Currently, the total reimbursement from Metro is for an amount not exceed \$96,611 annually. This amount is adjusted in an amount equal to any increases approved by the Board for Metro non-contract employee salary increases.² The SGVCOG utilizes this funding to pay for a consultant. The total annual cost of that contract is \$129,780, and the SGVCOG contributes the balance of \$33,169.

Sponsorships (\$50,000) – Staff is proposing hosting the annual General Assembly in Spring 2019. Based on prior years, staff anticipates receiving sponsorships to fully offset the cost of the annual General Assembly.

Agency	Dues
Alhambra	\$33,992.20
Arcadia	\$25,450.23
Azusa	\$22,796.39
Baldwin Park	\$31,782.54
Bradbury	\$5,833.41
Claremont	\$18,076.88
Covina	\$22,534.57
Diamond Bar	\$25,342.85
Duarte	\$13,129.01
El Monte	\$33,992.20
Glendora	\$23,788.62
Industry	\$22,176.68
Irwindale	\$5,943.58
La Canada Flintridge	\$12,593.50
La Puente	\$19,551.62
La Verne	\$17,013.19
Monrovia	\$18,874.91
Montebello	\$27,731.36
Monterey Park	\$26,925.66
Pomona	\$33,992.20
Rosemead	\$24,616.98
San Dimas	\$17,413.07
San Gabriel	\$19,748.60
San Marino	\$10,142.58
Sierra Madre	\$9,285.97
South El Monte	\$12,720.76
South Pasadena	\$14,509.27
Temple City	\$18,134.06
Walnut	\$15,953.33
West Covina	\$33,992.20
LA County District 1	\$33,992.20
LA County District 4	\$33,992.20
LA County District 5	\$33,992.20
SGV Water Agencies	\$33,992.20
Total	\$754,007.26

² This revenue is associated with a contract with a consultant. The terms of the contract with the consultant provide that the annual amount paid to the consultant be increased by a percentage equal to the percent increase that the SGVCOG receives from Metro.

Grants & Special Project Income

Income from grants and other sources varies annually based on the number of active grants and has been used to leverage the SGVCOG's other resources and enable the organization to meet its objectives and serve the needs of member agencies. In FY 2018-19, there is an estimated \$1,033,071 in revenue projected from four program areas:

Energy Efficiency (Local) (\$340,000) - The SGVCOG receives an annual budget allocation from Southern California Edison (SCE) and SoCalGas (SCG) under the San Gabriel Valley Energy Wise Partnership (SVGWEP) program. Additionally, the SGVCOG was awarded additional funding under the SGVEWP to update the energy action plans for the cities of Monrovia, Arcadia, Montebello, and Pomona. The SGVCOG will also support Los Angeles County's Commercial Property Accessed Clean Energy (PACE) program by increasing marketing efforts in the San Gabriel Valley.

Stormwater (Local) (\$483,071) - The Los Angeles Regional Water Quality Control Board (Regional Board) established a Coordinated Integrated Monitoring Program (CIMP) to monitor the Upper Los Angeles River (ULAR) Enhanced Watershed Management Program (EWMMP) progress toward meeting clean water goals. In 2015, all ULAR permittees voluntarily entered into a Memorandum of Agreement (MOA) with the City of Los Angeles to perform CIMP functions on behalf of the EWMMP. The City of Los Angeles and all eleven SGVCOG cities in the ULAR are asking that the SGVCOG take over the billing portion of the MOA. The cost to implement these tasks is \$383,071, with the SGVCOG retaining financial management fees amounting to \$100,000 per year, for a total cost of \$483,071.

Homelessness (Local) (\$158,000) - In September 2017, the Governing Board executed a contract with the County of Los Angeles to fund a full-time Regional Homelessness Coordinator. These funds are used to support a full-time regional homeless coordinator at the SGVCOG. Staff anticipates receiving the same level of funding in FY 2018-19.

Measure M Subregional Administration (Local) (\$50,000) - In June 2017, the Metro Board of Directors adopted the Measure M guidelines to identify a process by which Measure M funds will be programmed by subregional entities, including the SGVCOG, through the development of five-year subregional fund programming plans. COGs may use up to .5% of subregional funds for administrative purposes, including the development of this five-year plan. In the San Gabriel Valley, the total amount of subregional administrative funds available from FY 2018-22 is \$188,000. In March 2018, the Governing Board approved the use of these funds to offset existing SGVCOG staff costs. Staff expects that the bulk of the work will be front-loaded, and is therefore estimating \$50,000 in revenue and related staff expenses in FY 2018-19.

EXPENDITURES

For the FY 2018-19, expenditures are divided into two categories: indirect expenses and direct expenses. Indirect expenses (such as personnel, Board expenses, professional services, etc.) include the general operating costs of the agency. While not charged directly to the grants, a portion of the indirect expenses are recovered via grants through an indirect cost allocation plan. Direct expenses are expenses that are associated with specific grant projects program management.

Indirect Expenses

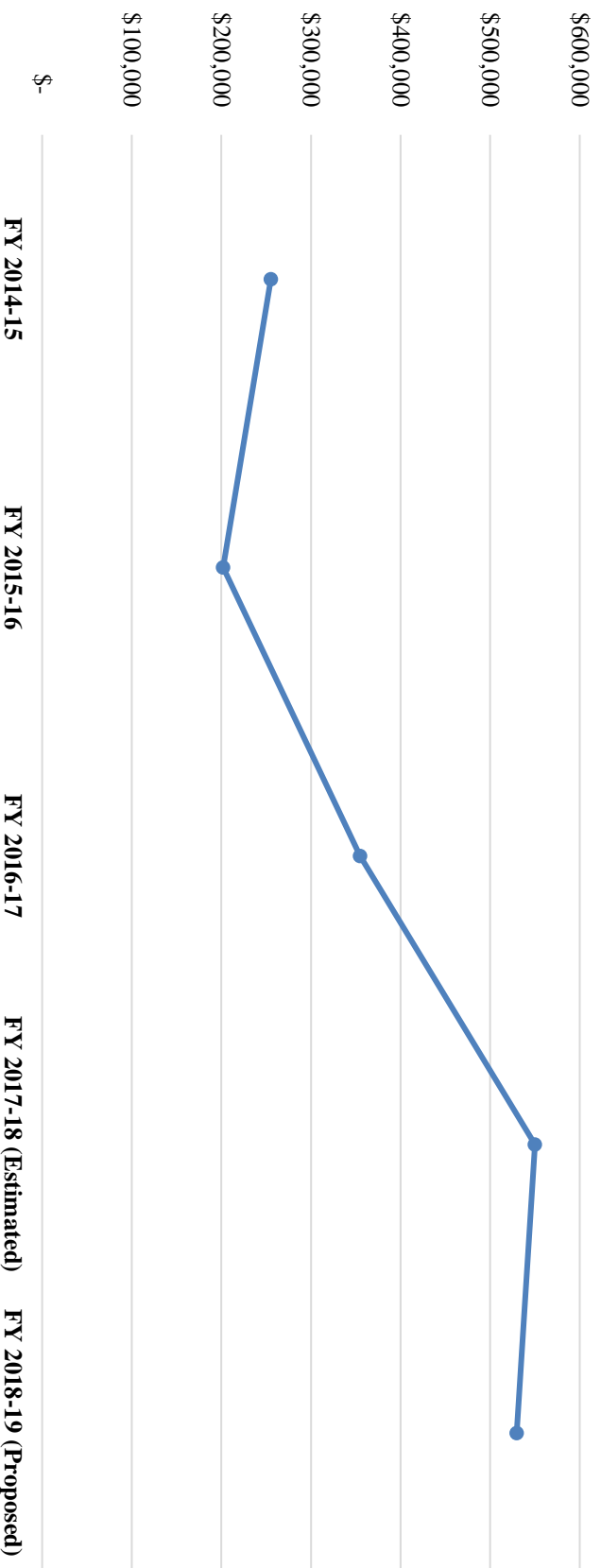
During FY 2019-19, SGVCOG indirect expenditures are projected to total \$1,135,687. These expenses are categorized as follows: Personnel (\$529,780); Board & Employee Expenses (\$60,000); Professional Services (\$346,980); and Other Expenses (\$198,927).

SGVCOG Indirect Expenses 2014-2019					
Category	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18 (Est.)	FY 2018-19 (Proposed)
Personnel ³	255,125	202,001	354,777	550,042	529,780
Board/Employee Expense	38,223	50,233	42,212	59,500	60,000
Professional Services	345,479	473,327	379,347	295,490	346,980
Other Expenses	113,634	119,603	114,717	196,322	198,927
Total	\$ 752,461	\$ 845,164	\$ 891,053	\$ 1,101,354	\$1,135,687

³ In FY 2013-15, one of the Management Analyst positions was filled on a part-time basis through a temporary employment agency and is reflected under professional service costs rather than personnel. Similarly, from October 2015- December 2016, the Executive Director was provided through a consultant contract. Therefore, those costs for that time period are also included under professional services rather than personnel.

Personnel (\$2,836 decrease)- These costs include the salary, benefit and retirement costs associated with the SGVCOG staff not reimbursed through grants. For FY 2018-19, staff is proposing six full-time positions, including an Executive Director, Assistant Executive Director, Regional Homelessness Coordinator, one Senior Management Analyst, two Management Analysts, and two part-time project assistant positions. Additionally, several key functions, including finance, personnel, and transportation planning, are performed by SGVCOG staff that are largely assigned to the ACE Project (see Exhibit A for Support Service Hour Table). Only the costs for that staff's general SGVCOG work is included in this budget. The SGVCOG provides standard benefits to staff, and all staff members participate in the California Public Employees' Retirement System (CalPERS). All new employees are under the "2% at 62" formula, and all employees pay the full employee CalPERS contribution. The budget provides for a 3% merit pool to be allocated based on performance evaluations. The SGVCOG is currently in the process of completing a compensation and classification study. It is anticipated that the study will be completed in October 2018, and any proposed changes to the budget as a result of that study will be presented mid-year.

SGVCOG Personnel Costs (Indirect) 2013-2018



Board & Employee Expenses (\$5,500 increase) – This category includes board stipends, training/memberships and meeting/travel costs. In January, an increase from \$50 to \$75 for Governing Board meeting stipends was approved to encourage participation and this is reflected in the FY 2018-19 budget. Members are paid on a per meeting basis and stipend expenditures vary based on the number of meetings and attendance at these meetings.

Professional Services (\$32,632 decrease) – This includes ongoing annual contracts for legal, auditor services, treasurer, Metro Board Support and grant writing. Key features of these contracts are as follows:

- **Legal Services:** The SGVCOG's legal contract provides for a monthly retainer, and the financial audit is conducted and paid for annually. In March 2014, the Governing Board approved a renewal of the contract with Jones & Mayer for General Counsel legal services for one year with four one-year options, with the same terms and conditions. In Summer 2018, the SGVCOG will issue a RFP as a component of the ACE/SGVCOG integration to secure joint legal services for the newly integrated organization.
 - **Auditor:** The SGVCOG is required to have an annual financial audit. In January 2016, the Governing Board approved a five-year contract with Vasquez and Company for financial audit services.⁴
 - **Treasurer:** As an added level of accountability, in February 2016, the Governing Board hired a consultant to serve as treasurer and independently review the SGVCOG's quarterly financial reports and report to the Governing Board. In March 2018, the Governing Board approved a new two-year contract with CliftonLarsonAllen LLP to provide treasurer services.
 - **Metro Board Support:** Metro provides funding to the SGVCOG, via an MOU, to fund staff support to the SGV representative on the Metro Board of Directors. In September 2017, the Governing Board approved a two-year contract with Mary Lou Echemnach to provide these services
 - **Grant Writing:** An allocation for grant writing/applications is also included in this category, which the SGVCOG will use various consulting firms throughout the year to facilitate various support areas.
- In addition to these ongoing contracts, for FY 2018-19, staff is recommending two additional activities: ACE/SGVCOG integration and strategic plan consultant. Per direction from the Governing Board, the FY 2018-19 budget proposes costs to support the integration. For example, in April 2018, the Governing Board is considering approval of an RFP to hire a consultant to conduct a study of the SGVCOG's current pension/retirement system, as well as an analysis of alternative systems. Finally, staff is recommending updating the Strategic Plan in Spring 2019.

Other Expenses (\$14,692 decrease) – These costs include facility costs (i.e. rent, storage, utilities, and office supplies), insurance/bonding and office equipment/software acquisition. This cost category also includes costs associated with the SGVCOG's General Assembly, which is anticipated to be held in Spring 2019.

⁴ The contract for financial audit services may be cancelled at any time by the SGVCOG with 30 days written notice.

Direct Expenses

This expenditure category reflects direct program expenditures, including salaries/wages and benefits, related to the SGVCOG's grant funded projects. In FY 2018-19, the SGVCOG will have active grants in the following program areas: energy efficiency, stormwater and homelessness. These programs are described in further detail under "Revenues." The table below outlines the full-time equivalent (FTE) for each of the program areas.

Energy Efficiency (\$20,000 increase)– The Energy Wise Partnership, SCE Strategic Plan and Los Angeles Commercial PACE are fully reimbursed for all staff time spent managing these programs. The SGVCOG's internship program time is also fully funded through these programs. The grants associated with these programs are paid on a reimbursement basis, based on labor and expenses, under a not to exceed amount.

Stormwater (\$383,071 increase)– As a component of the ULAR CIMP management, the SGVCOG anticipates executing contracts with 3rd party consultants, as needed, to support special studies and other identified tasks.

Homelessness (no change) – The SGVCOG's Homelessness Coordinator position is fully funded by Los Angeles County to support regional homelessness issues. Associated expenses are also reimbursed through this agreement.

Direct Expenses - Grant Salaries and Wages by FTE's 2018-19

	Energy Efficiency	Homelessness	Stormwater
FTE's	3.0	1.0	0.5
FY 2019 salaries and wages	\$ 132,098	\$ 104,052	\$ 34,592
FY 2019 allocated fringe benefits	25,354	19,971	6,639
Salaries and allocated fringe benefits	157,455	124,024	41,232
Allocated overhead	144,818	48,273	24,136
Total salaries, fringes and overhead	\$ 302,273	\$ 172,297	\$ 65,368

Exhibit A

ACE Support Service Hours for FY 2019

Staff	Bill Rate	Bill Hours	FY 2019 Budget
Accountant - A	57.58	78	\$ 4,491
Accountant - B	75.42	78	5,883
Sr. Accountant	98.90	52	5,143
Finance Director	164.61	78	12,840
Subtotal Accounting / Finance		299	28,356
Administration Mgr	120.62	78	9,408
Administrative Asst	72.59	130	9,437
IT Manager	80.92	26	2,104
Subtotal Administration		234	20,949
Gov't Relations Director	177.60	26	4,618
Chief Engineer	215.04	91	19,569
Subtotal Transportation		117	24,186
	Total	650	\$ 73,492

DATE: April 19, 2018

TO: City Managers' Steering Committee
Executive Committee
Governing Board Delegates and Alternates

FROM: Marisa Creter, Executive Director

RE: **DRAFT EMPLOYEE MANUAL**

RECOMMENDED ACTION

Adopt resolution 18-19 to approve update to the SGVCOG employee handbook.

BACKGROUND

Attached is the consolidated employee handbook prepared by staff. The significant changes of note include the following:

- **Holidays:** SGVCOG observes Veteran's Day as a paid holiday, ACE did not provide this as a paid holiday. This has been added to the combined employee handbook.
- **Administrative Leave / Vacation:** Under current SGVCOG policy, SGVCOG employees receive 40 hours of administrative leave per year and new employees receive 80 hours of vacation. Vacation increases 40 hours after every 5 years of service, up to a maximum of 160 hours. The ACE employee handbook provided for no administrative leave, but an additional 40 hours of vacation (i.e. beginning at 120 hours for new employees). The combined employee handbook reflects the ACE structure, with the additional 40 hours of vacation and no automatic administrative leave. The handbook provides the Executive Director discretion to provide up to 20 hours administrative leave.
- **Unused Vacation:** The current SGVCOG policy caps maximum unused vacation to equivalent of thirty (30) days at any one time. When an employee has accumulated the equivalent of thirty (30) days of unused vacation time, he or she will not accumulate any additional vacation until his or her balance falls below the equivalent of thirty (30) days of vacation. This has been updated to reflect ACE's current maximum, which is two years maximum accrual of unused vacation time.
- **Sick Leave:** Sick leave accrual has been updated to 80 hours per year from 72 hours. The 80 hours aligns with current ACE policy.
- **Voluntary Leave Transfer Program:** The ACE employee handbook allowed for the donation of leave to another employee under the Voluntary Leave Transfer Program (VLTP). VLTP allows a covered employee to donate a portion of his/her accumulated leave directly to another employee who has a personal or family medical emergency and who has exhausted his or her available paid leave. There is an 80 hour limit on the amount of donated leave a leave recipient may receive from the leave donor(s). This has been added to the combined employee handbook.

- **Personal Cell Phone Use:** A section on cell phone use has been added to indicate personal cell phone use while conducting public business is subject to public records search/disclosure.

Approved by: Marisa Creter
Marisa Creter
Executive Director

ATTACHMENTS

Attachment A – Draft Combined Employee Manual



San Gabriel Valley Council of Governments

EMPLOYEE HANDBOOK

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SECTION 1: INTRODUCTION & GENERAL PROVISIONS

Introduction and General Provisions

- A. Introduction.** This Employee Handbook ("Handbook") is intended to serve as a guide to many questions employees may have about their employment with the San Gabriel Valley Council of Governments (SGVCOG). It is not intended to cover all issues regarding employment and it is not intended to be a binding contract.
- B. Applicability to Employees with Separate Agreements.** Except where there is an express conflict in terms, the provisions of this Handbook apply to employees who are parties to separate employment agreements with the SGVCOG. In the event of such a conflict in terms, the terms of the separate employment agreement will control.
- C. Employee Responsibility.** This Handbook is designed to acquaint employees with the SGVCOG and provide information about working conditions, employee benefits, and other employment policies. Employees are required to read, understand, and comply with all provisions of this Handbook.
- D. Amendment and Revision of Handbook.** No employee handbook can anticipate every circumstance or question about policy. As the SGVCOG continues to grow, the need may arise, and the SGVCOG reserves the right to revise, supplement, or rescind any policies or portion of the Handbook from time to time as it deems appropriate, in its sole and absolute discretion. Employees will be notified of changes to the Handbook as they occur. The only recognized revisions of these policies are those that are issued in writing by the Executive Director, with approval of the SGVCOG Board where required.
- E. Distribution of Handbook.** A copy of this Handbook will be distributed to each SGVCOG employee. Newly hired employees will receive a copy upon hire. An employee with questions about provisions in this Handbook may direct them to Human Resources.
- F. Prior Policies Repealed.** The terms and provisions of this Handbook adopted April 2018 by Resolution of the Governing Board supersede all prior versions of this Handbook and related resolutions, policies, rules or regulations.
- G. Relationship with Department Policies.** The Executive Director or individual Supervisors may develop and administer supplemental written policies and procedures as deemed necessary for the efficient, safe and orderly administration of the SGVCOG or a particular department. However, no such policies or procedures will conflict with or supersede this Handbook, other resolutions and ordinances, or existing laws, and must be submitted for approval by Human Resources before their implementation. Copies of approved policies and procedures must be distributed to each employee of the department and to Human Resources. In the event of a conflict between an administrative or departmental policy or procedure, the provisions of this Handbook will control.
- H. Changes to the Law.** When any local, state, or federal ordinance, regulation, or law that is incorporated in the Handbook or upon which the Handbook relies is amended through legislative action or is deemed to have been amended by judicial decision, the Handbook shall

be deemed amended in conformance with those amendments.

- I. Severability.** If any section, subsection, sentence, clause, or phrase of the Handbook is found to be illegal by a court of competent jurisdiction, such findings shall not affect the validity of the remaining portions of the Handbook.

Definitions

- A. Acting Appointment.** A temporary appointment of an employee who possesses at least the minimum qualifications established for a particular class and who is appointed to a position in that class on an interim basis.
- B. Anniversary Date.** The date on which an employee successfully completes probation.
- C. Executive Director.** The Executive Director of the SGVCOG or his/her designee. In the absence of an official whose delegated responsibilities include Human Resources functions, the Executive Director shall act in that capacity.
- D. Contract Worker.** A person hired under contract to perform work for the SGVCOG directly, or to perform work for a consultant retained to perform services for the SGVCOG. A contract worker is not an employee of the SGVCOG and is not eligible to receive benefits or paid leaves from the SGVCOG. Unless expressly specified otherwise, the substantive terms of this Handbook that apply to employees do not also apply to contract workers. A person may not be hired as a contract worker until the SGVCOG has determined that the appropriate legal criteria are met to exclude the person from employee status.
- E. Date of Hire.** The date that an employee was originally hired by the SGVCOG. An employee's date of hire does not change except through termination, layoff, resignation, or retirement.
- F. Day or Days.** Calendar day(s) unless otherwise stated.
- G. Demotion.** The movement of an employee from one position to another position having a lower maximum rate of pay.
- H. Supervisor.** The individual designated as the administrative head of a department within SGVCOG.
- I. Discipline.** The punishment of an employee by written reprimand, demotion, suspension, reduction of pay, termination, or other punitive measures.
- J. Exempt Employees.** Employees whose duties and responsibilities allow them to be "exempt" from overtime pay provisions as provided by the Fair Labor Standards Act (FLSA) and any applicable state wage and hour laws.
- K. Full-Time Position.** A regular, budgeted position in which an employee of the SGVCOG is regularly scheduled to work at least 40 hours per workweek. Employees in full-time positions are eligible for SGVCOG's benefit package, subject to terms, conditions, and limitations of

each benefit program, plus legally mandated benefits, such as Worker's Compensation, and paid leaves.

- L. Layoff.** The separation of employees from the active work force due to lack of work or funds or to abolishment of a position by the SGVCOG Board or due to organizational changes.
- M. Part-time Position.** A regular, budgeted position requiring an employee to work a usual schedule of less than 40 hours per workweek. Employees in part-time positions receive legally mandated benefits, such as Worker's Compensation, and paid leave and may be eligible for some benefits where expressly specified in this Handbook.
- N. Probationary Period.** A working test period during which an employee is required to demonstrate his/her ability to perform the duties of his/her position and is subject to termination with or without cause. The probationary period of all employees shall last for at least 6 months, and can be extended as provided in this Handbook.
- O. Promotion.** The movement of an employee from one position to another position with a higher maximum rate of pay.
- P. Promotional Probationary Period.** A working test period during which a promoted employee is required to demonstrate his/her ability to perform the duties of his/her position. The probationary period of all employees shall last for at least 6 months, and can be extended as provided in this Handbook.
- Q. Provisional Appointment.** An appointment of a non-employee who possesses the minimum qualifications established for a particular position and who has been appointed to a regular position on an interim basis as a temporary employee.
- R. Reduction in Pay.** A temporary or permanent lowering of an employee's rate of pay.
- S. Regular Employee.** An employee who has completed the probationary period and is occupying a budgeted position established on a continuing basis.
- T. Rejection.** The involuntary termination of a new employee who has not successfully completed the probationary period for a position, or the demotion of an employee who did not successfully complete a promotional probationary period.
- U. Reprimand.** A written notification to an employee regarding a censure made as a disciplinary action.
- V. Resignation.** The voluntary termination of employment by an employee.
- W. Retired Annuitant.** A person who has retired from a public agency that is a contracting agency of the California Public Employee Retirement System ("CalPERS") or another public retirement system with statutory and/or regulatory constraints on working after retirement for SGVCOG, as a CalPERS agency. Any retired annuitant employed by the SGVCOG must meet the applicable statutory and/or regulatory requirements for the temporary hire or employment of retired annuitants without triggering reinstatement to active employment with

the SGVCOG. Pursuant to, and subject to, these restrictions, retired annuitants can be hired as temporary employees or contract workers only. Retired annuitants cannot be hired into regular full-time or part-time positions.

X. Suspension. The temporary separation from service of an employee, without pay, for disciplinary purposes.

Y. Temporary Employee. One of the following:

1. An employee hired on a temporary basis to occupy a temporary position; or
2. An employee hired under a provisional appointment to occupy a regular full-time or part-time position on an interim basis, such as during the approved leave of absence of the incumbent or during a recruitment to fill the position on a regular basis.

Z. Temporary Position. A position that is intended to be occupied on less than a year-round basis to supplement the existing workforce. An employee in a temporary position does not have the status of regular employee. Ordinarily, such positions will not be authorized for over six months in a fiscal year. Employees in temporary positions may be assigned to work either a full-time or part-time schedule. However, regardless of schedule, employees in temporary positions receive legally mandated benefits, such as Worker's Compensation and social security, but are otherwise ineligible for all other benefits and paid leaves.

AA. Termination/Terminate. The permanent separation of an employee from employment with the SGVCOG, for cause or not for cause.

BB. Vacancy. An unfilled position that is budgeted on a temporary or regular basis.

Equal Employment Opportunity

A. Equal Employment Opportunity. The SGVCOG is an equal employment opportunity employer and will consider all qualified applicants for employment or advancement opportunities without regard to race, religion, creed, color, sex, sexual orientation, actual or perceived gender identity, gender expression, national origin, ancestry, citizenship status, uniformed service member status, marital or domestic partner status, pregnancy or pregnancy-related condition, age, medical condition, genetic information, family medical history, physical disability, mental or intellectual disability, political activity, or perception that an individual has any of these protected characteristics, or because of association with an individual in a protected category or any other consideration made unlawful by federal, state, or local laws. Employment related decisions will be based on merit, qualifications, and abilities.

B. Disabled Applicants and Employees. SGVCOG has a commitment to ensure equal opportunities for disabled applicants and employees. Every reasonable effort will be made to provide an accessible work environment for such employees and applicants. Employment practices (*e.g.*, hiring, training, testing, transfer, promotion, compensation, benefits, and discharge) will not discriminate unlawfully against disabled applicants or employees. SGVCOG provides employment-related reasonable accommodations to qualified individuals

with disabilities within the meaning of the California Fair Employment and Housing Act ("FEHA") and the Americans with Disabilities Act ("ADA").

1. Request for accommodation. An applicant or employee who desires a reasonable accommodation in order to perform essential job functions should make such a request in writing to Human Resources. The request must identify: a) the job-related functions at issue; and b) the desired accommodation(s). Reasonable accommodation can include, but is not limited to job restructuring, reassignment to a vacant position for which the employee is qualified, and making facilities accessible.
2. Reasonable documentation of disability. Following receipt of the request, Human Resources may require additional information, such as reasonable documentation of the existence of a disability or additional explanation as to the effect of the disability on the individual's ability to perform his/her essential functions, but will not require disclosure of diagnosis or genetic history.
3. Interactive process. The SGVCOG will engage in the interactive process, as defined by the FEHA and ADA, to determine whether an applicant or employee is able to perform the essential functions of his/her position. During this process, SGVCOG will examine potential reasonable accommodations that will make it possible for the employee or applicant to so perform. Such interactive process will include an opportunity for a meeting with the employee or applicant, the SGVCOG, and, if necessary, the employee or applicant's health care provider. An employee may be placed on paid fitness for duty leave during the interactive process.
4. Case-by-case determination. The SGVCOG determines, in its sole discretion, whether reasonable accommodations(s) can be made, and the type of reasonable accommodations(s) to provide. The SGVCOG will not provide an accommodation that would pose an undue hardship upon it or that is not required by law. The SGVCOG will inform the employee or applicant of any decisions made under this section in writing.

Proof of Right to Work

- A. Under federal law, all new employees must complete INS Form I-9 and produce original documentation establishing their identity and right to work in the United States. New hires may establish their identity and right to work by:
 1. Providing documentation that singularly establishes both their identity and employment authorization ("List A" documents on the INS Form I-9), or;
 2. Providing documentation that separately establishes their identity ("List B" documents on the INS Form I-9) and their employment authorization ("List C" documents on the INS Form I-9).
- B. Documentation must be produced within three business days of hire, or on the first day of any employment that is less than three business days. Required documentation must be presented to Human Resources, which will be responsible for processing the documents.

- C. Employees who are re-hired must provide proper documentation if the prior INS Form I-9 has expired or is about to expire. Authorization documents will be retained at least three years after the date of hire or one year after an employee's employment terminates, whichever is later. Authorization documents will be copied and placed with the employee's INS Form I-9 in a file separate from the employee's personnel file.

Code of Ethics and Conflicts Of Interest

- A. **Code of Ethics.** Employees have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. This policy establishes only the framework within which SGVCOG employees must operate. The purpose of these guidelines is to provide general direction. This Code of Ethics is not intended to supersede or invalidate any statute, regulation, ordinance, or regulation. Employees should seek further clarification on specific issues related to the subject of acceptable standards of operation.

1. Applicability. This Code of Ethics shall apply to all employees.
2. Substantive requirements.
 - a. All employees shall uphold the Constitution of the United States and the Constitution of the State of California.
 - b. All employees shall comply with all applicable provisions of California law governing public employees and officials, particularly the California Political Reform Act and its provisions on gifts and conflicts of interest.
 - c. No employee shall engage in any activity which results in any of the following:
 - (i) Use of time, facilities, equipment, supplies, or other resources of the SGVCOG for the private advantage or gain for oneself or another;
 - (ii) Use of official information that is not available to the general public for private advantage or gain for oneself or another; and/or
 - (iii) Use of the authority of their position with the SGVCOG to discourage, restrain, or interfere with any person who chooses to report potential violations of any law or regulation.
 - d. No employee shall directly or indirectly accept:
 - (i) Private advantage, remuneration, or reward for oneself or another as a result of the prestige or influence of the office, employment, or appointment he/she holds with the SGVCOG;
 - (ii) Financial consideration from any source other than the SGVCOG for the performance of his/her official duties; or
 - (iii) Employment from private interests, when such employment is incompatible with the proper discharge of their official duties or may result in

a conflict of interest.

- e. No employee shall give special treatment or consideration to any individual or group beyond that available to any other individual or group.
 - f. No employee shall discriminate against or harass a citizen or co-worker on the basis of race, religion, creed, color, sex, sexual orientation, actual or perceived gender identity, gender expression, national origin, ancestry, citizenship status, uniformed service member status, marital or domestic partner status, pregnancy or pregnancy-related condition, age, medical condition, genetic information, family medical history, physical disability, mental or intellectual disability, political activity, or perception that an individual has any of these protected characteristics, or because of association with an individual in a protected category or any other consideration made unlawful by federal, state, or local laws.
 - g. All employees shall conduct themselves in a courteous and respectful manner at all times during the performance of their duties.
3. Enforcement. Any employee found to be in violation of this Code of Ethics shall be subjected to appropriate disciplinary action.

B. Outside Employment, Enterprise, or Activity. In accordance with California *Government Code* Title 1, Division 4, Chapter 1, Article 4.7, no employee may engage in any outside employment, enterprise, or activity that is inconsistent, incompatible, in conflict with, or adverse to his/her employment or his/her ability to perform his/her duties and responsibilities, including performance of overtime work and emergency duties, or any other aspect of SGVCOG operations. Employees are required to notify their Supervisor in writing of all outside employment in which they are engaged or in which they intend to engage, so that the SGVCOG may assess whether such outside employment conflicts with the employee's SGVCOG employment.

- 1. An employee's outside employment, enterprise, or activity will be prohibited when any of the following are present:
 - a. It involves the receipt or acceptance by the employee of any money or other consideration from anyone other than the SGVCOG for the performance of an act which the employee would be required or expected to render in the regular course or hours of his/her employment with the SGVCOG or as part of his/her duties as an SGVCOG employee;
 - b. It involves the use for private gain or advantage of his/her SGVCOG time, facilities, equipment and/or supplies; or the badge, uniform, prestige, or influence of his/her SGVCOG employment;
 - c. It involves the performance of an act, in other than his/her capacity as a SGVCOG employee, which may later be subject directly or indirectly to the control, inspection, review, audit, or enforcement of any other officer or

employee of the SGVCOG; or

- d. It involves time or scheduling demands as would render performance of his/her duties as a SGVCOG employee less efficient.
2. Supervisor determination. When outside employment is reported to a Supervisor, the Supervisor shall determine whether the employee's outside employment conflicts with the performance of his/her duties, and shall advise the employee of his/her determination in writing.
3. Appeal of Supervisor's determination. An employee may appeal the Supervisor's decision to the Executive Director within 14 days from the employee's receipt of the Supervisor's determination by filing a written appeal with the Executive Director. The employee shall specify the grounds on which he/she challenges the Supervisor's decision, and shall attach all relevant documentary evidence to the appeal. The Executive Director shall schedule a meeting with the employee and the Supervisor to discuss the Supervisor's decision. The Executive Director shall issue a written decision to the employee and the Supervisor within 14 days from the date of the meeting. The decision of the Executive Director shall be final.

C. Contracts and Conflicts of Interest. In accordance with California *Government Code* Title 1, Division 4, Chapter 1, Article 4, no SGVCOG employee can be financially interested in any contract made by him/her in his/her official capacity, or by any body or board of which he/she is a member.

1. An actual or potential conflict of interest occurs when an employee is in a position to influence a decision that may result in a personal gain for that employee or for a member of their immediate family as a result of the SGVCOG's decisions and/or business dealings. For the purposes of this policy, immediate family includes persons related by blood or marriage or, whose relationship with the employee is similar to that of persons who are related by blood or marriage.
2. No presumption of conflict is created by the mere existence of a relationship with outside firms. However, if an employee has any influence on transactions involving purchases, contracts, or leases, it is imperative that he or she disclose to his or her superiors (or peers, in the case of elected officials) as soon as possible the existence of any actual or potential conflict of interest so that safeguards can be established to protect all parties.
3. AB 1234 Ethics training is required for all SGVCOG employees within 30 days of hire and every two years thereafter. Upon completion of training, a copy of the certificate of completion must be provided to Human Resources. On-line training is offered at www.fpcc.ca.gov. However, other courses may be available. See Human Resources for other options.
4. SGVCOG employees required to complete California Fair Political Practices Commission Form 700 (Statement of Economic Interests) will be designated by the Agency's adopted conflict of interest code.

- D. Conduct During the Workday.** During the workday, employees are expected to devote their full time in the performance of their assigned duties. Any approved outside work, part-time job, hobbies, or personal business must be performed during off duty hours. Off duty hours include unpaid lunch break periods, but do not include other rest or break periods during which the employee continues to receive pay.
- E. Political Activity.** Consistent with the provisions of California *Government Code* Title 1, Division 4, Chapter 9.5, employees may not engage in political activity during working hours or while on SGVCOG property on which members of the public would not be entitled to engage in political activities.
- F. Solicitations of Political Contributions.** No employee may knowingly, directly or indirectly, solicit a political contribution from a SGVCOG employee, officer, or applicant for employment. No employee may knowingly, directly or indirectly, solicit a political contribution during working hours or on SGVCOG premises.

Definition of "contribution." For purposes of this Section, "contribution" means a payment, a forgiveness of a loan, a payment of a loan by a third party, or an enforceable promise to make a payment except to the extent that full and adequate consideration is received, unless it is clear from the surrounding circumstances that it is not made for political purposes.

G. Reporting Suspected Misconduct

1. Reporting to SGVCOG. The SGVCOG encourages all employees, contract workers and interested third parties to report alleged misconduct to the Executive Director or General Counsel, to ensure that all allegations are thoroughly investigated, and suitable action(s) are taken where appropriate. Corrective action, up to and including termination, will be taken where warranted for employees. Appropriate action will also be taken in response to any violation of this policy by any non-employee.
2. External reporting. Reports regarding suspected waste, fraud, and abuse may also be directed to the Public Integrity Division of the Los Angeles County District Attorney's Office, 320 West Temple Street, Room 766, Los Angeles, California 90012, (213) 974-6501.
3. Confidentiality and anonymous complaints. Reports made to or about the SGVCOG regarding suspected misconduct will be treated as confidential information and can be communicated anonymously. However, before doing so, it is important that the reporting individual understand and be aware of the following:
 - a. The SGVCOG discourages the use of anonymous complaints because anonymity in the complaint procedure may compromise the SGVCOG's ability to complete a thorough investigation.
 - b. Should the SGVCOG learn of the complaining party's identity, the SGVCOG cannot guarantee that his/her identity will remain confidential where the SGVCOG determines that disclosure of information is necessary to complete the investigation.

4. Protection against retaliation.

- a. Any employee who makes a complaint under this policy or otherwise engages in "whistleblowing" (through internal reporting or reports made to government agencies) is protected against adverse employment actions for raising allegations of misconduct. An employee is protected even if the allegations prove to be incorrect or unsubstantiated as long as made in good faith.
- b. Employees who participate or assist in an investigation will also be protected.

SECTION 2: EMPLOYMENT STATUS

Probationary Periods

- A. Objective of Probationary Period.** The probationary period shall be regarded as a part of the selection process and shall be used for closely observing the employee's work, to determine if he/she can successfully perform the assigned duties of his/her position and the SGVCOG's rules and policies, and to help ensure the employee effectively adjusts to his/her position.
- B. Length of Probationary Period.** All full-time and part-time employees, including those beginning work in promotional positions shall be subject to a probationary period of at least 6 months, unless the employee is notified in writing of an extension in accordance with Section C. of this policy.
- C. Extension of Probationary Period.** Written notice shall be provided as soon as reasonably possible to the employee if a probationary period is to be extended. The probationary period, upon approval of Human Resources may be extended by the Executive Director up to a maximum of six months, before expiration of the initial six month period. In addition, the use of any leave of absence in excess of 15 consecutive days shall cause the employee's probationary period to be extended automatically by the length of the leave(s) of absence. Advance written notice that the probationary period is being extended and the length of the extension shall be provided to the probationary employee.
- D. Rejection of Probationer.** During the initial probationary period, a probationary employee may be terminated at any time by the Executive Director, with or without cause, and with or without advance notice, in consultation with Human Resources. Notification of rejection by the Executive Director will be served on the probationer. The probationary employee will have no right of appeal of his/her failure to pass probation or of the decision to terminate employment. This section shall not apply to promotional appointments.
- E. Rejection Following Promotion or Demotion.** A promoted employee who does not successfully complete a promotional probationary period will be restored to the same or similar position in the same class from which promoted, unless Human Resources determines one of the following:
 1. No vacancy exists for the position to which the employee would revert;
 2. No funding is available for the position to which the employee would revert; or

3. The reason for the rejection warrants complete termination of employment with the SGVCOG.

New Hire Requirements

All new hires of the San Gabriel Valley Council of Governments shall be required to be fingerprinted. Arrangements for fingerprinting will be arranged by the SGVCOG. In addition, key management positions will be subject to post-offer criminal background and credit checks. Final offers of employment will be contingent upon acceptable background results.

Performance Evaluations

A. In General

1. The provisions in this section regarding performance evaluations are intended to provide a formal opportunity to discuss job tasks, identify and correct weaknesses, encourage and recognize strengths, discuss positive, purposeful approaches for meeting goals, and develop new goals. However, employees and their supervisors are strongly encouraged to discuss job performance and goals on an informal, day-to-day basis throughout the year.
2. The performance evaluation may be used to promote or identify training for an employee or as a basis for disciplinary action. However, a performance evaluation is not, itself, disciplinary in nature. Only job-related factors shall be used to evaluate an employee's work performance. Supervisors are responsible for the timely evaluation of employees in their departments, and they may solicit the assistance of lower level Supervisors in the preparation of the performance evaluation.

B. Timing

1. Probationary evaluations. Before expiration of a probationary period or promotional probationary period, the immediate Supervisor will complete a probationary evaluation for discussion with the Supervisor or Executive Director. Based on the probationary evaluation, the Supervisor will recommend to the Executive Director that the probationary employee either pass probation or be rejected from probation.
 - a. The Executive Director shall make the final determination as to whether each probationary employee has passed probation or has been rejected from probation.
 - b. The requirement of a probationary evaluation in no way prevents the rejection of a probationary employee before issuance of an evaluation or before completion of the probationary period.
2. Annual evaluations. Following completion of the applicable probationary period, regular employees will receive a written evaluation annually thereafter. If an employee is absent during the evaluation period in excess of 15 consecutive days, the SGVCOG may adjust the annual evaluation period accordingly to better capture a full year of performance.

3. Additional evaluations. At the discretion of the Supervisor, in consultation with the Executive Director, additional evaluations may be conducted for a regular or probationary employee.
- C. Submission of Performance Evaluations to the Executive Director.** All performance evaluations, for both probationary and regular employees, must be submitted for review by, and be approved by, the Executive Director, in consultation with Human Resources, before the performance evaluation is provided to or discussed with an employee.
- D. Relation to Merit Salary Increases.** Merit-based pay adjustments may be awarded by the SGVCOG as part of the formal performance evaluation process and in accordance with its salary administration guidelines in an effort to recognize employee performance. However, the decision to award such an adjustment is not guaranteed and is instead dependent upon numerous factors, including the inclusion of funding for such adjustments in the SGVCOG Board-approved annual budget, as well as the ratings received by an employee.
- E. Employee Response.** The Supervisor shall discuss with the employee the specific ratings prior to such ratings being made part of the employee's personnel file. The employee shall have the right to file a written response, which shall be attached to the evaluation and shall be placed in the employee's personnel file. The employee is not permitted to file a grievance because of a performance evaluation.
- F. Maintenance of Performance Evaluation.** When a performance evaluation is recorded in the personnel file of an employee, a copy of such evaluation, together with any attachment relating thereto, shall be given to the employee.

SECTION 3: EMPLOYMENT POLICIES & PROCEDURES

Grievance Procedure

- A. Purpose and Scope of Grievance Procedure.** The following grievance procedure shall be used to resolve employee complaints that the SGVCOG violated, misinterpreted, or misapplied an obligation to the employee as such obligation is expressed and written in this Handbook or other of the SGVCOG's written personnel policies, if any. Specifically excluded from the grievance procedures are the following:
1. Performance evaluations or performance improvement plans;
 2. Deferred or denied merit salary increases;
 3. Verbal or written counseling;
 4. Any disciplinary action or the process of imposing discipline;
 5. Policy decisions of the SGVCOG Board;
 6. Matters for which there is a separate appeal.
- B. General Provisions**
1. Non-retaliation. The SGVCOG shall not retaliate against any employee for the good faith use of the grievance procedure.

2. Time periods

- (a) Failure at any step of this grievance procedure to fully comply with the requirements of this Section shall be deemed a waiver of the employee's rights to proceed under this Section.
 - (b) Failure by the SGVCOG at any step of this grievance procedure to communicate the decision on the grievance within the specified time limits shall permit the aggrieved employee to proceed to the next step.
 - (c) Failure of the aggrieved employee, at any step of this grievance procedure, to submit the decision on a grievance to the next step within the specified time limit shall be deemed acceptance of the decision rendered.
 - (d) The time limits specified at any step in this grievance procedure may be extended by mutual, written agreement.
- 3. Time off work. Reasonable time off without loss of pay shall be given to an employee who has a grievance to permit him/her to participate in a grievance hearing. However, an employee shall not be entitled to time off to prepare for his/her grievance hearings.
 - 4. Conferences. Grievance conferences between management and the employee will normally be conducted during the employee's regularly scheduled working hours at a mutually convenient time.
 - 5. Referral to Alternate Manager. If a grievance regards conduct by the Supervisor or manager who would be responsible for hearing the grievance at any step in the procedure set forth in Section C, below, the aggrieved employee may instead submit the grievance to Human Resources or if the grievance regards conduct by Human Resources, to the Executive Director.

C. Steps for Grievance Procedure

- 1. Step One. The employee will inform his/her immediate Supervisor of the grievance in writing within ten working days after the employee knows, or in the exercise of reasonable diligence should have known of the events giving rise to the complaint or grievance. Failure to timely initiate this procedure will bar further consideration of the grievance and will be deemed a waiver of the grievance procedure. The employee and the Supervisor will discuss the grievance. The Supervisor will, within ten working days of the discussion, issue a written decision to the employee.
 - a. If the employee has no immediate Supervisor, the employee may combine Step One and Step Two submitting a formal written grievance to the Supervisor.
- 2. Step Two. Within ten working days from receipt of the written decision from the Supervisor, the employee, if he/she wishes to appeal the decision, will submit his/her formal grievance to the Supervisor. The grievance shall be presented in writing and must include the following: a statement of the event(s) causing the grievance; the

provision of the Handbook or personnel policy alleged to have been violated; the relief sought by the employee; and any potential witnesses. Failure to fully provide all required information may result in a delay in processing the grievance. Failure to timely initiate this procedure will bar further consideration of the grievance and will be deemed a waiver of the grievance procedure. The Supervisor or his/her designated representative will, within ten working days of the notification as required above, have a discussion with the employee concerning the grievance. The Supervisor or his/her designated representative will, within ten working days of the discussion, issue a written decision to the employee.

3. Step Three. Within ten working days from receipt of the written decision from the Supervisor, the employee, if he/she wishes to appeal the decision, will submit his/her formal grievance to the Executive Director. The grievance shall be presented in writing and must include the following: a statement of the event(s) causing the grievance; the provision of the Handbook or other policy alleged to have been violated; the relief sought by the employee; and any potential witnesses. Failure to fully provide all required information may result in a delay in processing the grievance. Failure to timely initiate this procedure will bar further consideration of the grievance and will be deemed a waiver of the grievance procedure. The Executive Director will, within 20 working days of the written notice, render a written decision to the employee. Nothing in this Section will prohibit more expeditious handling of the grievance. The decision of the Executive Director will be final and binding, and no further appeal may be had under the SGVCOG's administrative processes.

Policy Prohibiting Harassment, Discrimination, and Retaliation

- A. The SGVCOG policy prohibits unlawful harassment and discrimination based on an employee's race, religion, creed, color, sex, sexual orientation, actual or perceived gender identity, gender expression, national origin, ancestry, citizenship status, uniformed service member status, marital or domestic partner status, pregnancy or pregnancy-related condition, age, medical condition, genetic information, family medical history, physical disability, mental or intellectual disability, political activity, or perception that an individual has any of these protected characteristics, or because of association with an individual in a protected category, and/or any other category protected by federal and/or state law.
- B. In addition, the SGVCOG prohibits retaliation because of the employee's opposition to a practice the employee reasonably believes to constitute employment discrimination or harassment or because of the employee's participation in an employment investigation, proceeding, or hearing.
- C. Employees who believe they have been harassed, discriminated against, or retaliated against, should report that conduct to the SGVCOG, and the SGVCOG will investigate those complaints.
- D. For more information regarding the policy and complaint procedures, employees should review the SGVCOG's separate policy against harassment, discrimination, and retaliation, which is available at the SGVCOG office.

Nepotism and Consensual Romantic Relationships between Employees

A. Nepotism

1. Definitions

- (a) Applicant. A person who applies for a position at SGVCOG and is not a Current Employee.
- (b) Change of Status. A change in the legal status or personnel status of one or more Current Employees.
 - (i) Changes in legal status include but are not limited to marriage, divorce, separation, or any such change through which a Current Employee becomes a Family member or ceases to be a Family member of another Current Employee.
 - (ii) Changes in personnel status include but are not limited to promotion, demotion, transfer, resignation, retirement or termination of a Current Employee who is a family member of another Current Employee.
- (c) Current Employee. A person who is presently a SGVCOG employee or an elected or appointed official.
- (d) Direct Supervision. One or more of the following roles, undertaken on a regular, acting, overtime, or other basis shall constitute Direct Supervision:
 - (i) Occupying a position in an employee's direct line of supervision; or
 - (ii) Functional supervision, such as a lead worker, crew worker or shift Supervisor; or
 - (ii) Participating in personnel actions including, but not limited to, appointment, transfer, promotion, demotion, layoff, suspension, termination, assignments, approval of merit increases, evaluations, and grievance adjustments.
- (e) Family Member. A spouse, domestic partner, parent, parent-in-law, step-parent, legal guardian, sister, step-sister, sister-in-law, brother, step-brother, brother-in-law, child, step-child, legal ward, daughter-in-law, son-in-law, grandchild, or grandparent.
- (f) Prohibited Conduct. Conduct by family members including, but not limited to, one or more of the following:
 - (i) Participation directly or indirectly in the recruitment or selection process for a position for which a family member is an Applicant.
 - (ii) Direct Supervision of a family member;

- (iii) Conduct by one or more family members that has an adverse effect on supervision, safety, security or morale.

2. Applicants for Employment

- (a) Right to Apply. No qualified Applicant may be denied the right to file an application for employment and receive an opportunity to be considered for hire as a SGVCOG employee. However, consistent with this Section, SGVCOG may reasonably regulate, condition, or prohibit the employment of an Applicant for a regular position.
- (b) Disclosure of Relationship. Each Applicant is required to disclose the identity of any family member who is a Current Employee.
- (c) Employees shall notify the Executive Director if any applicant for employment with the SGVCOG is a family member or in a relationship with the employee.
- (d) Review by Supervisor. For each Applicant who has a family member who is a Current Employee, the Supervisor shall assess whether any of the following circumstances exist:
 - (i) Business reasons of supervision, safety, security or morale warrant the SGVCOG's refusal to place the Applicant under Direct Supervision by the family member; or
 - (ii) Business reasons of supervision, security, or morale that involve potential conflicts of interest or other hazards that are greater for family members than for other employees, are present which warrant the SGVCOG's refusal to permit employment of family members in the same department, division, facility or at all.
- (e) Recommendation by the Supervisor and Decision by the Executive Director. If the Supervisor determines that either of the above circumstances exist, he or she shall notify the Executive Director who shall exercise his or her discretion to either reject the Applicant or consider the Applicant for employment in a position that does not present either of the above circumstances. If the Applicant is denied employment in a particular position, the Applicant will remain eligible to apply for other vacant positions at SGVCOG.

3. Current Employees

- (a) Employees shall report a Change of Status to Human Resources within a reasonable time after the effective date of the Change of Status. Wherever feasible, Employees shall report a Change of Status in advance of the effective date.
- (b) Within thirty days from receipt of notice, Human Resources shall undertake a case-by-case consideration and individualized assessment of the particular work situation to determine whether the Change of Status has the potential for creating an adverse impact on supervision, safety, security, or morale.

- (i) Human Resources shall consult with an affected Supervisor to make a good faith effort to regulate, transfer, condition or assign duties in such a way as to minimize potential problems of supervision, safety, security, or morale.
- (ii) Notwithstanding the above provisions, the SGVCOG retains the right to exercise its discretion to determine that the potential for creating an adverse impact on supervision, safety, security, or morale cannot be sufficiently minimized and to terminate the employment of one or both employees.

4. Monitoring by Supervisor

- (a) Following a Change of Status or new hire of a family member, affected Supervisors shall reasonably monitor and regulate both family members' conduct and performance for a period of one year from the date of the determination by Human Resources. The Supervisor shall document these actions. Successive Supervisors may re-visit such a determination at their discretion.
- (b) If the Supervisor determines, subject to any applicable requirements of due process, that an employee has engaged in prohibited conduct, the Supervisor shall re-visit the determination by Human Resources. Depending on the severity of the prohibited conduct, the Supervisor may issue a written recommendation that SGVCOG take one or more of the following additional measures:
 - (i) Transfer one of the Family members to a similar position that would not be in violation of this policy. The transfer will be granted provided the Family member qualifies and there is an opening to be filled. There can be no guarantee that the new position will be within the same classification or at the same salary level.
 - (ii) If the situation cannot be resolved by transfer, one of the Family members must separate employment. If one of the employees does not voluntarily resign, the employee with primary responsibility for the Prohibited Conduct, as determined by the Executive Director and/or General Counsel, will be discharged.
- (c) Supervisors who receive complaints from other employees that one or more Family members has engaged in Prohibited Conduct shall respond in accordance with existing complaint and disciplinary procedures, where applicable.
- (d) Where situations exist prior to the effective date of this Section that may be in conflict with this Section, every effort shall be made to reasonably address the situation so as to avoid any future conflict.

5. **Appeal of Supervisor's Decision to Executive Director.** An individual who is dissatisfied with the Supervisor's recommendation may appeal to the Executive Director within five days of receipt of the Supervisor's decision. The Executive Director shall hear the individual's concerns and issue a written decision within 30 days of the receipt of the individual's appeal. The decision of the Executive Director is final, and no other appeal may be had unless the employee is entitled to further administrative appeal under other provisions of this Handbook.
6. **Employee Complaints.** Employees who believe that they have been adversely affected by Prohibited Conduct by one or more Family members should submit complaints to a Supervisor or to Human Resources.
7. **Savings Clause.** Should any provision of this Section, or any application thereof, be unlawful by virtue of any federal, state, or local laws and regulations, or by court decision, such provision shall be effective and implemented only to the extent permitted by such law, regulation or court decision, but in all other aspects, the provisions of this Section shall continue in full force and effect.

B. Consensual Romantic Relationships between Employees

1. **General.** Consensual romantic or sexual relationships between SGVCOG employees can lead to misunderstandings, complaints of favoritism, adverse effects on employee morale, and possible claims of sexual harassment during or after termination of the relationship. As a result, such relationships present existing or potential conflicts that adversely affect efficient operation of the SGVCOG. Relationships that present an actual conflict under this Section are therefore prohibited.
2. **Application.** This section shall apply to all SGVCOG employees, regardless of gender or sexual orientation, who have a romantic or sexual relationship with another SGVCOG employee. The provisions of Section A regarding nepotism shall govern employees who marry or become domestic partners with another SGVCOG employee.
3. **Definition of Conflict.** For purposes of this section, a conflict exists if business issues of supervision, safety, security, and/or morale would be impacted by a romantic or sexual relationship between two employees or between an employee and contract worker.
4. **Supervisor's Duty to Report.** If a romantic or sexual relationship exists between a Supervisor and another employee (including another Supervisor), the Supervisor shall promptly disclose the relationship to the Executive Director and request a determination as to whether the relationship presents a conflict. The disclosure must identify the names and positions of both employees. A Supervisor's failure to comply with this section shall be grounds for discipline up to and including termination.
5. **Determination by the Executive Director.** Within five working days, the Executive Director shall issue a written determination as to whether the relationship presents a conflict, and is thereby prohibited. The Executive Director, in consultation with Human Resources, shall have exclusive discretion in making the determination.

6. **Resolution of Conflicts.** Subject to limitations imposed by applicable provisions of these Rules, the Executive Director will attempt in good faith to work with the Supervisor and the other employee to consider options to eliminate the conflict, including removing the Supervisory authority that created the conflict, reassignment, transfer or voluntary demotion of a Supervisory employee, or where the Executive Director determines that modification of a Supervisor's assignment is not feasible, reassignment, transfer or voluntary demotion of a non-Supervisory employee. The Executive Director retains discretion to determine that the conflict may be resolved via voluntary resignation or termination only.
7. **Prohibited On-duty Conduct.** All SGVCOG employees are prohibited from engaging in intimate, physical, or other conduct in furtherance of a romantic or sexual relationship with another SGVCOG employee or any other person at work locations or at any time during work hours. Moreover, upon termination of a sexual or romantic relationship with another SGVCOG employee, employees are prohibited from engaging in behavior that adversely affects the working conditions of any SGVCOG employee. In general, all employees are expected to observe appropriate standards of workplace conduct in their interactions with other SGVCOG employees.
8. **Complaints.** Employees who believe that they have been adversely affected by romantic or sexual relationships between SGVCOG employees should follow the complaint procedures provided under SGVCOG's Policy Against Harassment, Discrimination, and Retaliation. The complaint procedures are available to all employees regardless of their past or present participation in a romantic or sexual relationship with another SGVCOG employee.

Policy on Non-Disclosure of Confidential Information

- A. Definition of confidential information.** Confidential information includes but is not limited to, financial data; data regarding pricing and/or funding rates; bidding and cost information; confidential personnel information relating to other employees or contract workers; supplier or vendor data; business plans; budgets; data concerning methods, forms, and contracts used by the SGVCOG; and any other non-public documents generated by the SGVCOG or its employees in the course of their employment or by any other agents on behalf of the SGVCOG.
- B. Employees and contract workers are prohibited from the following conduct:**
 1. Copying or disclosing any file or record containing confidential information without express authorization;
 2. Disclosing any confidential information of the SGVCOG to any other person during or following their employment without express authorization;
 3. Making use of any confidential information of the SGVCOG for their personal benefit or for the benefit of any person, company, corporation, partnership, or entity other than the SGVCOG under any circumstance during or following their employment; and

4. Using any confidential or any other information concerning the SGVCOG or its actual or proposed business or operations in any manner or for any purpose which is directly or indirectly competitive with the business or operations of the SGVCOG or adversely to its interests, whether during or after the term of their relationship with the SGVCOG.
- C. The protection of confidential information is vital. Any employee or contract worker who reasonably suspects or witnesses conduct in violation of the SGVCOG's policy regarding Non-Disclosure of Confidential Information is strongly encouraged to report it to the Executive Director or General Counsel.
- D. Any employee or contract worker who copies, discloses, or uses confidential information without appropriate authorization, may be subject to disciplinary action up to and including termination, even if he/she does not actually benefit from the disclosed information.

SECTION 4: OFFICE HOURS & TIMEKEEPING

Hours of Work

- A. SGVCOG employees are generally required to provide adequate office coverage during office hours. The Alhambra office hours are consistent with an alternative workweek (4/10) schedule, 7:00 a.m. to 6:00 p.m. Monday - Thursday while the Irwindale office is open Monday - Friday 8:00 a.m. to 5:00 p.m. Work schedules will be determined by Supervisors and generally office location. Full-time employees may work a standard work schedule, forty hours per week, with one hour off for lunch. However, because of the nature of the SGVCOG's scope of work, exempt employees are frequently required to work evenings and sometimes on weekends. In such cases, flexible work schedules will be as established by the Executive Director taking into consideration the needs of the employee.
- B. Staffing needs and operational demands may necessitate variations in starting and ending times, as well as variations in the total hours that may be scheduled each day and week.
- C. Hours for regular part-time employees will be established as needed. Part-time employees will be advised in writing of their expected schedule prior to beginning work and must report to work promptly. Any changes to part-time employees' daily hours will be documented in writing.

Timekeeping

- A. Time records, including time sheets, represent legal documents that are used to accurately record working time and to compensate employees properly. Accurately recording time worked is the responsibility of every employee. Federal and state laws require the employer to keep an accurate record of hours worked in order to calculate employee pay and benefits. Hours worked include all time actually spent on the job performing assigned duties.
 1. All employees must submit bi-weekly timesheets showing hours worked each day and time to be charged to specific projects. Timesheets must be submitted at the end of each pay period.
 2. Tampering, altering, or falsifying time records may result in disciplinary action, up to

and including discharge. Under no circumstances shall a Supervisor or employee submit a time sheet on behalf of another employee.

3. It is the employee's responsibility to submit his or her time record to certify the accuracy of all time recorded. In doing so, the employee shall attest that the time and hours recorded accurately and fully identify all time worked during the pay period, whether authorized or unauthorized, and that all meal periods to which the employee is entitled have been provided. Each employee shall further acknowledge that he/she has not violated any provision of this section during the pay period, including but not limited to working unauthorized overtime or working during a meal period without authorization.
 4. The SGVCOG utilizes an electronic timekeeping system that maintains a balances of accrued leave that is accessible to each employee. Employees are encouraged to review their leave balances regularly.
- B.** The supervisor will review and electronically sign/approve the time record for each subordinate employee before submitting it for payroll processing. In support of that obligation, supervisors are responsible for monitoring the following for each employee under their direct supervision.
- C.** These records shall be retained as required under SGVCOG's record retention policies.

Hours Worked

A. In General

1. Only those hours that are actually worked by non-exempt employees shall constitute "hours worked" for purposes of determining entitlement to overtime pay under applicable state and federal wage and hour laws.
2. Non-exempt employees shall be compensated for travel time, attendance at training or meetings, and other similar time where required under applicable state and federal wage and hour laws.
3. Time taken as paid leave, including, but not limited to, holidays, vacations, sick leave, and other similar periods when no work is performed shall not constitute "hours worked" for purposes of overtime calculation.

B. Meal Periods

1. Non-exempt employees are entitled to daily 1-hour unpaid meal periods during which they shall be entirely relieved of responsibilities and restrictions. Such time shall not constitute hours worked.
2. Supervisors shall schedule meal periods to ensure appropriate coverage.
3. All employees shall take reasonable measures wherever feasible to avoid the need for work to be performed during meal periods, provided, however, that schedules may be

adjusted to ensure that coverage of SGVCOG work needs can be met throughout the work day. Where required, time spent on such work shall be kept to a minimum, and may only occur with the prior written authorization of a supervisor. Non-exempt employees who work during their meal periods shall be paid for time worked and/or have his or her schedule adjusted accordingly.

C. Work Performed Outside Regular Shift

1. Non-exempt employees shall not perform work outside of their regularly scheduled shifts unless requested to do so by a supervisor or with advance written authorization from a supervisor. This requirement applies to, but is not limited to:
 - a. Work performed before the start of the shift;
 - b. Work performed during meal periods;
 - c. Work performed after the end of the shift; and
 - d. Other work performed "off the clock" including work performed at home.
2. All employees shall take reasonable measures wherever feasible to avoid the need for work to be performed outside of their regularly scheduled shifts. Where required, time spent on such work shall be kept to a minimum, and may only occur with the prior written authorization of a supervisor.
3. An employee who may be required to perform work outside the regular shift shall be notified of the apparent need for such work as soon as practicable prior to when the work is expected to begin.
 - a. When practicable, opportunities shall be made available on an equal basis to all non-exempt employees capable of performing the work.

D. Lactation Breaks

1. In accordance with California and federal law, upon reasonable advance notice to Human Resources, SGVCOG will provide an employee with reasonable paid or unpaid time off and an appropriate area for the purpose of the employee expressing breast milk for the employee's infant child.
2. For purposes of this policy, an "appropriate area" is a place other than a bathroom that is in close proximity to the employee's work area and that is shielded from view and free from intrusion by other Employees and the public. Human Resources will consider input from the affected employee but retains sole discretion in identifying an "appropriate area" on a case-by-case basis.

Overtime

A. Standard Work Schedule and Workweek

1. Employees who are assigned to work a standard work schedule will work either

Monday through Thursday, 7:00 a.m. to 6:00 p.m. or Monday through Friday 8:00 a.m. to 5:00 p.m. A Supervisor, in consultation with Human Resources, may require some employees to work a different regular schedule due to the requirements of their positions or department responsibilities. Any such variation to the standard work schedule must be memorialized in writing.

2. The workweek for employees on the standard work schedule shall be seven consecutive days, starting at 12:01 a.m. on Monday and ending at midnight on the following Sunday. Time worked by non-exempt employees in excess of 40 hours in a workweek shall constitute overtime.

B. Payment for Overtime

1. A non-exempt employee shall be paid for overtime in accordance with applicable state and federal law.
2. Exempt and non-exempt status is determined by Human Resources in accordance with applicable state and federal law.

Holidays

Regular full-time employees will receive the following paid holidays:

- New Year's Day (January 1)
- Martin Luther King, Jr. Day (third Monday in January)
- President's Day (third Monday in February)
- Memorial Day (last Monday in May)
- Independence Day (July 4)
- Labor Day (first Monday in September)
- Veteran's Day (November 11)
- Thanksgiving (fourth Thursday in November)
- Day after Thanksgiving
- Christmas Eve
- Christmas (December 25)
- New Year's Eve (December 31)

The SGVCOG'S Alhambra office is closed December 24 through January 1. Employees may work at the Irwindale location during this closure.

SECTION 5: LEAVE

Vacation Leave

- A. Vacation time off with pay is available to eligible employees to provide opportunities for rest, relaxation and personal pursuits. Employees are encouraged to use their available vacation

each year, in accordance with this Section.

- B.** Regular and probationary full-time employees earn three (3) weeks of vacation leave per year. After five years of employment, measured from the date of hire, employees will earn one additional week per year of vacation. After ten (10) years of employment, measured from the date of hire, employees will earn a further week of vacation. No employee, regardless of length of employment, may earn more than five (5) weeks of vacation per year.
- C.** Unused vacation may be accumulated to a maximum level equivalent of two years' worth of vacation at any one time. When an employee has accumulated the equivalent of two years of unused vacation time, he or she will not accumulate any additional vacation until his or her balance falls below the maximum accrual.
- D.** Employees may cash out unused vacation leave in excess of 80 hours with approval of the Executive Director. Taxes and other required withholdings will be deducted from cashed out vacation leave.
- E.** Upon separation from employment, employees will be paid for unused vacation time that has been earned through the date of separation.

Sick Leave

A. In General

1. Sick leave may be used for an absence due to illness or injury sustained by the employee, or an immediate family member residing with the employee. Sick leave may be used in minimum increments of one (1) hour.
3. All full-time employees accrue paid sick leave benefits at the rate of 80 hours per year, credited on a proportional basis each pay period.
4. All part-time employees anticipated to work more than 30 calendar days shall accrue paid sick leave benefits at the rate of one hour for each 30 hours worked. Accrued sick leave will be carried over each year but will be capped at 48 hours.
3. Sick leave will accrue during any paid leave of absence, but not during an unpaid leave of absence. Sick time may accrue and be carried forward to the next calendar year. If an employee uses all accrued sick leave, but needs additional time off from work, the additional time may be allowed but the leave will be unpaid.
4. Sick leave has no cash value upon separation from employment.

B. Reporting Off-Work Because Of Illness or Injury

Any employee who is unable to report to work due to an illness or injury must notify the supervisor or other designated person by telephone or other means of communication prior to the scheduled reporting time for work on the first day of absence unless emergency conditions make it not practicable under the circumstances to do so, as determined by the responsible supervisor, in which case notice must be provided as soon as is practicable. The supervisor should also be contacted

each additional day of absence for absences lasting three or fewer consecutive days. Should an employee's absence extend beyond three consecutive work days for medical illness or injury a doctor's release must be obtained and given to the supervisor as soon as possible and prior to the employee's return to work.

Employee Voluntary Leave Transfer Program

Under the Voluntary Leave Transfer Program, a covered employee may donate a portion of his/her accumulated leave directly to another employee who has a personal or family medical emergency and who has exhausted his or her available paid leave. The Human Resources department will administer the strictly voluntary program. There will be an 80 hour limit on the amount of donated leave a leave recipient may receive from the leave donor(s). However, the donor should be prepared to maintain at least 80 hours of sick leave after leave hours are donated. In addition, any unused donated leave must be returned to the leave donor(s) when the medical emergency ends.

Administrative Leave

In recognition of the evening and weekend meetings that Exempt employees are required to attend, the Executive Director shall have the authority to grant up to 20 (twenty) hours of Administrative Leave per year at his/her discretion, to employees based on their work-load and/or evening and weekend meeting attendance. Administrative Leave is not intended to be granted on an hour for hour basis and must be used in the calendar year in which it is received. Unused Administrative Leave is not compensable at separation from employment.

Pregnancy Disability and Family/Medical Leave

The SGVCOG provides pregnancy disability leave in accordance with the Pregnancy Disability Leave Law ("PDL"). In addition, although SGVCOG employees are not entitled to leave under the federal Family Medical Leave Act or California Family Rights Act until SGVCOG employees at least 50 full-time or part-time employees, SGVCOG voluntarily extends limited leave for family/medical leave purposes in connection with Section 5 of this Handbook regarding unpaid leaves of absence.

Fitness for Duty Leave

Employees are expected to report to work fit for duty, which means able to perform their job duties in a safe, appropriate, and effective manner, free from adverse effects of physical, mental, emotional, and/or personal problems. This Section is intended to provide a safe environment and protect the health and welfare of employees and the public. If an employee feels that he/she is not fit to perform his/her duties, he/she must notify his/her supervisor immediately.

A. Reasons for Fitness for Duty Leave. A paid Fitness for Duty Leave may be ordered in any of the following situations:

1. An employee returns from a medical leave of absence of more than five working days.
2. An employee is involved in the interactive process with SGVCOG under Section 1 of this Handbook.

3. Supervisor observes or receives a reliable report of an employee's possible lack of fitness for duty. Observations and reports may be based on, but are not limited to, employee's own self-report of potential unfitness, dexterity, coordination, alertness, speech, vision acuity, concentration, disproportionate response to criticism, and inappropriate or uncharacteristic interactions with the public, co-workers, and supervisors.
4. Fitness for duty examinations based on a reasonable suspicion that an employee is under the influence of illegal drugs or alcohol shall be conducted in accordance with SGVCOG's Drug-Free Workplace Policy.

B. Procedures for Ordering a Fitness for Duty Examination. When a supervisor or Supervisor becomes aware of or observes behavior that makes him/her reasonably suspect that an employee may not be fit for duty, the supervisor shall refer the employee to Human Resources, who will schedule the employee for a fitness for duty examination. If the circumstances warrant it, Human Resources after conferring with the employee's Supervisor, may place the employee on paid leave pending the results of the employee's fitness for duty examination. The examination shall be paid for by the SGVCOG.

C. Procedure Following Receipt of Examination Results. The doctor examining the employee shall be limited to finding the employee "fit for duty" or "fit for duty with restrictions" or "unfit for duty". In the case of finding an employee fit for duty, the doctor may issue work restrictions. In no case shall the doctor reveal the underlying cause of the fitness or unfitness for duty without the employee's permission.

1. Fit for Duty. If the doctor finds the employee is fit for duty, the employee shall return to work immediately and perform all duties of his/her position.
2. Fit for Duty with Restrictions. If the doctor finds the employee is fit for duty with restrictions, the doctor shall specifically enumerate what restrictions are necessary and for how long those restrictions are necessary. The SGVCOG shall then evaluate those restrictions, and determine if the SGVCOG can reasonably accommodate those restrictions. If the employee's restrictions are based on a disability as defined by the ADA and/or FEHA, the SGVCOG shall engage in the interactive process as set forth in Section 1 of this Handbook.
3. Unfit for Duty. If the employee is found to be unfit for duty, he/she shall not be permitted to work. He or She may request a leave of absence in accordance with the appropriate applicable provision(s) of this Handbook. If the employee can provide certification of fitness for duty prior to the exhaustion of all paid and unpaid leave that he/she is entitled to under this Handbook, the employee shall be returned to work. However, if such certification is from the employee's own health care provider, after the employee returns to work, the SGVCOG may request a second opinion from a doctor of its choosing and at its cost to evaluate the employee under the requirements of this Section. If the two certifications conflict, a third opinion will be sought from a doctor chosen by the SGVCOG and the employee, at the expense of the SGVCOG. The opinion of fit or unfit rendered by the third doctor shall be binding. If the employee's

restrictions are based on a disability as defined by the ADA and/or FEHA, the SGVCOG shall engage in the interactive process as set forth in this Handbook.

Bereavement Leave

- A. All employees shall be entitled to three days paid leave in the event of a death in the immediate family of the employee. The immediate family shall be defined as:
 - 1. Parents
 - 2. Siblings/siblings-in-law
 - 3. Grandparents
 - 4. Mother-In-Law/Father-In-Law
 - 5. Spouse or registered domestic partner
 - 6. Children
 - 7. Any other person whose association with the employee is similar to "immediate family," with advanced approval of the Executive Director
- B. Employees must provide reasonable notice to their supervisors of the intent to use bereavement leave. Supervisors must notify Human Resources of any such requests.
- C. For non-exempt employees, bereavement pay will be calculated based on the employee's regular pay rate times the number of hours the employee would otherwise have worked on the day(s) of absence. Exempt employees will be compensated in accordance with their regular salary.
- D. Employees may use available sick or vacation leave for bereavement purposes in addition to the leave provided under this section.

Jury Duty Leave

- A. The SGVCOG encourages employees to fulfill their civic responsibilities by serving jury duty when required. Regular full-time and regular part-time employees may request jury duty leave. For non-exempt employees, jury duty pay will be calculated on the employee's regular pay rate times the number of hours the employee would otherwise have worked on the day of absence. It is the policy of the SGVCOG to pay a maximum of 40 hours for jury duty service. However, should it be deemed necessary to serve beyond the maximum number of paid days, the employee should notify the Executive Director in advance who may exercise the option of extending the number of paid hours.
- B. Employees must show the jury duty summons to their supervisor as soon as possible so that the supervisor may make arrangements to accommodate the employee's absence. The employee is expected to report for work whenever the court schedule permits. Upon completion of such service, the employee must furnish a Certificate to employer from the court showing dates served and amount of compensation paid. Failure to provide the SGVCOG with a certificate from the court will be treated as an unpaid absence from work.
- C. Either the SGVCOG or the employee may request that the court excuse an employee from

jury duty if, in SGVCOG's judgment, the employee's absence would create serious operational difficulties.

Other Leave

Family School Partnership Leave

In accordance with *Labor Code* section 230.7, upon reasonable advance written notice to his/her supervisor, an Employee who is the parent or guardian of a pupil may take time off to appear in the school of that pupil pursuant to a request made under Section 48900.1 of the *Education Code*.

Family School Partnership Leave (School Or Day-Care Related Activities)

- A. In accordance with *Labor Code* section 230.8, upon reasonable advance written notice to his/her supervisor, an employee who is the parent, guardian, or grandparent of a child who is in kindergarten, grades one through twelve, inclusive, or attending a licensed day care facility, is entitled to take time off to participate in activities of that child's school or licensed day care facility.
- B. Employees are eligible for forty hours of unpaid leave per year and may not exceed eight hours in any calendar month. The total amount of leave is per employee and is not conditioned on the number of children, grandchildren, or wards that the employee may have. Upon return to work, the employee must provide his/her supervisor with reasonable written evidence that he/she participated in the school or day care activity at a specific date and time.
- C. Any employee who takes time off under this policy must use any available vacation or other appropriate paid leave for the period of the absence. If a non-exempt employee does not have paid leave benefits available to cover some or all of the period of the absence, the time off will be taken without pay. If an exempt employee does not have paid leave benefits available to cover some or all of the period of the absence, his/her salary will be unaffected.

Domestic Violence/Sexual Assault/Serious or Violent Crime Leave

A. Leave for Victims of Domestic Violence or Sexual Assault.

- 1. In accordance with *Labor Code* sections 230(c) and 230.1, upon reasonable advance written notice to Human Resources, if feasible, an employee who is the victim of domestic violence or sexual assault may take time off to obtain a temporary restraining order, a restraining order, or other injunctive relief from court to help ensure the health, safety, or welfare of the employee or employee's child; for the employee to seek medical attention for injuries caused by domestic violence or sexual assault; for the employee to obtain services from a domestic violence shelter, program, or rape crisis center as a result of domestic violence or sexual assault; for the employee to obtain psychological counseling related to an experience of domestic violence or sexual assault; or for the employee to participate in safety planning and take other actions to increase safety from future domestic violence or sexual assault, including temporary or permanent relocation.
- 2. If advance notice is not feasible, within a reasonable period following return to work,

the employee must submit certification to Human Resources in the form of one of the following: a police report indicating that the employee was a victim of domestic violence or sexual assault; a court order protecting or separating the employee from the perpetrator of an act of domestic violence or sexual assault, or other evidence from the court or prosecuting attorney that the employee has appeared in court; or documentation from a medical professional, domestic violence advocate or advocate for victims of sexual assault, health care provider, or counselor that the employee was undergoing treatment for physical or mental injuries or abuse resulting in victimization from an act of domestic violence or sexual assault.

3. An employee absent under this policy may elect to take any accrued paid leaves that are otherwise available to the employee.

B. Leave To Attend Court Proceedings for Victims of Serious or Violent Crime:

1. In accordance with *Labor Code* section 230.2, upon reasonable advance written notice to Human Resources of a scheduled proceeding, if feasible, an employee who is the victim of, or is related to a victim of, or is the registered domestic partner of a victim of a serious or violent crime, may take unpaid time off to attend a court proceeding related to that crime. The employee must be the parent, child, spouse, registered domestic partner, child of a registered domestic partner, stepchild, brother, stepbrother, sister, stepsister, stepmother, or stepfather of the victim.
2. If advance notice is not feasible, within a reasonable period following return to work, the employee must submit certification to Human Resources evidencing the judicial proceeding from one of the following entities: the court or government agency setting the hearing; the district attorney or prosecuting attorney's office; or the victim/witness office that is advocating on behalf of the victim.
3. An employee absent under this policy may elect to take any accrued paid leaves that are otherwise available to the employee.

C. Leave for Crime Victim to Participate as a Witness in a Judicial Proceeding:

1. In accordance with *Labor Code* section 230(b), an employee who is a victim of a crime, may take time off to appear in court to comply with a subpoena or other court order as a witness in any judicial proceeding.
2. An employee absent under this policy may elect to take any accrued paid leaves that are otherwise available to the employee.

Leave For Volunteer Firefighters, Reserve Police Officers and Emergency Rescue Personnel

- A. Leave for Emergency Duty:** In accordance with *Labor Code* section 230.3, an employee may take time off to perform emergency duty as a volunteer firefighter, reserve police officer, or emergency rescue personnel.
- B. Leave for Training of Volunteer Firefighters:** In accordance with *Labor Code* section

230.4, an employee who is a volunteer firefighter may take up to 14 days of unpaid leave per calendar year for the purpose of engaging in fire or law enforcement training.

Military & Military Partner Leave

Military Leave shall be provided as set forth in the applicable California and federal law. An employee entitled to military leave shall give his/her Supervisor, in consultation with Human Resources, an opportunity within the limits of military regulations to determine when such leave shall be taken. Prior to taking military leave, an employee, when possible, shall present a copy of his/her military orders to his/her Supervisor. The Supervisor shall advise Human Resources of such military orders immediately.

An employee whose spouse or registered domestic partner is deployed for active military service during a period of military conflict is permitted unpaid time off to spend with the spouse or registered domestic partner when he or she is on leave from such deployment, in accordance with Section 395.10 of the California Military & Veterans Code.

Voting Leave

- A. The SGVCOG encourages eligible employees to register and vote in all federal, state, and local elections. Employees of the SGVCOG are expected to vote prior to or following their assigned working hours.
- B. However, in accordance with the *Election Code*, Sections 14000 and 14001, if a registered voter employee does not have sufficient time outside regular working hours within which to vote at statewide elections, he/she may take off such working time as will enable him/her to vote. A maximum of two hours may be taken with pay.
- C. To receive time off for voting, the employee must notify his/her Supervisor in advance. Employees who need Voting Leave, must take such leave at the beginning or end of the employee's work shift, based on the needs of the Department and the employee's schedule. The exact amount of time off work and the scheduling of time off shall be decided between the employee and his/her Supervisor.
- D. Employees who use Voting Leave are required to present a voter's receipt to their Supervisors.

Leave Of Absence without Pay

- A. **Request for a Leave of Absence Without Pay.** When an employee has exhausted all of his/her paid leaves, he/she may request a leave of absence without pay in accordance with this Section. The employee must submit a written request to his or her immediate supervisor for a leave of absence without pay, along with any supporting documentation. The supervisor must forward the request, along with any supporting documentation to Human Resources for consideration by the Executive Director.
- B. **Authority to Grant a Leave of Absence Without Pay.** The Executive Director may grant a regular or probationary employee leave of absence without pay for a period not to exceed three months. After three months, the leave of absence may be extended by an additional three months if the employee submits a further written request, along with supporting

documentation, that is authorized by the Executive Director. The approval or rejection of the Executive Director will be in writing and may be communicated by Human Resources on behalf of the Executive Director.

- C. Return from Leave of Absence Without Pay.** Upon expiration of a regularly approved leave, the employee will be reinstated in the position held at the time leave was granted, provided such position continues to exist. An employee on leave who fails to report to duty promptly at its expiration will be subject to disciplinary action for being on an unauthorized absence. An employee who is absent for medical reasons may be required to demonstrate fitness for duty in accordance with the SGVCOG's fitness for duty policy.
- D. Mandatory Exhaustion of Paid Leaves.** If an employee is requesting a leave of absence for medical reasons, the employee is required to first fully exhaust all of his/her paid leaves in order to be eligible to receive a leave of absence without pay. If an employee is requesting a leave of absence for personal reasons, the employee is required to fully exhaust all of his/her paid leaves, except sick leave, in order to be eligible to receive a leave of absence without pay.

Unauthorized Absence

- A.** When an employee has been absent without authorization from work for more than three workdays, and in the opinion of the Supervisor the employee has abandoned his/her position, the Supervisor shall notify Human Resources. Human Resources shall notify the employee that the SGVCOG has determined he/she has abandoned his/her position and that the employee has seven working days upon receipt of the notice to contact the SGVCOG regarding his/her intent to return to work. The notice shall also advise the employee that failure to contact the SGVCOG within the seven-day period shall be deemed an automatic resignation effective on the eighth day. Such notice shall be in writing and sent by certified mail or personal service to the last address listed in the employee's personnel records.
- B.** Abandonment of position may include, but is not limited to:
 - 1. Where an employee fails to return to his/her employment upon conclusion of any authorized leave of absence;
 - 2. Where an employee fails to properly notify by telephone or in writing his/her immediate Supervisor of absence due to sickness or injury,
 - 3. Where an employee fails to appear for work without notification or express agreement between the Supervisor and the employee as to the use of any leave time set forth in this Handbook;
 - 4. Where an employee fails to keep his/her immediate Supervisor reasonably apprised of disability status; or
 - 5. Where an employee fails to respond within seven working days to the notice of abandonment of position, the employee may be considered to have abandoned his/her position of employment with the SGVCOG.

C. Abandonment of position shall constitute an automatic resignation from SGVCOG service.

SECTION 6: EMPLOYMENT RECORDS

Access to Personnel Files and Payroll Records

A. General provisions

1. The SGVCOG maintains a personnel file on each employee. The personnel file may include such information as the employee's job application, resume, records of training, documentation of performance appraisals and salary increases, and other employment records.
2. Personnel files are the property of the SGVCOG and shall be maintained by the employer in strict confidence. Access to the information contained therein is restricted, except as permitted by law. Only supervisors and management personnel of the SGVCOG who have express authorization from the Executive Director and a legitimate reason to review information in a file are allowed to do so without being subject to the procedures set forth in this section.
3. As provided by law, letters of reference, recruitment files, and reports regarding ongoing investigations concerning a current or former employee shall be excluded from the provisions of this policy. In addition, names of all non-supervisory employees shall be redacted from records to be provided under this policy.
4. If a current or former employee files a lawsuit for which his/her personnel records are relevant, his/her right to inspect and receive copies of his/her personnel file, or to authorize another individual to do, so shall cease during the pendency of the lawsuit in the court with original jurisdiction.

B. Inspection of a Current or Former Employee's Personnel File

1. A current or former employee wishing to inspect his/her personnel file or payroll records must submit a written request to Human Resources. Proof of identity will be required to inspect personnel or payroll records for his/her file. Human Resources shall issue a written notice setting a date for the inspection of said records within thirty calendar days of receipt of the request, to take place during normal business hours. With the requesting person's written consent, the date for inspection may be extended on one occasion by up to five calendar days. If the requesting person is a former employee who was terminated for violation of the SGVCOG's policy or law involving harassment or workplace violence, the SGVCOG shall have discretion to mail a copy of the personnel file at the SGVCOG's expense instead of scheduling an in-person inspection.
2. A current employee may inspect his/her records at the place the employee reports to work, or may instead consent to inspect his/her personnel file at the Human Resources Department without loss of compensation. Inspection by former employees and authorized representatives shall take place at the Human Resources Department unless

otherwise mutually agreed in writing by the SGVCOG, and may require additional reasonable proof of identity.

3. A designated Human Resources representative or other authorized employee must be present throughout the inspection. No personnel files nor contents of personnel files shall be removed from the place of inspection without advance written authorization from the Executive Director.

C. Obtaining Copied of a Current or Former Employee's Personnel File

1. A current or former employee wishing to obtain copies of documents or other materials in his/her personnel file in person or by mail must submit a written request to Human Resources along with reasonable proof of identity. A current or former employee who seeks to authorize another person to obtain copies of his/her personnel file must provide a satisfactory written authorization along with the written request. Reasonable proof of identity may be required at the time of in-person pick up of requested documents.
2. Human Resources shall issue a written notice setting a date on which the requested copies may be picked up in person during the normal business hours of the Human Resources Department and identifying the cost of reproduction that must be paid to the SGVCOG at the time of pick up. The date for in-person pick up of the documents shall be no more than thirty calendar days after receipt of the request in Human Resources. With the requesting person's written consent, that date may be extended on one occasion by up to five calendar days. If the requesting person is a former employee who was terminated for violation of SGVCOG policy or law involving harassment or workplace violence, Human Resources shall have discretion to mail a copy of the personnel file at the expense of the SGVCOG instead of scheduling an in-person pick up.
3. If the requesting person chooses delivery by mail instead of in-person pick up, the notice provided by Human Resources shall also identify the additional actual postage expenses for which the requesting person must reimburse the SGVCOG prior to receipt of the copies.

Reference Verification

Employees contacted by outside sources, whether personally known or unknown to them, requesting an employment reference or employment verification for a current or former employee should NOT provide any information to the requesting individual or organization. Employees should instead refer the requesting individual or organization to the Human Resources Department. No employee, other than those so designated in the Human Resources Department, is authorized to provide employment references or employment verifications for any current or former employee.

Personnel Data Changes

It is the responsibility of each employee to promptly notify the SGVCOG of any changes in personnel data. Employees must ensure that personal mailing addresses, telephone numbers,

number and names of dependents, individuals to be contacted in the event of an emergency, educational accomplishments, and other pertinent information, are accurate and current at all times.

Employment Applications

The SGVCOG relies upon the accuracy of information contained in the data presented throughout the hiring and employment process. Any misrepresentations, falsifications, or material omissions in any of this information or data may result in exclusion of the individual from further consideration for employment or, if the individual has been hired, termination of employment.

To help to ensure that individuals who join the SGVCOG are well qualified and have a strong potential to be productive and successful, it shall be the policy of the SGVCOG to check employment references of prospective employees.

SECTION 7: GENERAL WORKPLACE RULES

Safety

Establishment and maintenance of a safe work environment is the shared responsibility of the SGVCOG and employees from all levels of the organization. Employees are expected to obey safety rules and to exercise caution in all their work activities. Employees are strongly encouraged to immediately report any unsafe conditions to their supervisor. Employees at all levels of the organization are expected to correct unsafe conditions within their control as promptly as possible.

Employees who violate safety standards, who cause hazardous or dangerous situations, or who fail to report, or where appropriate, remedy such situations, may be subject to disciplinary action, up to and including termination of employment.

All accidents that result in injury must be reported to the appropriate supervisor, regardless of how insignificant the injury may appear. Such reports are necessary to comply with laws and initiate insurance and Workers Compensation benefits procedures, where applicable.

Dress Code

The SGVCOG's professional atmosphere is maintained, in part, by the image that the employees present. In the interest of presenting a professional image to the public, the SGVCOG requires all employees to observe good habits of dress, grooming, and personal hygiene. Employees must always maintain a professional image. Employees who are inappropriately dressed may be sent home and directed to return to work in appropriate attire. Non-exempt employees will not be compensated for the time away from work.

Business casual attire may be approved by the Executive Director when no meetings are scheduled to conduct SGVCOG business or in other appropriate circumstances. Business casual wear is a style of dress which projects a professional, business-like image while still permitting employees to wear more casual and relaxed clothing. Business casual does not include play wear, leisure wear, or beach wear. Clothing and footwear should be clean and in good repair. It may not be faded, torn, frayed, or revealing.

Upon the approval of an employee's Supervisor, an employee may wear business casual attire if the employee has been assigned a task, such as visiting a construction site or participating in neighborhood outreach that would be unsuited to formal business attire. Where such assignments are made on a regular basis or expected to last multiple consecutive days, the Supervisor may approve wearing of casual attire on a continuing basis.

Exceptions. The Executive Director, in consultation with Human Resources, may grant exceptions to this Section when the application of the Section 7 (EEO) would infringe on an employee's protected characteristics.

Business Use of Personal Vehicles

In general. Employees may be required to use their private vehicles to carry out their regular job responsibilities. Such employees are subject the provisions of this Section.

Maintenance of California driver's license and insurance.

Driver's license. Employees must provide the SGVCOG with a copy of a valid California State License upon hire. In addition, upon his or her hire, a copy of a current Department of Motor Vehicle printout may also be required. In the interest of public safety, employees who will be required to use their personal vehicles frequently to conduct SGVCOG business will be enrolled in the California Department of Motor Vehicles' ("DMV") Employer Pull Notice Program. Human Resources will notify affected employees of this requirement at the time of hire. Information received by the SGVCOG from the DMV shall be used for employment purposes only and will not be shared with or provided to any third party.

Effect of loss of driving privileges. Employees required to drive as part of their job and who subsequently lose their driving privileges due to unpaid traffic violations, speeding, or driving under the influence citations may be subject to immediate termination or, in the sole discretion of the SGVCOG, reassignment to another available position for which the Employee qualifies that does not require driving. Such Employees will be expected to provide proof of license reinstatement and insurance in order to be reinstated to a job that includes driving. Such reinstatement will be at the SGVCOG's sole discretion.

Auto insurance. Employees are required to carry the auto insurance required by State law. Should an employee's driving record disqualify him/her from being insured, it is the company's option not to continue said employee's employment should travel restrict the employee from performing the duties required, or, in the sole discretion of the SGVCOG, reassignment to another available position for which the Employee qualifies that does not require driving.

Compliance with law

Employees are required to observe all rules of the road and take all safety precautions including wearing a seat belt and taking care that all passengers in vehicles are also wearing their seat belts.

Employees are not permitted to drive while under the influence of any legal or illegal substance.

Under California law, it is unlawful to dial or text on a cell phone, car phone, or other portable telecommunication device, or otherwise use such mobile device in an unsafe manner, and

employees are prohibited from doing so while operating a vehicle on SGVCOG business.

Employees are personally responsible for any traffic violations or citations received while driving or otherwise operating a vehicle on SGVCOG business.

Any traffic accident or other altercation in which an Employee becomes involved while on SGVCOG business is to be reported to Human Resources immediately.

Expenses

Business use of personal vehicles will be reimbursed at the applicable IRS mileage reimbursement rate. All personal vehicle repair costs are the employee's responsibility.

For employees expected to use their vehicles extensively in the conduct of their job, the Executive Director may authorize establishment of a monthly car allowance in lieu of mileage reimbursement, up to a maximum of \$350 per month. Actual mileage incurred in the course of SGVCOG business shall be reported on a quarterly basis utilizing an established rate structure. Mileage costs exceeding the total annual allowance shall be reimbursed to the employee at the end of the calendar year. Any authorization for a car allowance may be revoked at any time by the Executive Director.

SGVCOG Property and Equipment

Use of Property and Property Issued in General

1. Employees are prohibited from being on SGVCOG property or using its facilities or property while not on duty, or for personal use at any time.
2. Work equipment, tools, and materials are provided by the SGVCOG to its Employees for the sole purpose of performing work-related tasks. Work tools are the property of the SGVCOG, and it is the responsibility of the Employee to use and maintain them appropriately. Deliberate carelessness or misuse of SGVCOG's property, or use without authorization, will not be tolerated and may result in disciplinary action being taken against the Employee, up to and including termination. Lost or misplaced property that has been issued to an Employee must be reported immediately to his/her supervisor.
3. Upon an Employee's resignation or the termination of employment, or at any other time the SGVCOG so requests, Employees are required to return all items and property issued to them.
4. To the extent permitted by law, the SGVCOG reserves the right to charge Employees the replacement value of any lost, misplaced, stolen or deliberately/carelessly damaged SGVCOG property.

Personal Cell Phones

1. Employees who are required to use their personal cell phones are expected to confine the use of any personal calls in a way that should not disrupt others, occur during

meetings, or interrupt work processes.

2. Employees who use electronic devices to conduct company business should be mindful that the SGVCOG is a public agency and as such is subject to public records requests. Communications related to the conducting of public business using a personal device or account may result in your device/account information being subject to public disclosure.
3. Employees not required to use personal cell phones for company business are expected to place or accept personal cell phone calls or text messages during formal rest breaks and meal breaks whenever possible. All personal calls should be done in a manner which should avoid work disruption.
4. Personal cell phones must never be used to access web sites, display photos, play games, or play music during work hours. Employees are encouraged to use SGVCOG-provided equipment to take work-related photographs. If personal cell phones are used to take work-related photographs, the employee taking the photographs is responsible for ensuring appropriate handling of the photograph in accordance with the SGVCOG's policy on electronic communications that are also public records.
5. Use of Cell Phones While Driving
 - a. No employee is expected to place or accept cell phone calls while driving. Cell phone use should be avoided whenever it might create an unsafe driving situation. In accordance with California law, it is against the SGVCOG's policy to use a handheld cellular phone while operating a motor vehicle. Employees making or receiving cell phone calls while driving are required to use a hands-free device.
 - b. In accordance with California law, text-based communication while driving is prohibited. Specifically, writing, sending, or reading text-based communication including text messaging, instant messaging, and e-mail, on a wireless device or cell phone while driving is prohibited.
 - c. Failure to follow the provisions of this policy, or any policy, may result in disciplinary action, up to and including termination.

Computer Software

Copyright law protects computer software. It is the SGVCOG's intention to comply with all computer software copyright laws. The law states that "it is illegal to make or distribute copies of copyrighted material without authorization." The law provides for copies to be made of computer software only when it relates to archiving or backing up computer systems and networks, or with permission of the manufacturer. It is a federal crime to duplicate software without permission from the manufacturer. Accordingly, employees are required to comply with the following requirements and will be subject to disciplinary action, up to and including termination, for violation of one or more of the following requirements:

1. Comply with all computer software copyright laws.
2. Refrain from copying or distributing copies of computer software that has been licensed to the SGVCOG, except where expressly authorized by the employee's Supervisor, such as in the case of archiving or backup of existing software, data, and configurations.
3. Notify a supervisor promptly upon learning of any misuse of software, or related documentation.
4. Refrain from installing unauthorized software or software that has not been approved for installation by the SGVCOG on any equipment owned or operated by the SGVCOG.
5. Use SGVCOG computer equipment, software, and Internet service for business purposes only and not for personal use without prior express authorization from the employee's Supervisor.
6. Store only SGVCOG's files and records on SGVCOG's computers. No personal information or personal advertising, soliciting, or blogging is permitted.
7. To the extent permitted or required by law, pay any fines, penalties, or damages assessed against the SGVCOG for any of the above-mentioned or related computer software abuses that are deemed to be attributable to the Employee.

Personal Mail, Telephone Calls, Personal Communication, Music Devices, and Visits

1. Personal Mail. All mail delivered to the SGVCOG is presumed to be related to SGVCOG business. Personal mail should not be sent to the SGVCOG's address. Mail sent to an Employee at the SGVCOG may be opened by office personnel and routed to the Employee. The SGVCOG's postage meters and letterhead may not be used for personal correspondence.
2. Personal Telephone Calls. SGVCOG telephone lines are needed for business calls. Personal phone calls should be kept to a minimum and for urgent or extremely important conversations that cannot wait until the employee is through working for the day. Employees may be personally liable for unauthorized long distance calls and will be subject to discipline, up to and including immediate termination, for unauthorized personal use of SGVCOG's telephone lines.
3. Personal Devices. Personal listening devices (e.g., iPods) and personal cell phone headsets (e.g., Blue Tooth, etc.) are not to be worn by Employees during working hours except as specifically required herein.

SECTION 8: LICENSES, MEMBERSHIPS, TRAINING AND CONFERENCES

The SGVCOG encourages the continued development of its professional, technical and managerial employees through participation in organizations that are directly relevant to the primary business

of the agency. It also recognizes the value of business publications in keeping employees informed of advances and trends in their specific career discipline and areas of responsibility.

1. **Memberships/Licenses.** The SGVCOG will sponsor memberships and professional licenses where they are likely to be used in the employee's performance of their duties up to \$500 per fiscal year per employee subject to availability of funds and approval of the Executive Director.
2. **Conferences/Training.** Employees may request attendance at professional conferences or training which will benefit the SGVCOG and enhance the performance of the employee's job responsibilities. Participation should be for the benefit of the SGVCOG and directly related to the job requirements of the employee. All efforts should be made to attend a conference/training which is offered locally or on-line. Training or conference attendance should be limited to no more than two per year and must be approved in advance by the Executive Director. If a Certificate of Completion is provided, a copy must be provided to Human Resources.

Travel

Travel for official company business is an important part of the SGVCOG. All trips outside of the greater Los Angeles metropolitan area will be made with approval of the SGVCOG management. Employees are expected to exercise good financial judgment when traveling. GSA rates are provided via hyperlink to the travel request form to ensure employees are aware of acceptable expenses.

A request for travel must be completed and approved by the Executive Director prior to the travel. Unapproved travel expenses may not be reimbursed.

Hotel accommodations should be booked at a government rate if available. Employees are provided identification badges to present upon check in if required in order to receive government rates. If government rates are not available rooms should be booked at a standard room rate.

Airfare should be booked at coach/economy class or the lowest fare available. Ground transportation arrangements should be at the reduced rates where available and in all cases at reasonable prices. Employees are expected to use less costly ground transportation where it exists (i.e. public transportation if feasible, shared airport shuttles, standard cabs). Should a rental car be necessary, employees are required to rent compact vehicles unless there is a justification for a higher size. Any travel exceeding the requirement of this policy must be justified and approved by the employee's Supervisor.

Meal expenses incurred by an employee will be reimbursed either with receipts for actual expenses or at the current per diem rates published by the Internal Revenue Service, provide for a per diem at 20% for breakfast, 25% for lunch and 55% for dinner. Receipts for actual expenses must be broken down accordingly in the request for reimbursement. Receipts are not required for the per diem reimbursement.

Employees should submit their completed expense report along with related receipts within two weeks after completion of travel. Reports that do not include receipts will be denied

reimbursement.

Miscellaneous Expenses

In general

Other local expenses incurred for SGVCOG business purposes, including, but not limited to small office supply or equipment purchases are reimbursable, with the approval of the Executive Director or his/her designee where the expense is reasonable and necessary and supported by an expense voucher including explanations and receipts.

Local meal expenses

1. Local meal expenses must be justified in terms of SGVCOG benefit and should be infrequent.
2. A written request to host a meal attended by non-SGVCOG personnel must be approved in advance by the Executive Director or his/her designee and must include a list of expected attendees.

In the event an SGVCOG hosted meal is provided, the request for reimbursement must verify the following:

- That SGVCOG business was discussed at the meeting;
 - That at least one attendee was non-SGVCOG personnel; and
 - The names and titles of the actual attendees.
3. Reimbursement can be made for meals provided in-house in situations where work is required for completing SGVCOG business, under circumstances in which it is impractical or difficult for staff to obtain their own meals. The Executive Director or his/her designee must approve such expenditures in advance.
 4. Requests for reimbursement for miscellaneous expenses should be submitted monthly or when the total expenses total \$50 or greater, whichever comes sooner.

SECTION 9: PAY

Paydays

All employees are paid every other Friday. Each paycheck will include earnings for two weeks prior.

In the event that the regularly scheduled payday falls on a day off, weekend or a holiday, employees will receive pay on the last day of work before the regularly scheduled payday.

Employees may have pay directly deposited into their bank account(s) if they provide advance written authorization to the SGVCOG. Employees will receive an itemized statement of wages

when the SGVCOG makes direct deposits.

Pay Deductions

Deductions required by law. The law requires that the SGVCOG make certain deductions from every employee's compensation. Among these are applicable federal, state, and local income taxes.

Deductions required by court order. If the SGVCOG receives a court ordered garnishment against an Employee's wages, the SGVCOG is required to deduct the amount specified from the Employee's paycheck. Any Employee who is subject to a wage garnishment will be notified of the amount and date the garnishment will begin, and will have an opportunity to contact the court involved. If any negotiations result in a revised deduction and/or start date of said garnishment, the Employee should notify Human Resources, however this information must be provided in writing directly from the court involved in order to change the original garnishment.

Improper Deductions from Salary

The SGVCOG prohibits all supervisors from making any improper deductions from the salaries of its employees. The SGVCOG does not condone deductions that violate applicable state or federal wage and hour laws.

An employee who believes that an improper deduction has been made to his/her salary should immediately report this information to the Executive Director.

The SGVCOG will promptly investigate reports of improper deductions. If the SGVCOG determines that an improper deduction has occurred, the employee will be promptly reimbursed for the improperly deducted amount.

The SGVCOG is committed to ensuring that supervisors who are found to have made improper deductions do not continue doing so. To this end, the SGVCOG will take appropriate remedial action to ensure that such errors, once made, are not repeated.

SECTION 10: EMPLOYEE CONDUCT

Rules of Conduct

To help to assure orderly operations and provide the best possible work environment, the SGVCOG expects employees to follow rules of conduct that will protect the interests and safety of all employees and the SGVCOG. It is not possible to list all the forms of behavior that are considered unacceptable in the work place, but the following are examples of infractions of rules of conduct that may result in disciplinary action, including suspension or termination of employment. These types of misconduct are provided for purposes of illustration only and in no way alter the at-will employment status of any SGVCOG employees.

1. Theft or inappropriate removal or possession of property of SGVCOG and/or SGVCOG employees or others.
2. Falsification of records including, but not limited to, information provided on an

application for employment and time-keeping records

3. Violation of the drug-free workplace policy, including but not limited to reporting for work, being subject to work, or being at work, under the influence of or in possession of alcohol, legal or illegal drugs
4. Possession distribution, sale, transfer, or use of alcoholic or illegal drugs in the work place, while on duty, while operating employer owned vehicles or equipment, or while operating employee owned vehicles or equipment in the conduct of SGVCOG business
5. Assault, battery, horseplay, fighting or threatening violence in the work place or while on duty.
6. Disruptive activity in the work place
7. Carelessness, incompetence, inefficiency, or negligence
8. Insubordination
9. Discourteous or disrespectful treatment of other employees, members of the public, customers, suppliers, or visitors, or other treatment that does not foster cooperation
10. Malicious gossip and/or spreading rumors; engaging in behavior designed to create discord and lack of harmony; interfering with another employee on the job; or willfully restricting work output or encouraging others to do the same
11. Dishonesty
12. Violation of safety or health rules
13. Sexual or other harassment, discrimination, or retaliation in violation of SGVCOG policy or applicable state or federal law
14. Unauthorized possession of firearms, weapons or explosives on SGVCOG property, or while on duty; or displaying or brandishing any firearm or weapon, whether in jest or otherwise, in any manner which can be construed as a careless, threatening or dangerous manner, except as required in the performance of official duties
15. Unauthorized use of SGVCOG's electronic communications systems, including, but not limited to, telephones, email, mail system, or other equipment
16. Improper use of SGVCOG funds
17. Acceptance or solicitation of bribes or extortion
18. Excessive absenteeism or any unauthorized absence
19. Sleeping on the job or leaving the job without authorization

20. Failure to maintain job performance standards or to properly or satisfactorily perform assigned duties
21. Failure to maintain any employment qualification
22. Gambling on SGVCOG property or during working hours
23. Conviction of a felony, or conviction of a misdemeanor relating to the employee's fitness to perform assigned duties and/or
24. Other violation of SGVCOG policies.

Workplace Violence Prevention

Objectives. The SGVCOG is strongly committed to ensuring the safety of all SGVCOG employees. Consistent with this policy, acts or threats of violence, including intimidation, harassment, and/or coercion which involve or affect SGVCOG employees will not be tolerated and will be subject to appropriate disciplinary action up to and including termination. The following are the objectives of the SGVCOG:

1. To ensure all workplace threats and violent behavior are addressed promptly.
2. To ensure the level of physical and facility security in the SGVCOG's workplace is sufficient to protect the health and safety of SGVCOG employees.
3. To ensure that all disciplinary action taken for behavior prohibited under this Section is reviewed, evaluated, and administered consistently and equitably throughout the SGVCOG and done so in a timely manner.

Threats or Acts of Violence Defined

A credible threat of violence is a knowing and willful statement or course of conduct that would place a reasonable person in fear for his/her safety, or the safety of his/her immediate family, and that serves no legitimate purpose. General examples of prohibited workplace violence include, but are not limited to the following:

1. Threatening to harm or harming an individual and/or his/her family, friends, associates, and/or their property.
2. Fighting or challenging another individual to a fight.
3. Intimidation through direct or veiled verbal threats, or through physical threats, such as obscene gestures, grabbing, and pushing.
4. Making harassing or threatening telephone calls; sending harassing or threatening letters, emails, or other correspondence.
5. Intimidating or attempting to coerce an employee to do wrongful acts that would affect the business interests of the SGVCOG.

6. Harassing surveillance or stalking, which is engaging in a pattern of conduct with the intent to follow, alarm, or harass another individual, which presents a credible threat to the individual and causes the individual to fear for his/her safety, or the safety of his/her immediate family, as defined in California Civil Code section 1708.7.
7. Making a suggestion or otherwise intimating that an act to injure persons or property is appropriate behavior.
8. Possession of firearms (loaded or unloaded), weapons, or any other dangerous devices on SGVCOG property. This includes look-alike weapons, such as toy guns. Weapons and dangerous devices may include, but are not limited to the following: blackjacks, slingshots, metal knuckles, explosive substances, dirks, daggers, gas- or spring-operated guns, knives, folding knives having a blade that locks into place, razor blades, and clubs.
9. Use of a personal or SGVCOG-issued tool or other equipment in a threatening manner toward another.

Reporting Workplace Violence. Any employee who is the victim of a threat or act of violence, or any employee who witnesses such conduct, should immediately report the incident to his/her Supervisor or other appropriate person in the chain of command. Should the employee perceive that he/she is in immediate danger of a violent act, or has just been victimized by a violent act, or is a witness of a violent act, he/she shall as soon as possible:

Place themselves in a safe location.

If appropriate, call 911 and request immediate response of a police officer and be prepared to inform the police dispatcher of the circumstances and the exact location of where an officer is needed.

Inform a supervisor or Human Resources of the circumstances.

Complete a written report as soon as possible and submit the original copy to Human Resources.

Cooperate fully in any administrative or criminal investigation, which shall be conducted within existing policy and laws.

Reporting Suspected Future Workplace Violence. Employees who have reason to believe they or any SGVCOG employee may be the subject of a violent act in the workplace or as a result of their SGVCOG employment, should immediately notify their Supervisor or Human Resources.

Violation of Section. The prohibition against threats and acts of violence applies to all persons involved in the SGVCOG's operation, including but not limited to SGVCOG employees, contract workers, vendors, and anyone else on SGVCOG property. Violations of this Section by any individual may be followed by legal action as appropriate, which may include, seeking a temporary restraining order and/or injunction on behalf of SGVCOG employees if the situation warrants such action. In addition to appropriate legal action, violations of this Section by employees, including making a false report under this Section, may lead to appropriate disciplinary action, up to and

including termination.

Drug-Free Workplace

The SGVCOG is committed to providing a work environment that is safe, healthy, and free of any effects caused by alcohol or drugs. Violation of SGVCOG's drug-free workplace policy can lead to disciplinary action being taken against an employee, up to and including termination. For more information regarding the policy, employees should review SGVCOG's drug-free workplace policy.

SECTION 11: LAYOFF/SEPARATION/RETIREMENT

Layoff Procedures

General. Whenever, in the judgment of the SGVCOG Board, it becomes necessary in the interest of economy or reorganization, to abolish any position or employment, the employee holding such position or employment may be laid off or demoted without the right of appeal through grievance procedures or other internal procedures. The Executive Director will determine the titles and number of positions to be affected, the layoff date, and will notify the Supervisor in writing of such reduction.

Written Notice of Layoff. Where practicable, SGVCOG will make a reasonable effort to provide any employee to be laid off with written notice of layoff not less than 14 days prior to the effective date of such layoff.

Order of Layoff. Within each position, employees will be laid off according to employment status in the following order: temporary, part-time, probationary, regular. Temporary, part-time, and probationary employees will be laid off according to the needs of the service as determined by the **Executive Director**. In cases where there are two or more regular employees in the type of position from which the layoff is to be made, such employees will be laid off on the basis of seniority. For purposes of layoff, "seniority" is defined as total time employed by the SGVCOG from the employee's date of hire to present.

Vacancy and Demotion. Except as otherwise provided, whenever there is a reduction in the work force, the Executive Director shall first demote an employee identified for lay-off to a vacancy, if any, within the same department in a position with a lower rate of pay, for which the employee is qualified. Secondly, employees may request to demote to a vacant position within the organization. An employee requesting a demotion must file a written request with the Supervisor within five working days of receiving written notice of layoff. An employee who is offered a demotion has the right to refuse the demotion.

Contract Workers. Upon the expiration of the project or contract for which a contract worker was hired, the assignment shall be automatically abolished when the funding is terminated and the layoff procedures prescribed in this Section are not applicable.

Separation from Employment with SGVCOG

Abandonment of Position. An employee may be terminated from employment if he/she is on an unauthorized leave of absence as set forth in Section 5.

Layoff/Expiration of Contract Work. As provided in Section 1 an employee may be separated by layoff or expiration of the timeframe for which the position was created.

Resignation. An employee wishing to leave employment in good standing will file with Human Resources a written resignation stating the effective date at least two weeks before leaving the service, unless approval for a shorter notice is obtained. Resignation will be deemed accepted upon submission. A resignation made without the notice required may be regarded as cause for denying the resigning employee future employment with the SGVCOG, and is a resignation not in good standing.

Retirement. Retirement from employment will be subject to the terms and conditions of SGVCOG's contract with CalPERS and the applicable statutes, rules, and regulations of CalPERS. Whenever employees meet the conditions set forth in SGVCOG's contract with CalPERS and the applicable statutes, rules, and regulations of CalPERS they may elect to retire and receive benefits to which they are entitled.

Disability. An employee may be separated for disability when the employee cannot perform the essential functions of the job, with or without a legally required reasonable accommodation, and is either not eligible to retire for disability or waives that right voluntarily.

Death of the Employee. In the event of a death of an employee, payment of all earned wages due will be in accordance with the laws of the State of California. Unless otherwise provided by law, payment of any other funds due the deceased employee will be paid to the beneficiary so designated in writing by the employee.

SECTION 12: SALARY ADMINISTRATION GUIDELINES

Employee salaries will be established and periodically reviewed for adjustment based on the SGVCOG's Salary Administration Guidelines.

Salary Ranges

All SGVCOG staff positions and ranges will be established by the Board of Directors. The ranges will be recommended based on comparable positions at other public agencies similar in nature to the Authority. Salary ranges may be adjusted with approval of the Board of Directors based on changes in job responsibilities or changes in the salaries for comparable jobs at other agencies.

Salary Administration

New hires are compensated by a salary set by the Executive Director within the salary range of the position.

The supervisor will evaluate new employees' performance at the end of an initial six-month probation period. Thereafter, performance evaluations will be done on an annual basis.

Based on performance evaluation of a rating satisfactory or better, employees are eligible for salary adjustments if funds are available within the Board-approved budget.

Each fiscal year, in the submission of the budget, staff may request a merit pool based on an

average salary adjustment percentage. Aggregate salary adjustments during the course of the year will be limited to the dollar value approved by the Board of Directors as part of the adopted budget. Individual salary adjustments cannot exceed 10%.

Salary adjustments will be limited to the range for a given position. Should an employee reach the top of his/her salary range, under no circumstance may an employee be compensated with an alternative form of compensation that would place him/her over the Board-approved salary range for the position.

In order to keep the SGVCOG salary ranges reasonably current with the market annual adjustments to the ranges based on the local Consumer Price Index will be done each January, except as otherwise specifically determined by the Board of Directors. Such adjustments would not be applied to employee salaries, only the ranges.

As public agency, SGVCOG is committed to transparency. As such, all salary ranges of all positions will be posted on the SGVCOG website and updated accordingly.

EMPLOYEE ACKNOWLEDGEMENT FORM

I have received and read a copy of the _____ 2018 employee handbook. I understand that it is not a contract of employment between the San Gabriel Valley Council of Governments (SGVCOG) and me.

I agree to abide by all rules and regulations as shown in this handbook, a copy of which I have received. If I have any questions about the handbook and its policies and procedures, I will contact my supervisor for explanation and answer to my questions.

I agree to always treat all persons conducting business with the SGVCOG in a manner that is courteous, cheerful, considerate, and professional. I further realize that my continued employment is directly related to the SGVCOG's ability to serve our clients' needs.

I understand that the statements contained in the handbook are intended to serve as general information concerning the SGVCOG and its existing policies, procedures and practices of employment and employee benefits.

I UNDERSTAND THAT NOTHING CONTAINED IN THE HANDBOOK IS INTENDED TO CREATE, NOR BE CONSTRUED AS CREATING, AN EXPRESS OR IMPLIED CONTRACT, OR GUARANTEE OF EMPLOYMENT FOR A DEFINITE OR INDEFINITE TERM.

I understand that from time to time the SGVCOG may need to delete, clarify, amend and/or supplement the information contained in the handbook, at its discretion, and that the SGVCOG will inform me, in advance, in writing, when any such deletions, changes, etc. occur. Only the SGVCOG Governing Board has the ability to adopt any revisions to the policies in the Personnel Policy/Employee Handbook.

Furthermore, I acknowledge that this handbook is neither a contract of employment nor a legal document. I have received the handbook, and I understand that it is my responsibility to read and comply with the policies contained in this handbook and any revisions made to it.

EMPLOYEE'S SIGNATURE

DATE

EMPLOYEE'S NAME (PRINTED OR TYPED)

Bill Number/Title	Summary	Committee/Location	COG Position	Updated	Status
SB 168 (Weckowski) add Sections 14514.2 and 14548 to, and to add and repeal Section 14549.7 of, the Public Resources Code, relating to recycling.. http://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB168	Would do the following: <ul style="list-style-type: none"> Require CalRecycle, on or before January 1, 2023, to establish the minimum percentage of a material type that a beverage container is constructed of, including, but not limited to, recycled materials, and Require Calrecycle, on or before January 1, 2020, to provide to the Legislature a report on the establishment and implementation of an Extended Producer Responsibility (EPR) program to replace the current California beverage container recycling program. 	COG: EENR	Tracking	2/27/2018	Active Bill Pending Referral
AB 1795 (Gipson) An act to amend Sections 1797.52, 1797.172, and 1797.218 of, and to add Sections 1797.98 and 1797.260 to, the Health and Safety Code, relating to emergency medical services. http://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB1795	Would authorize local emergency medical service agencies to allow paramedics to transport people to a community care facility, such as a mental health urgent care center or sobering facility.	State: Assembly COG: Homelessness	Support	2/27/2018	Referred to the Committee on Health
SB 827 (Wiener) An act to add Section 65917.7 to the Government Code, relating to land use. http://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB827	This bill would exempt certain housing projects from locally developed and adopted height limitations, densities, parking requirements, and design review standards. This would undermine locally adopted General Plans and Housing Elements	State: Senate COG: Planners TAC	Oppose	2/27/2018	Referred to the Senate Transportation and Housing Committee
AB 444 (Ting) An act to add Section 117906 to the Health and Safety Code, relating to public health. http://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB444	Would authorize the California Environmental Protection Agency (Cal/EPA) to develop a statewide program for the collection, transportation, and disposal of home-generated medical waste, including sharps waste and pharmaceutical waste.	State: Senate COG: EENR	Tracking		Referred to the Senate Environmental Quality Committee

AB 1795 (Gipson) An act to amend Sections 1797.52, 1797.172, and 1797.218 of, and to add Sections 1797.98 and 1797.260 to, the Health and Safety Code, relating to emergency medical services. http://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB1795	This bill would authorize a local emergency medical services agency to submit, as part of its emergency services plan, a plan to transport specified patients to a community care facility, as defined, in lieu of transportation to a general acute care hospital.	State: Assembly COG: Homelessness	Support	1/22/2018	Referred to the Committee on Health
SB 623 (Monning) add Article 6.5 (commencing with Section 14615) to Chapter 5 of Division 7 of, to add Article 14.5 (commencing with Section 62215) to Chapter 2 of Part 3 of Division 21 of, and to repeal Sections 14616 and 62216 of, the Food and Agricultural Code http://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB623	This bill would establish the Safe and Affordable Drinking Water Fund in the State Treasury and would provide that moneys in the fund are continuously appropriated to the state water board for the purpose of securing access to safe drinking water for all Californians.	State: Assembly Appropriations. 2-yr bill. COG: Water	Oppose unless amended	9/1/2017	Last year, passed through Senate and forwarded to Asm. Moved through Asm until Appropriations. Author is trying this as a budget trailer this year.
SB 633 (Portantino) A regional board shall consider opportunities to convey stormwater to a regional site within the watershed http://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB633	This bill would require a regional board preparing a water quality control plan for a region having a population in excess of 10 million residents to additionally consider opportunities to convey stormwater to a regional site within the watershed in which the stormwater originated for capture and infiltration and to consider and balance the opportunity for stormwater capture when determining past and probable future beneficial uses of water, as specified.	State: Senate COG: Water	Support 04/20/17	2/1/2018	returned to the Senate
SB 1133 (Portantino) add Section 13249 to the Water Code, relating to water quality, and making an appropriation therefor. http://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB1133	This bill would authorize a regional board to accept and spend donations of moneys from a permittee for the purpose of updating a water quality control plan, thereby making an appropriation. The bill would authorize the California regional water quality control board, Los Angeles region, to accept and spend certain funds from the Los Angeles County Flood Control District to prepare a major revision to the water quality control plan for the Los Angeles region, as prescribed.	State: Senate COG: Water	Considering support at April GB	3/19/2018	Amended and rereferred to the Committee on Rules

<p>AB 2538 (Rubio) Municipal separate storm sewer systems: financial capability analysis: pilot project.</p> <p>http://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB2538</p>	<p>This bill would require the state board, by an unspecified date, to establish financial capability assessment guidelines for municipal separate storm sewer system permittees that are adequate and consistent when considering the costs to local jurisdictions. The bill would require the California Regional Water Quality Control Board, Los Angeles region, to use the guidelines in a pilot project conducted to assess if a financial capability analysis can be effectively used to help municipalities to implement a municipal separate storm sewer system permit. The bill would require the state board to oversee the use of the guidelines and, upon the completion of the pilot project, to make statewide recommendations or site-specific recommendations based on feasibility and the need to address the most prominent pollutants.</p>	<p>State: Assembly</p> <p>COG: Water</p>	<p>Considering support at April GB</p>	<p>3/23/2018</p>	<p>Referred to committee on E.S. & T.M. COG: Water Committee pending hearing on April 24</p>
<p>AB 1912 (Rodriguez) add Sections 6508.2, 20461.1, 20574.1, and 20575.1 to, and to repeal and add Section 20577.5 of, the Government Code, and to amend Section 366.2 of the Public Utilities Code, relating to public agencies, and making an appropriation therefor.</p> <p>http://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB1912</p>	<p>The Joint Exercise of Powers Act generally authorizes 2 or more public agencies, by agreement, to jointly exercise any common power. Under the act, if the agency is not one or more of the parties to the agreement but is a public entity, commission, or board constituted pursuant to the agreement, the debts, liabilities, and obligations of the agency are the debts, liabilities, and obligations of the parties to the agreement, unless the agreement specifies otherwise. This bill would eliminate the above provisions within the Joint Exercise of Powers Act and those related provisions for community choice aggregators that permit an agreement between one or more parties to specify otherwise as to their debts, liabilities, and obligations and that permit a party to separately contract for those debts, liabilities, or obligations.</p>	<p>State: Assembly</p> <p>COG: Executive</p>	<p>Tracking</p>	<p>3/20/2018</p>	<p>Re-referred to Com. on P.E., R., & S.S. pending hearing in committee</p>
<p>SB 681 (Moorlach) to add Section 20570.1 to the Government Code, relating to public employees' retirement.</p> <p>http://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB681</p>	<p>This bill provides an alternative procedure for a public agency seeking to terminate its retirement benefits contract with California Public Employees' Retirement System (CalPERS) that would prevent CalPERS from collecting an actuarial determined amount sufficient to ensure payment of future retirement benefits for members from the agency.</p>	<p>State: Senate</p> <p>COG: Executive</p>	<p>Tracking</p>	<p>2/1/2018</p>	<p>Returned to Secretary of Senate pursuant to Joint Rule 56. Inactive Bill - Died</p>

<p>SB 1032 (Moorlach) An act to amend Section 20577, to repeal Sections 20570, 20571, 20571.5, 20573, 20574, 20575, 20577.5, 20579, 20580, 20581, 20582, 20583, 20584, 20585, 20586, 20587, 20588, 20589, 20590, 20591, 20592, and 20593, and to repeal and add Section 20578, of the Government Code, relating to retirement.</p> <p>http://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB1032</p>	<p>Existing law requires the terminating contracting agency to contribute to the terminated agency pool the difference between the accumulated contributions and the board's pension liability for the contracting agency's members, as provided. This bill would authorize a contracting agency to terminate its contract with the board at the agency's will and would not require the contracting agency to fully fund the board's pension liability upon termination of the contract. The bill would authorize the board to reduce the member's benefits in the terminated agency pool by the percentage of liability unfunded. The bill would also authorize a contracting agency who terminates its contract with the board to transfer the assets accumulated in the system to a pension provider designated by the contracting agency.</p>	<p>State: Senate</p> <p>COG: Executive</p>	<p>Tracking</p>	<p>3/15/2018</p>	<p>Referred to Com. on P.E. & R. set for hearing April 23.</p>
<p>Prop 69 (aka ACA 5) an amendment to the Constitution of the State, by amending Section 1 of Article XIXA thereof, by adding Section 15 to Article XIII B thereof, and by adding Article XIXD thereto, relating to transportation.</p> <p>http://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201720180ACAS</p>	<p>This measure would add Article XIXD to the California Constitution to require revenues derived from vehicle fees imposed under a specified chapter of the Vehicle License Fee Law to be used solely for transportation purposes, as defined. The measure would prohibit these revenues from being used for the payment of principal and interest on state transportation general obligation bonds that were authorized by the voters on or before November 8, 2016. The measure would prohibit the revenues from being used for the payment of principal and interest on state transportation general obligation bonds issued after that date unless the bond act submitted to the voters expressly authorizes that use. The measure would also prohibit the Legislature from borrowing these revenues, except as specified, or using them for purposes other than transportation purposes.</p>	<p>State: Secretary of State</p> <p>COG:Transportation</p>	<p>Considering support at April GB</p>	<p>4/17/2017</p>	<p>June 2018 as Prop 69</p>

REPORT

DATE: April 2, 2018

TO: Executive Committee

FROM: Marisa Creter, Executive Director

RE: **SB 1032 (Moorlach)**

RECOMMENDED ACTION

Discuss and provide direction to staff.

SB 1032 (MOORLACH) BACKGROUND

Currently, existing law authorizes any public agency to participate in and make all or part of its employee's members of PERS by contract and authorizes a contracting agency to terminate its contract if the contract has been in effect for at least 5 years. Under existing law, the Board of Administration of the Public Employees' Retirement System (CalPERS) is required to hold the accumulated contributions from a terminated contract in a terminated agency pool, for the benefit of the members. Existing law requires the terminating contracting agency to contribute to the terminated agency pool the difference between the accumulated contributions and the board's pension liability for the contracting agency's members, as provided.

SB 1032 would repeal the Terminated Agency Pool (TAP) within CalPERS. By doing so, it will allow entities contracted with CalPERS to terminate their contracts without paying the termination fee associated with leaving the system. The TAP was created to provide benefit payments to CalPERS members who are credited with service from agencies that terminate their contracts with the system. Before terminating a contract with CalPERS, an agency must have a funded status of 100% plus an additional 7% for mortality fluctuation. This 107% must be paid in a one-time termination fee so that CalPERS can continue providing benefit payments to that agency's members.

LOCAL IMPACT

Some entities contracting with CalPERS cannot afford to continue to make regular payments to the system and want to look for more affordable alternatives in providing an effective and sustainable retirement for their employees. Unfortunately, contract termination has proven to be damaging to entities, such as the City of Loyalton and the East San Gabriel Valley Human Services Consortium (LA Works). These entities were unable to pay CalPERS' steep termination fee and employees' pensions were cut, instead. Loyalton's four retired city employees had their pensions cut by about 60% and LA works cut the pensions of close to 200 employees by 63%.

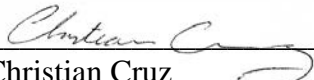
SUPPORT AND OPPOSITION

There is Currently no support for this bill.


Those who oppose SB 1032 believe that eliminating TAP would undermine public-sector pensions, and limit the power of the state over agencies that decide to sever ties with CalPERS or slash pensions. The following is a list of those who oppose this bill:

- California Association of Professional Scientists,
- Orange County Employees Association,
- Retired Public Employees Association,
- California Conference Board of the Amalgamated Transit Union,
- California Conference of Machinists,
- Utility Workers Union of America, and
- Professional & Technical Engineers, IFPTE Local 21, AFL-CIO

Prepared by:


Christian Cruz
Management Analyst

Approved by:


Marisa Creter
Executive Director

ATTACHMENTS

Attachment A – SB 1032

SENATE BILL

No. 1032

Introduced by Senator Moorlach

February 8, 2018

An act to amend Section 20577, to repeal Sections 20570, 20571, 20571.5, 20573, 20574, 20575, 20577.5, 20579, 20580, 20581, 20582, 20583, 20584, 20585, 20586, 20587, 20588, 20589, 20590, 20591, 20592, and 20593, and to repeal and add Section 20578, of the Government Code, relating to retirement.

LEGISLATIVE COUNSEL'S DIGEST

SB 1032, as introduced, Moorlach. California Public Employees' Retirement System: contract members: termination.

The Public Employees' Retirement Law creates the California Public Employees' Retirement System (PERS) for the purpose of providing pension benefits to state employees and employees of contracting agencies and prescribes the rights and duties of members of the system and their beneficiaries. Existing law establishes the Board of Administration of the Public Employees' Retirement System to administer the system, among other things. Existing law authorizes any public agency to participate in and make all or part of its employees members of PERS by contract, as provided, and authorizes a contracting agency to terminate its contract if the contract has been in effect for at least 5 years. Under existing law, the board is required to hold the accumulated contributions from a terminated contract in a terminated agency pool, as specified, for the benefit of the members. Existing law requires the terminating contracting agency to contribute to the terminated agency pool the difference between the accumulated contributions and the board's pension liability for the contracting agency's members, as provided.

This bill would authorize a contracting agency to terminate its contract with the board at the agency's will and would not require the contracting agency to fully fund the board's pension liability upon termination of the contract. The bill would authorize the board to reduce the member's benefits in the terminated agency pool by the percentage of liability unfunded. The bill would also authorize a contracting agency who terminates its contract with the board to transfer the assets accumulated in the system to a pension provider designated by the contracting agency.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares the following:
- 2 (a) The California Public Employees' Retirement System
- 3 (CalPERS) exists to provide pensions and health benefits for
- 4 California's public employees, retirees, and their families. CalPERS
- 5 manages several funds for employees and retirees based on various
- 6 factors pertinent to their employment.
- 7 (b) The Terminated Agency Pool (TAP) was created to provide
- 8 benefit payments to CalPERS members who are credited with
- 9 service from agencies that terminate their contracts with the system.
- 10 Before terminating a contract with CalPERS, an agency must have
- 11 a funded status of 100% plus an additional 7% for mortality
- 12 fluctuation, increasing the costs for those municipalities that are
- 13 already struggling with their finances. CalPERS collects this
- 14 termination fee to fund the TAP so CalPERS can continue to
- 15 provide benefit payments to members.
- 16 (c) The TAP portfolio consists of an immunized portfolio and
- 17 a surplus account. The immunized portfolio contains Treasury
- 18 Inflation Protected Securities and Separate Trading of Registered
- 19 Interest and Principal Securities, which are invested to minimize
- 20 risk of underfunding. This portfolio also contains two years of
- 21 projected benefit payments in a cash reserve account. The separate
- 22 surplus account consists of assets exceeding those required to fund
- 23 the immunized portfolio and is invested in the same way as the
- 24 Public Employees' Retirement Fund (PERF).
- 25 (d) The PERF is invested with an expected rate of return of 7%.
- 26 However, the immunized portfolio is invested with a discount rate
- 27 of 2.44%.

(e) Some entities contracting with CalPERS cannot afford to continue to make payments to the system and want to look for more affordable alternatives. Contract termination has proven to be damaging to entities, such as the city of Loyalton and East San Gabriel Valley Human Services Consortium, otherwise known as LA Works, which sought to look elsewhere for retirement and benefit options for their employees. Loyalton and LA Works exited CalPERS but were unable to pay the steep termination fees and opted to cut employees' pensions. Loyalton's four retired city employees had their pensions cut by about 60%; LA Works cut pensions of close to 200 employees by 63%.

(f) For a system designed to guarantee pensions and benefits paid to public employees, CalPERS should not encumber public agencies to such an extent that benefits cannot be provided. It is an administrative provider of investment management and retiree payment services, not a plan sponsor.

(g) It is the fiduciary duty of CalPERS to manage its funds' investments so that it may provide benefits and pensions to its members. It is not within the scope of these responsibilities to constrain its member agencies and dictate how they manage their funds should they wish to invest elsewhere.

(h) CalPERS must acknowledge and accommodate more equitable ways to provide fiscal solutions to municipalities that are in financial distress. Public entities contracting with CalPERS should be allowed to use their funds to pay into a retirement system of their choosing without CalPERS mandating they pay 107% of current obligations.

(i) The Legislature hereby authorizes agencies to terminate their contacts with CalPERS and use their funds to pay into a new retirement system instead of paying exorbitant fees into the TAP.

SEC. 2. Section 20570 of the Government Code is repealed.

~~20570. (a) If the contract has been in effect for at least five years and was approved by an ordinance or resolution adopted by the governing body of the contracting agency, the governing body may terminate it by the adoption of a resolution giving notice of intention to terminate, and by the adoption, not less than one year thereafter by the affirmative vote of two-thirds of the members of the governing body, of an ordinance or resolution terminating the contract. Termination shall be effective with board approval on~~

1 the date designated in the ordinance or resolution terminating the
2 contract.

3 (b) ~~If the contract is a joint contract and the joint contract has~~
4 ~~been in effect for at least five years, the contract may be terminated~~
5 ~~by the adoption of trial court and county resolutions giving notice~~
6 ~~of intention to terminate, and by the adoption, not less than one~~
7 ~~year thereafter by the affirmative vote of two-thirds of the members~~
8 ~~of the governing body of the county, and by the presiding officer~~
9 ~~of the trial court, of an ordinance or resolution terminating the~~
10 ~~contract. Termination shall be effective with board approval on~~
11 ~~the date designated in the ordinance terminating the contract.~~

12 SEC. 3. Section 20571 of the Government Code is repealed.

13 ~~20571. If the contract has been in effect for at least five years~~
14 ~~and was approved by an ordinance adopted by a majority vote of~~
15 ~~the electorate, termination by the contracting agency may be~~
16 ~~effected not less than one year after authority has been granted by~~
17 ~~ordinance adopted by a majority vote of the electorate of the~~
18 ~~contracting agency voting thereon. Termination shall be effective~~
19 ~~with board approval on the date designated in the ordinance or~~
20 ~~resolution terminating the contract.~~

21 SEC. 4. Section 20571.5 of the Government Code is repealed.

22 ~~20571.5. Notwithstanding any other provision of this article,~~
23 ~~the board may enter into an agreement with the governing body~~
24 ~~of a contracting agency for the termination of a portion of the~~
25 ~~contract with respect to a member classification with no active~~
26 ~~employees. The terms of the agreement shall be reflected in an~~
27 ~~amendment to the agency's contract with the board. The board~~
28 ~~may require that the portion of the contract being terminated be~~
29 ~~in effect for at least five years. Upon the termination of a portion~~
30 ~~of a contract, the board shall do the following:~~

31 (a) ~~Hold for the benefit of the members of this system who are~~
32 ~~credited with service rendered as employees of the contracting~~
33 ~~agency, and for the benefit of beneficiaries of this system who are~~
34 ~~entitled to receive benefits on account of that service, the portion~~
35 ~~of the accumulated contributions then held by this system and~~
36 ~~credited to, or as having been made by, the agency. This portion~~
37 ~~of the accumulated contributions shall not exceed the difference~~
38 ~~between the following:~~

39 (1) ~~An amount actuarially equivalent, including contingencies~~
40 ~~for mortality fluctuations, as determined by the actuary and~~

1 approved by the board, to the amount this system is obligated to
2 pay after the effective date of termination to, or on account of,
3 persons who are or have been employed by, and on account of
4 service rendered by them to, the agency.

5 (2) The contributions, with credited interest thereon, then held
6 by this system as having been made by those persons as employees
7 of the agency.

8 (b) Merge all plan assets and liabilities into the terminated
9 agency pool to provide exclusively for the payment of benefits to
10 members of these plans.

11 (1) If the sum of the accumulated contributions is less than the
12 actuarial equivalent specified in paragraph (1) of subdivision (a),
13 the agency shall contribute to the system, under the terms fixed
14 by the board, an amount equal to the difference between the amount
15 specified in paragraph (1) of subdivision (a) and the accumulated
16 contributions.

17 (2) If the sum of accumulated contributions exceeds the amount
18 specified in paragraph (1) of subdivision (a), the excess
19 contributions shall be merged into the active plan or plans of the
20 contracting agency, as determined by the chief actuary.

21 (c) Enter into an agreement with the governing body of a
22 contracting agency terminating a portion of a contract in order to
23 ensure both of the following:

24 (1) The final compensation used in the calculation of benefits
25 of its employees is calculated in the same manner as the benefits
26 of employees of agencies that are not terminating, regardless of
27 whether the employees of the terminating agency retire directly
28 from employment with the contracting agency terminating a portion
29 of a contract or continue in other public service.

30 (2) Related necessary adjustments in the employer's contribution
31 rate are made, from time to time, by the board prior to the date of
32 termination to ensure adequate funding of benefits or the governing
33 body of the contracting agency terminating a portion of a contract
34 and the board agree to another actuarially sound payment
35 technique, including a lump-sum payment at termination.

36 SEC. 5. Section 20573 of the Government Code is repealed.

37 20573. Notwithstanding any other provision of law, the board
38 may negotiate with the governing board of the terminating agency,
39 or the governing board of any agency or agencies which may be
40 assuming any portion of the liabilities of the terminating agency

1 as to the effective date of termination and the terms and conditions
2 of the termination and of the payment of unfunded liabilities.

3 For purposes of payment of unfunded actuarial liabilities this
4 section shall also apply to inactive contracting agencies, or an
5 inactive member category as determined by the board.

6 SEC. 6. Section 20574 of the Government Code is repealed.

7 ~~20574. A terminated agency shall be liable to the system for
8 any deficit in funding for earned benefits, as determined pursuant
9 to Section 20577, interest at the actuarial rate from the date of
10 termination to the date the agency pays the system, and for
11 reasonable and necessary costs of collection, including attorney's
12 fees. The board shall have a lien on the assets of a terminated
13 contracting agency, subject only to a prior lien for wages, in an
14 amount equal to the actuarially determined deficit in funding for
15 earned benefits of the employee members of the agency, interest,
16 and collection costs. The assets shall also be available to pay actual
17 costs, including attorneys' fees, necessarily expended for collection
18 of the lien.~~

19 SEC. 7. Section 20575 of the Government Code is repealed.

20 ~~20575. Notwithstanding any other provision of this part to the
21 contrary, upon request of a terminating agency, the board shall
22 enter into an agreement with the governing body of a terminating
23 agency in order to ensure that (a) the final compensation used in
24 the calculation of benefits of its employees shall be calculated in
25 the same manner as the benefits of employees of agencies that are
26 not terminating, regardless of whether they retire directly from
27 employment with the terminating agency or continue in other
28 public service; and (b) related necessary adjustments in the
29 employer's contribution rate are made, from time to time, by the
30 board prior to the date of termination to ensure that benefits are
31 adequately funded or any other actuarially sound payment
32 technique, including a lump-sum payment at termination, is agreed
33 to by the governing body of the terminating agency and the board.~~

34 ~~The terminating agency that will cease to exist shall notify the
35 board not sooner than three years nor later than one year prior to
36 its termination date of its intention to enter into agreement pursuant
37 to this section. The terms of the agreement shall be reflected in an
38 amendment to the agency's contract with the board.~~

1 If the board, itself, determines that it is not in the best interests
2 of the system, it may choose not to enter into an agreement
3 pursuant to this section.

4 SEC. 8. Section 20577 of the Government Code is amended
5 to read:

6 20577. If, at the date of termination, the sum of the accumulated
7 contributions credited to, or held as having been made by, the
8 contracting agency and the accumulated contributions credited to
9 or held as having been made by persons who are or have been
10 employed by the agency, as employees of the agency, is less than
11 the actuarial equivalent specified in clause (1) of subdivision (a)
12 of Section 20576, the agency shall contribute to this system under
13 terms fixed by the board, an amount equal to the difference between
14 the amount specified in clause (1) of subdivision (a) of Section
15 20576 and the accumulated contributions. The amount of the
16 difference shall be subject to interest at the actuarial rate from the
17 date of contract termination to the date the agency pays this system.
18 If the agency fails to pay to the board the amount of the difference,
19 all

20 (a) All benefits under the contract, payable after the board
21 declares the agency in default therefor, the contracting agency
22 terminates the contract, shall be reduced by the percentage that
23 the sum is less than the amount in clause (1) of subdivision (a) of
24 Section 20576 as of the date the board declared the default.
25 contracting agency terminates the contract. If

26 (b) If the sum of the accumulated contributions is greater than
27 the amount in clause (1) of subdivision (a) of Section 20576, an
28 amount equal to the excess shall be paid by this system to the
29 contracting agency, including interest at the actuarial rate from the
30 date of contract termination to the date this system makes payment.
31 The market value used shall be the value calculated in the most
32 recent annual closing.

33 The right of an employee of a contracting agency, or his or her
34 beneficiary, to a benefit under this system, whether before or after
35 retirement or death, is subject to the reduction.

36 SEC. 9. Section 20577.5 of the Government Code is repealed.

37 20577.5. Notwithstanding Section 20577, the board may elect
38 not to impose a reduction, or to impose a lesser reduction, on a
39 plan that has been terminated pursuant to Section 20572 if (a) the
40 board has made all reasonable efforts to collect the amount

1 necessary to fully fund the liabilities of the plan and (b) the board
2 finds that not reducing the benefits, or imposing a lesser reduction,
3 will not impact the actuarial soundness of the terminated agency
4 pool.

5 SEC. 10. Section 20578 of the Government Code is repealed.

6 ~~20578. (a) Except as provided in subdivision (b), on and after~~
7 ~~January 1, 1991, the rights and benefits of a former employee of~~
8 ~~a contracting agency which terminated on or before January 1,~~
9 ~~1991, or of his or her beneficiary, shall be the same as if the agency~~
10 ~~had continued as a contracting agency. Any monthly allowance~~
11 ~~of that individual, or of his or her beneficiary, that was reduced~~
12 ~~pursuant to Section 20577 because the contracting agency failed~~
13 ~~to pay the board the amount of the difference shall not be subject~~
14 ~~to continued reduction on or after January 1, 1991. As of January~~
15 ~~1, 1991, benefits shall be paid at the level provided in the contract~~
16 ~~prior to that reduction. However, if a former employee of a~~
17 ~~contracting agency that terminated on or before January 1, 1991,~~
18 ~~becomes employed by another covered employer after the date of~~
19 ~~termination, including an employer subject to reciprocity, the~~
20 ~~benefits shall be calculated by using the highest compensation~~
21 ~~earned by the individual.~~

22 ~~In accordance with Section 20580, an individual who has~~
23 ~~withdrawn his or her accumulated contributions from the~~
24 ~~terminated agency shall not be permitted to redeposit any~~
25 ~~withdrawn contributions upon again becoming a member of this~~
26 ~~system.~~

27 ~~(b) If a contracting agency has not paid the system for any deficit~~
28 ~~in funding for earned benefits, as determined pursuant to Section~~
29 ~~20577, members shall be entitled to the benefits to which members~~
30 ~~of the plan were entitled 36 months prior to the date the agency~~
31 ~~notified the board of its intention to terminate its contract or 36~~
32 ~~months prior to the date the board notified the agency of its intent~~
33 ~~to terminate the contract, whichever is earlier. Entitlement to earned~~
34 ~~benefits under this subdivision shall be subject to Section 20577.5.~~

35 SEC. 11. Section 20578 is added to the Government Code, to
36 read:

37 20578. Notwithstanding any other provision of law, a
38 contracting agency who terminates its contract with the board may
39 transfer the assets accumulated in the system to a pension provider
40 designated by the contracting agency.

1 SEC. 12. Section 20579 of the Government Code is repealed.
2 ~~20579. For purposes of Sections 20576 and 20577 in the case~~
3 ~~of a contracting agency that is an employer for purposes of Chapter~~
4 ~~9 (commencing with Section 20790), the contracting agency shall~~
5 ~~cease to be an employer on the day preceding the effective date~~
6 ~~of termination, and all accumulated contributions held by this~~
7 ~~system and made by or credited to the contracting agency shall be~~
8 ~~determined in accordance with Section 20834.~~

9 SEC. 13. Section 20580 of the Government Code is repealed.
10 ~~20580. Upon the termination of a contract, all memberships in~~
11 ~~this system existing because of that contract continue in existence~~
12 ~~to the extent that there are accumulated contributions to the credit~~
13 ~~of each local member, but any member may elect to withdraw his~~
14 ~~or her accumulated contributions if the member is not employed~~
15 ~~in a position subject to coverage by the system at the time of~~
16 ~~election. The status of any member who does not withdraw his or~~
17 ~~her accumulated contributions shall be the same as if the public~~
18 ~~agency had continued as a contracting agency. The membership~~
19 ~~of any member who is eligible and who elects to withdraw his or~~
20 ~~her accumulated contributions shall be terminated forthwith, and~~
21 ~~he or she shall not be entitled to any further benefit based upon~~
22 ~~service credited as an employee of the contracting agency, nor~~
23 ~~shall he or she have the right to redeposit those withdrawn~~
24 ~~contributions upon again becoming a member of this system. The~~
25 ~~portion of the contributions of the contracting agency held under~~
26 ~~Section 20576 to the credit of each member shall be determined~~
27 ~~by the board, and may be adjusted from time to time prior to~~
28 ~~termination of membership. A member whose membership~~
29 ~~continues under this section is subject to the same age and~~
30 ~~incapacity requirements as apply to other members for service or~~
31 ~~for disability retirement, but he or she is not subject to a minimum~~
32 ~~service requirement. Except as provided in Section 20578, he or~~
33 ~~she shall receive the retirement benefits as his or her accumulated~~
34 ~~contributions, together with the portion of the excess of the~~
35 ~~contributions of the contracting agency as are credited to him or~~
36 ~~her, shall provide, as determined by the board, but the provisions~~
37 ~~of this part relative to minimum retirement allowances shall not~~
38 ~~apply to him or her, nor shall those benefits exceed the benefits~~
39 ~~provided by the contract prior to its termination. Upon the death~~

1 of a member, the basic death benefit shall be his or her accumulated
2 contributions.

3 SEC. 14. Section 20581 of the Government Code is repealed.

4 20581. ~~If a public agency that terminated its contract enters~~
5 ~~into a contract for participation in this system, the contract may~~
6 ~~provide for increase in benefits of persons retired or members who~~
7 ~~retained rights under this system, if the benefits were reduced under~~
8 ~~this article at the time of termination, to the level provided in the~~
9 ~~contract for members, and for redeposit of any contributions for~~
10 ~~service to the agency not credited under a local system maintained~~
11 ~~by the agency after termination, withdrawn at termination by a~~
12 ~~person who becomes a member on contract date. Unless the~~
13 ~~redeposit is made, the member shall not receive credit for the~~
14 ~~service. All service rendered prior to the contract date and credited~~
15 ~~as a result of the contract shall constitute prior service whether or~~
16 ~~not rendered during the period of the terminated contract. All~~
17 ~~liabilities for service performed under the terminated contract shall~~
18 ~~become liabilities of a plan under the new contract. The ratio of~~
19 ~~assets to liabilities that existed at the time the previous contract~~
20 ~~was terminated shall be used to calculate the amount of assets to~~
21 ~~be transferred to a plan under the new contract.~~

22 SEC. 15. Section 20582 of the Government Code is repealed.

23 20582. ~~Any event occurring on or after the date on which~~
24 ~~termination of a contract becomes effective shall not be considered~~
25 ~~in determining the right of any member to retire for service or~~
26 ~~disability or the rights of his or her beneficiaries.~~

27 SEC. 16. Section 20583 of the Government Code is repealed.

28 20583. ~~The right to a retirement allowance, of a person who~~
29 ~~had retired prior to the effective date of the termination of a~~
30 ~~contract, or who has qualified and applied for retirement by written~~
31 ~~document received at the board's office in Sacramento, prior to~~
32 ~~the effective date, even though the board does not approve the~~
33 ~~application until a later date, and the right of any person to a benefit~~
34 ~~on account of a death that occurred prior to the effective date, is~~
35 ~~not affected by termination of the contract, unless the contracting~~
36 ~~agency fails to make the contributions required of it because of~~
37 ~~the participation of its employees in this system.~~

38 SEC. 17. Section 20584 of the Government Code is repealed.

39 20584. ~~The board may postpone the payment of any amount~~
40 ~~due a contracting agency on termination of a contract if payment~~

1 would require the sale of securities, that, in the opinion of the
2 board, would affect adversely the interests of this system.

3 If the board delays a payment longer than the period reasonably
4 necessary for the determination of the amount due and for the
5 necessary action by the board, interest shall be allowed on the
6 amount remaining due and unpaid from time to time at the rate
7 then in use under this system, and paid to the contracting agency
8 at the same time and in the manner as the original amount due.

9 SEC. 18. Section 20585 of the Government Code is repealed.

10 20585. (a) Notwithstanding any other provision of this article,
11 the board may enter into an agreement with the governing body
12 of a contracting agency whose contract has been in effect for at
13 least five years and the board of supervisors of a county
14 maintaining a county retirement system for termination of the
15 contracting agency's participation in this system and inclusion of
16 its employees in the county retirement system.

17 (b) The agreement shall contain provisions the board finds
18 necessary to protect the interests of this system, including
19 provisions for determination of the amount, time, and manner of
20 transfer of cash or securities, or both, to be transferred to the county
21 system representing the value of the interests in the retirement
22 fund of the contracting agency and its employees by reason of
23 accumulated contributions credited to the agency and its
24 employees. However, the amount transferred may not exceed the
25 amount of the accumulated contributions. Any amount representing
26 the difference between the value of the interests in the retirement
27 fund of the contracting agency and its employees, and the
28 accumulated contributions credited to the agency and its
29 employees, shall be credited to the reserve under Section 20174.
30 The agreement may also contain any other provisions that the
31 board deems necessary to address issues related to the transfer,
32 including, but not limited to, benefits subject to an outstanding
33 domestic relations order and benefits subject to a lien.

34 (c) All liability of this system with respect to members and
35 retired persons under the contract shall cease and shall become the
36 liability of the county system as of the date of termination specified
37 in the agreement. Liability of the county retirement system shall
38 be for payment of benefits in accordance with Chapter 3
39 (commencing with Section 31450) of Part 3 of Division 4 of Title
40 3 applicable to it except that allowances of persons retired on the

1 termination date and their beneficiaries and of beneficiaries of
2 deceased members or retired persons who are receiving allowances
3 on that date, shall be continued in at least the amount provided
4 under the agency's contract as it was on that date. The termination
5 may not affect the contribution rate of any member in any other
6 employment under this system on the date of termination or any
7 retirement allowance or other benefit based on service to another
8 employer being paid on the termination date.

9 (d) Any member who becomes a member of a county retirement
10 system upon the contract termination shall be subject to this part
11 and Chapter 3 (commencing with Section 31450) of Part 3 of
12 Division 4 of Title 3 extending rights to a member or subjecting
13 him or her to limitations because of membership in another
14 retirement system to the same extent that he or she would have
15 been had he or she been a member of the county retirement system
16 during his or her membership in this system under the terminated
17 contract.

18 (e) Upon execution of the agreement, a contracting agency that
19 is an employer under Chapter 9 (commencing with Section 20790)
20 shall cease to have that status, and the accumulated contributions
21 of the contracting agency shall be determined and thereafter held
22 as provided in Section 20834.

23 SEC. 19. Section 20586 of the Government Code is repealed.

24 20586. The board may enter into an agreement in accordance
25 with Section 20585 for termination of a contract that has been in
26 effect for at least five years with respect to local firefighters if the
27 firefighting function of the contracting agency and local firefighters
28 have been transferred to a district which participates in a county
29 retirement system. The contract shall continue with respect to all
30 employees of the contracting agency other than local firefighters.

31 SEC. 20. Section 20587 of the Government Code is repealed.

32 20587. The board may enter into an agreement in accordance
33 with Section 20585 for termination of a contract that has been in
34 effect for at least five years with respect to local members if
35 particular functions of the contracting agency and local members
36 have been transferred to a district or a county service area that
37 participates in a county retirement system. The contract shall
38 continue with respect to all other employees of the contracting
39 agency.

40 SEC. 21. Section 20588 of the Government Code is repealed.

1 ~~20588. (a) Notwithstanding any other provision of this article,~~
2 ~~the board may, pursuant to this section and Section 31657, enter~~
3 ~~into an agreement with the board of retirement of a county~~
4 ~~maintaining a county retirement system, for termination of~~
5 ~~participation of a public agency whose contract has been in effect~~
6 ~~for at least five years in this system or the state with respect to~~
7 ~~certain safety members who have ceased to be employed by the~~
8 ~~public agency or the state and have been employed by a county,~~
9 ~~fire authority, or district as a result of a transfer of firefighting or~~
10 ~~law enforcement functions from the public agency or the state to~~
11 ~~the county, fire authority, or district and inclusion of the former~~
12 ~~public agency employees in that county retirement system.~~

13 ~~(b) The agreement shall contain provisions the board finds~~
14 ~~necessary to protect the interests of this system, including~~
15 ~~provisions for determination of the amount, time, and manner of~~
16 ~~transfer of cash or securities, or both, to be transferred to the county~~
17 ~~system representing the actuarial value of the interests in the~~
18 ~~retirement fund of the public agency or the state and the transferred~~
19 ~~employees by reason of accumulated contributions credited to that~~
20 ~~public agency or the state and the employees transferred. The~~
21 ~~agreement may also contain any other provisions that the board~~
22 ~~deems necessary to address issues related to the transfer, including,~~
23 ~~but not limited to, benefits subject to an outstanding domestic~~
24 ~~relations order and benefits subject to a lien. The agreement shall~~
25 ~~apply only to employees who are employed by the county or district~~
26 ~~on the effective date of the agreement.~~

27 ~~(c) All liability of this system with respect to the members~~
28 ~~transferred under that agreement shall cease and shall become the~~
29 ~~liability of the county retirement system as of the date of transfer~~
30 ~~specified in the agreement. Liability of the county retirement~~
31 ~~system shall be for payment of benefits to transferred employees~~
32 ~~in accordance with Chapter 3 (commencing with Section 31450)~~
33 ~~of Part 3 of Division 4 of Title 3.~~

34 ~~(d) Any member transferred who becomes a member of a county~~
35 ~~retirement system upon that transfer date shall be subject to~~
36 ~~provisions of this part and of Chapter 3 (commencing with Section~~
37 ~~31450) of Part 3 of Division 4 of Title 3 extending rights to a~~
38 ~~member or subjecting him or her to limitations because of~~
39 ~~membership in another retirement system to the same extent that~~
40 ~~he or she would have been had he or she been a member of the~~

1 county retirement system during his or her membership in this
2 system.

3 (e) ~~This section shall apply only in the Counties of Kern, Los~~
4 ~~Angeles, Orange, and San Bernardino.~~

5 SEC. 22. Section 20589 of the Government Code is repealed.

6 20589. (a) ~~Notwithstanding any other provision of this article,~~
7 ~~the board may enter into an agreement with the board of retirement~~
8 ~~of the San Francisco City and County Employees' Retirement~~
9 ~~System, for termination of participation of a public agency whose~~
10 ~~contract has been in effect for at least five years in this system or~~
11 ~~the state with respect to certain safety members who have ceased~~
12 ~~to be employed by the public agency or the state and have been~~
13 ~~employed by the city and county, fire authority, or district as a~~
14 ~~result of a transfer of firefighting or law enforcement functions~~
15 ~~from the public agency or the state to the city and county, fire~~
16 ~~authority, or district and inclusion of the former public agency~~
17 ~~employees in that retirement system.~~

18 (b) ~~The agreement shall contain provisions the board finds~~
19 ~~necessary to protect the interests of this system, including~~
20 ~~provisions for determination of the amount, time, and manner of~~
21 ~~transfer of cash or securities, or both, to be transferred to the city~~
22 ~~and county system representing the actuarial value of the interests~~
23 ~~in the retirement fund of the public agency or the state and the~~
24 ~~transferred employees by reason of accumulated contributions~~
25 ~~credited to that public agency or the state and the employees~~
26 ~~transferred. The agreement may also contain any other provisions~~
27 ~~that the board deems necessary to address issues related to the~~
28 ~~transfer, including, but not limited to, benefits subject to an~~
29 ~~outstanding domestic relations order and benefits subject to a lien.~~
30 ~~The agreement shall apply only to employees who are employed~~
31 ~~by the city and county or district on the effective date of the~~
32 ~~agreement.~~

33 (c) ~~All liability of this system with respect to the members~~
34 ~~transferred under that agreement shall cease and shall become the~~
35 ~~liability of the San Francisco City and County Employees'~~
36 ~~Retirement System as of the date of transfer specified in the~~
37 ~~agreement. Liability of the city and county retirement system shall~~
38 ~~be for payment of benefits to transferred employees.~~

39 (d) ~~Any member transferred who becomes a member of the city~~
40 ~~and county retirement system upon that transfer date shall be~~

1 subject to provisions of this part and the provisions of the San
2 Francisco City Charter and Administrative Code extending rights
3 to a member or subjecting him or her to limitations because of
4 membership in another retirement system to the same extent that
5 he or she would have been had he or she been a member of the
6 city and county retirement system during his or her membership
7 in this system.

8 (e) This section shall apply only in the City and County of San
9 Francisco.

10 SEC. 23. Section 20590 of the Government Code is repealed.

11 20590. (a) Notwithstanding any other provision of this article,
12 the board may enter into an agreement with the governing body
13 of a contracting agency, other than a housing authority, and the
14 governing body of a city with a population in excess of 2,000,000
15 and maintaining its own retirement system, for termination of the
16 contracting agency's participation in this system and inclusion of
17 the employees in the city retirement system.

18 (b) The agreement shall contain provisions the board finds
19 necessary to protect the interests of this system, including
20 provisions for determination of the amount, time, and manner of
21 transfer of cash or securities, or both, to be transferred to the city
22 system representing the value of the interests in the retirement
23 fund of the contracting agency and its employees by reason of
24 contributions and interest credited to the agency and its employees.
25 The agreement may also contain any other provisions that the
26 board deems necessary to address issues related to the transfer,
27 including, but not limited to, benefits subject to an outstanding
28 domestic relations order and benefits subject to a lien.

29 (c) All liability of this system with respect to members and
30 retired persons under the contract shall cease and shall become the
31 liability of the city system as of the date of termination specified
32 in the agreement. Liability of the city system shall be for payment
33 of benefits to persons retired on the termination date and their
34 beneficiaries and of beneficiaries of deceased members in at least
35 the amount provided under the agency's contract as it was on that
36 date. The termination may not affect the contribution rate of any
37 member in any other employment under this system on the date
38 of termination or any retirement allowance or other benefit based
39 on service.

1 ~~(d) Any member who becomes a member of a city system upon~~
2 ~~the contract termination shall be subject to those provisions of this~~
3 ~~part extending rights to a member or subjecting the member to~~
4 ~~limitations because of membership in another retirement system~~
5 ~~to the same extent that the member would have been had he or she~~
6 ~~been a member of the city system during his or her membership~~
7 ~~in this system under the terminated contract.~~

8 SEC. 24. Section 20591 of the Government Code is repealed.

9 ~~20591. Notwithstanding any other provision of this article, the~~
10 ~~board may enter into an agreement in accordance with Section~~
11 ~~20590 with the governing body of a contracting agency, and the~~
12 ~~governing body of a city maintaining its own retirement system~~
13 ~~for termination of the contracting agency's participation in this~~
14 ~~system with respect to local firefighters and inclusion of those~~
15 ~~local firefighters in that city retirement system if the firefighting~~
16 ~~function of the contracting agency and the local firefighters have~~
17 ~~been transferred to that city. The contract shall continue with~~
18 ~~respect to all employees of the contracting agency other than local~~
19 ~~firefighters.~~

20 SEC. 25. Section 20592 of the Government Code is repealed.

21 ~~20592. Notwithstanding any other provision of law, when all~~
22 ~~or part of an employer's function is transferred to an entity that is~~
23 ~~not an employer, the board may, by contract between the board,~~
24 ~~the employer, and the succeeding entity, transfer all or part of the~~
25 ~~assets and liabilities accumulated in this system by the employer~~
26 ~~to the succeeding entity.~~

27 ~~Members employed by that employer shall have an individual~~
28 ~~election whether all accumulated contributions shall be transferred~~
29 ~~to the succeeding entity or left on deposit with this system.~~

30 ~~The accumulated contributions may be directly transferred to~~
31 ~~the succeeding entity by the board for those members who so~~
32 ~~request.~~

33 SEC. 26. Section 20593 of the Government Code is repealed.

34 ~~20593. Notwithstanding any other provision of law, when the~~
35 ~~management of a health district is assumed by the governing body~~
36 ~~of San Joaquin County, the contract shall be construed as a~~
37 ~~continuation of the district's contract for all purposes of this part.~~
38 ~~Section 20834 shall not apply upon the execution of an agreement~~

1 ~~with the board and the governing body of the county for the~~
2 ~~assumption.~~

O

REPORT

DATE: April 19, 2018

TO: Executive Committee
Governing Board Delegates and Alternates

FROM: Marisa Creter, Executive Director

RE: **SALARY RESOLUTION**

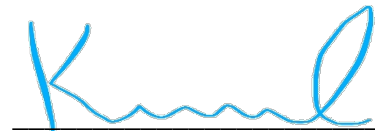
RECOMMENDED ACTION

Adopt Resolution 18-21 to update the SGVCOG salary schedule.

BACKGROUND

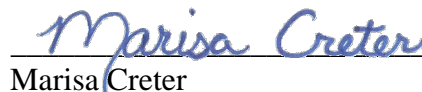
In December 2017, a resolution to the SGVCOG salary schedule was approved to combine the salary schedules for ACE and SGVCOG employees to maintain existing pay and benefits of current employees pending the outcome of the classification and compensation study. The position of Chief Engineer was inadvertently omitted from this updated schedule, as this position was formally titled the Chief Executive Officer of ACE. As a result of the revised SGVCOG structure and Joint Powers Authority amendment, the position of Chief Executive Officer of ACE was eliminated. Thus, the purpose of the updated salary resolution is to add the Chief Engineer to the SGVCOG's salary schedule, while at the same time, eliminating the Chief Executive Officer of ACE from the salary schedule. Additionally, the current salary schedule dictates that salary ranges be adjusted by CPI on January 1 of each year. Given that the classification and compensation study is still underway, a deferment of these adjustments is recommended until the results of the final compensation study are complete.

Prepared by: _____



Katie Ward
Senior Management Analyst

Approved by: _____



Marisa Creter
Executive Director

ATTACHMENTS

Attachment A – Resolution 18-21

RESOLUTION NO. 18-21

A RESOLUTION OF THE GOVERNING BOARD OF THE SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS (SGVCOG) AMENDING SALARY SCHEDULE BY DELETING CHIEF EXECUTIVE OFFICER AND ADDING CHIEF ENGINEER AND DEFERRING CPI INCREASES FOR ALL POSITIONS

WHEREAS, the Governing Board created the Alameda Corridor East Construction Authority (ACE) in 1998 as a section of the SGVCOG, separately administered by a Board made up of SGVCOG Board members, for the specific purpose of constructing railroad grade crossings and grade separations in a defined rail corridor generally paralleling the 60 freeway; and

WHEREAS, on December 19, 2017, the majority of the Member agencies approved an amendment to the Joint Powers Authority Agreement governing the SGVCOG, to revise the structure of the SGVCOG and to convert ACE into a fully integrated construction department of the SGVCOG; and

WHEREAS, a new salary study is being conducted to determine the appropriate pay and benefits for all SGVCOG employees in a fully integrated organization; and

WHEREAS, the Governing Board previously approved Resolution No. 17-39 establishing a combined salary schedule for ACE and SGVCOG employees to maintain existing pay and benefits of current employees pending the outcome of the salary study, which salaries and benefits are subject to change in the future; and

WHEREAS, the position of Chief Engineer was inadvertently omitted from the salary schedule previously adopted; and

WHEREAS, the position of Chief Executive Officer of ACE is being eliminated as a result of the revised structure and JPA amendment.

NOW, THEREFORE, the Governing Board of the SGVCOG does hereby resolve, declare, determine and order as follows:

SECTION 1. The position of Chief Executive Officer of ACE is hereby eliminated from the SGVCOG salary schedule.

SECTION 2. The position of Chief Engineer is added to the SGVCOG salary schedule as follows:

	Range Minimum		Range Maximum	
Position Title	Monthly Salary	Bi-Weekly Salary	Monthly Salary	Bi-Weekly Salary

Chief Engineer	\$16,757.75	\$7,734.35	\$19,928.00	\$9,197.54
----------------	-------------	------------	-------------	------------

Annual compensation is equal to 26 bi-weekly pay periods. Salary ranges shall be adjusted by CPI on January 1st of each year pursuant to the existing practice, except as otherwise determined by the Governing Board. These salary ranges and actual salaries are subject to change as determined by the Governing Board.

SECTION 3. CPI increases which would have been implemented in January 2018 for all positions shall be deferred until such time as the Board has received the final salary study currently underway and has acted to make any adjustments which may result from that study.

SECTION 4. The SGVCOG reserves the right, in its sole discretion, at any time and from time to time, and upon a non-discriminatory basis, to amend or rescind any provision of this Resolution or any salary or benefit provisions, or to terminate any benefits or salary provisions. Such changes may apply to current and/or future employees. All salary and benefits in this Resolution are subject to meet and confer guidelines and shall be reviewed at least annually in their entirety.

SECTION 5. The Executive Director shall certify to the adoption of this Resolution and shall enter this Resolution into the official book of resolutions. This Resolution is effective upon its adoption.

PASSED AND ADOPTED by the Governing Board of San Gabriel Valley Council of Governments, in the County of Los Angeles, State of California, on the 18th day of April 2018.

San Gabriel Valley Council of Governments

Cynthia Sternquist, President

Attest:

I, Marisa Creter, Executive Director and Secretary of the Board of Directors of the San Gabriel Valley Council of Governments, do hereby certify that Resolution 18- 21 was adopted at a regular meeting of the Governing Board held on the 19th day of April 2018 by the following roll call vote:

AYES:	
NOES:	
ABSTAIN:	
ABSENT:	

Marisa Creter, Secretary

DATE: April 2, 2018

TO: Executive Committee

FROM: Marisa Creter, Executive Director

RE: **LEASE UPDATE**

BACKGROUND

As part of the ACE-COG Integration, the Governing Board directed staff to identify options to move to a single, consolidated office, which would house all staff. At that time (August 2017), the SGVCOG's lease, for its office in Alhambra, was set to expire in June 2018, and ACE's lease, for its office in Irwindale, was set expire in April 2018. Prior to the approval of the JPA by a majority of member agencies, in December 2017, the ACE Board of Directors approved a three-year extension of the ACE's lease, through April 2021. The terms of the lease provide the option to sub-lease the space.

Key terms of the respective leases are as follows:

SGVCOG

- Current Term: Through June 2018
- Square Feet: 2,326
- Monthly Base Rent: \$5,652 (3% annual increase)

ACE

- Current Term: Through April 2021
- Square Feet: 9,137
- Monthly Base Rent: \$21,413.25 (3% annual increase)

Neither the ACE office space or the SGVCOG office space has sufficient space to accommodate the employees currently working at the alternate site on a permanent basis.

Originally, staff had recommended extending the SGVCOG lease through December 2018, to allow for the completion of the Executive Director recruitment before initiating research to identify a new joint office space. Initial research of comparable available space indicates that the cost of the joint office space would be approximately equivalent to the combined cost of the two existing leases. However, based on the financial considerations discussed below, staff is recommending extending the SGVCOG's lease term to run concurrent with ACE's lease (through April 2021) based on the following factors:

- **One-Time Moving Costs:** Staff estimates that the moving costs for the SGVCOG office will range from \$5,000 - \$10,000 based on size and equipment. The cost for moving the ACE office will be significantly higher due to size and equipment, including re-locating a computer server. Initial cost estimates are \$60,000 - \$80,000. Currently, ACE's funds are restricted such that moving costs are ineligible. Therefore, the full cost for the relocation of both offices (\$65,000 - \$90,000) would need to be paid for by the SGVCOG's general fund. As ACE begins to take on a wider range of projects, with varied sources of funds, the costs associated with moving could be budgeted for and set aside. Alternately, as the ACE Project (i.e. grade separations) are completed, this may be considered an allowable project closeout cost.

- **Sub-Lease Discount Costs:** If ACE and SGVCOG were to combine offices before the end of ACE's lease term, the space would need to be subleased. Currently, vacant space is available at the site of both ACE's office in Irwindale and the SGVCOG's office in Alhambra. In order to make a sub-lease attractive to a potential leaser, the lease rate would need to be discounted. Based on consultation from the SGVCOG's broker, staff estimates that the discount would likely need to range from 10-20%, which would range from approximately \$2,000 - \$4,000 per month for the Irwindale site. Assuming a new joint space could be secured by January 2019, the sub-lease of the Irwindale site would run for 28 months, with total sub-lease discount costs ranging from approximately \$60,000 - \$120,000. Again, based on ACE's restricted fund sources, these costs would need to be paid by the SGVCOG's general fund.
- **Potential for Vacant Space at Irwindale Site:** One alternative that has been explored is the potential for vacant office space in the Irwindale office as the ACE Project closes down. However, the Chief Engineer has indicated that any changes to staffing levels would not occur during the term of the lease (through April 2021). If anything, existing staff will be taking on additional responsibility as new capital projects are approved by the Governing Board while ACE Projects are still underway. Additionally, the grant agreements for the ACE Project allow for the full cost of the lease to be charged to the grant regardless of whether of the site is at full "capacity" because 100% of the employees working at the site are working on the Project. However, if non-ACE Project staff were to be housed in that facility, the SGVCOG would need to pay for that portion of the lease with general funds. Therefore, the SGVCOG general fund would see no savings as a result of a consolidation into the Irwindale site. The ACE Project would be the beneficiary of the savings, which compared to the overall budget of the Project would be insignificant.
- **Space at SGV Corporate Campus:** Staff has explored the possibility of leasing separate office space at the SGV Corporate Campus, where the ACE Project is currently located, to place staff currently working at the Alhambra office. However, the broker has indicated to staff that there is no space available "as-is" that is the appropriate size and configuration. Therefore, any available space would need to be subdivided and re-configured. The broker has indicated that the property owner would only assume these construction costs (deemed "tenant improvements") if the SGVCOG were to enter into a five-year lease, not a three-year lease, in order to ensure return on investment. This would again mean that the lease terms would not be co-terminus, and the SGVCOG would need to sub-lease this new space for approximately two years.
- **Move Date Uncertainty:** The sub-lease structure requires finding a tenant seeking the same office configuration as currently exists. Given that there is existing vacant space available at the Irwindale site, it is unknown how long it will take to secure a tenant willing to sub-lease. This presents a challenge in that staff cannot negotiate a lease for a new space until a sub-lease for the Irwindale site has been negotiated. This could potentially leave staff working in the Alhambra office in flux if, as originally proposed, the lease for that site is only extended through December 2018. The office space immediately adjacent to / surrounding the Alhambra office will be vacant in six months or so. Therefore, the property owner will only offer either a six-month extension or a longer term extension (ie three years) because there is an opportunity for the building to consolidate space with the surrounding soon-to-be vacant space under a single lease offering. They are not willing to

offer a one-year lease with one-year options. Therefore, if a new space were not secured by December 2018, the staff working at the Alhambra site would be without a worksite.

Based on this, staff recommends extension of the Alhambra lease through April 2021 so that the term is concurrent with that of the Irwindale site. Staff has confirmed with building management that this extension would be acceptable to the building owner, and the building owner has offered a one-month rent abatement as an incentive. Staff believes that this proposed arrangement is feasible and will not negatively impact staff cohesion or other aspects of the integration. Beginning in March 2018, staff has begun participating in monthly joint staff meetings, and management staff are in daily contact via phone, email and/or in-person. Additionally, both offices can accommodate staff from the other site to work on a temporary basis for convenience based on work schedule and meetings. This recommendation would allow for staff to conduct a thorough search of a joint office space, which could be initiated after the five-year capital projects workplan has been adopted by the Governing Board and, therefore there is further certainty regarding long-term funding and staffing levels. The anticipated timeline to conduct this search would be April 2020, which will allow staff to explore different sites, negotiate lease terms, as well as have a better understanding of what the current staff capacity and office needs of the SGVCOG will be at this time.

NEXT STEPS

If approved by the Governing Board, staff would execute an extension of the Alhambra office lease through April 2021.

Prepared by: 
Marisa Creter
Executive Director

SGVCOG / ACE Integration

	Activity	2017				2018								Status				
		S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	
Project Identification	Develop process for project identification, development and approval																	Draft process reviewed by committee in February and presented to Governing Board in March.
	Submit process for project identification, development and approval to GB																	
	Conduct outreach to member agencies to develop/ refine project list.																	
	Develop and approve initial project list																	
Personnel and Admin. Restructure	Conduct ACE/COG employee outreach																	An initial combined meeting was held in August. Additional joint staff meetings planned to be held monthly.
	Develop consolidated personnel system																	Salary/classification study initiated in February and be completed in October 2018.
	Implement consolidated personnel system																	Draft combined employee handbook being reviewed internally. To be presented to Ad Hoc Committee in March. Additional consolidation pending Comp/Class study.
	Develop consolidated admin and finance system																	Being developed by staff. Draft finance manual to be prepared by April.
Budget	Implement consolidated admin and finance system																	Action pending adoption of consolidated finance manual.
	Develop consolidated budget																	Anticipate fully consolidated budget to be presented for FY 19-20.
Office Space	Identify options for joint office space																	
	Present office space options to GB for approval																	

Achievements:

- Developed and approved updated JPA (November 2017)
- JPA approved by a majority of member agencies (19) (December 2017)
- Developed and approved updated bylaws (December 2017)
- Election process for Construction Committee approved by Governing Board in January 2018. Elections to be held in May.
- Contract awarded for compensation / classification study (January 2018)
- Updated ACE Logo approved by Governing Board in February.

Updated 3/07/2018



AGENDA AND NOTICE OF THE REGULAR MEETING OF THE
SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS GOVERNING BOARD

APRIL 19, 2018 - 6:00 P.M.

**Upper San Gabriel Valley Municipal Water District Office
602 E. Huntington Drive, Suite B, Monrovia, California 91016**

SGVCOG Officers

President
Cynthia Sternquist

1st Vice President
Margaret Clark

2nd Vice President
Joe Lyons

3rd Vice President
Becky Shevlin

Members

Alhambra

Arcadia

Azusa

Baldwin Park

Bradbury

Claremont

Covina

Diamond Bar

Duarte

El Monte

Glendora

Industry

Irwindale

La Cañada Flintridge

La Puente

La Verne

Monrovia

Montebello

Monterey Park

Pomona

Rosemead

San Dimas

San Gabriel

San Marino

Sierra Madre

South El Monte

South Pasadena

Temple City

Walnut

West Covina

*First District, LA County
Unincorporated Communities*

*Fourth District, LA County
Unincorporated Communities*

*Fifth District, LA County
Unincorporated Communities*

SGV Water Districts

Thank you for participating in tonight's meeting. The Governing Board encourages public participation and invites you to share your views on agenda items.

MEETINGS: *Regular Meetings of the Governing Board are held on the third Thursday of each month at 6:00 PM at the Upper San Gabriel Valley Municipal Water District Office (602 E. Huntington Drive, Suite B, Monrovia, California 91016).* The Governing Board agenda packet is available at the San Gabriel Valley Council of Government's (SGVCOG) Office, 1000 South Fremont Avenue, Suite 10210, Alhambra, CA, and on the website, www.sgvkog.org. Copies are available via email upon request (sgv@sgvcog.org). Documents distributed to a majority of the Board after the posting will be available for review in the SGVCOG office and on the SGVCOG website. Your attendance at this public meeting may result in the recording of your voice.

CITIZEN PARTICIPATION: Your participation is welcomed and invited at all Governing Board meetings. Time is reserved at each regular meeting for those who wish to address the Board. SGVCOG requests that persons addressing the meeting refrain from making personal, slanderous, profane or disruptive remarks.

TO ADDRESS THE GOVERNING BOARD: At a regular meeting, the public may comment on any matter within the jurisdiction of the Board during the public comment period and may also comment on any agenda item at the time it is discussed. At a special meeting, the public may only comment on items that are on the agenda. Members of the public wishing to speak are asked to complete a comment card or simply rise to be recognized when the Chair asks for public comments to speak. We ask that members of the public state their name for the record and keep their remarks brief. There is a three minute limit on all public comments. Proxies are not permitted and individuals may not cede their comment time to other members of the public. **The Governing Board may not discuss or vote on items not on the agenda.**

AGENDA ITEMS: The Agenda contains the regular order of business of the Governing Board. Items on the Agenda have generally been reviewed and investigated by the staff in advance of the meeting so that the Governing Board can be fully informed about a matter before making its decision.

CONSENT CALENDAR: Items listed on the Consent Calendar are considered to be routine and will be acted upon by one motion. There will be no separate discussion on these items unless a Board member or citizen so requests. In this event, the item will be removed from the Consent Calendar and considered after the Consent Calendar. If you would like an item on the Consent Calendar discussed, simply tell Staff or a member of the Governing Board.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the SGVCOG office at (626) 457-1800. Notification 48 hours prior to the meeting will enable the SGVCOG to make reasonable arrangement to ensure accessibility to this meeting.



PRELIMINARY BUSINESS

5 MINUTES

1. Call to Order
2. Pledge of Allegiance
3. Roll Call
4. Public Comment (*If necessary, the President may place reasonable time limits on all comments*)
5. Changes to Agenda Order: Identify emergency items arising after agenda posting and requiring action prior to next regular meeting

PRESENTATION

30 MINUTES

6. City Homelessness Planning Update - LeSar Development Consultants

LIAISON REPORTS

10 MINUTES

7. Gold Line Foothill Extension Construction Authority
8. San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy
9. Southern California Association of Governments
10. League of California Cities
11. San Gabriel Valley Economic Partnership
12. South Coast Air Quality Management District

CLOSED SESSION

30 MINUTES

13. PUBLIC EMPLOYMENT: Title: Chief Engineer pursuant to California Government Code section 54957
CONFERENCE WITH LABOR NEGOTIATORS: Agency designated representatives: Kimberly Hall Barlow, Richard D. Jones, Dominic Lazzaretto, Bob Russi, Brian Saeki, and Chris Jeffers; Unrepresented employees: Chief Engineer and all other unrepresented employees pursuant to California Government Code section 54957.6.
Recommended Action: Discuss and provide direction.

CONSENT CALENDAR

5 MINUTES

(It is anticipated that the SGVCOG Governing Board may take action on the following matters)

14. Governing Board Meeting Minutes
Recommended Action: Adopt Governing Board minutes.
15. Monthly Cash Disbursements/Balances/Transfers
Recommended Action: Approve Monthly Cash Disbursements/Balances/Transfers.
16. ACE Minutes
Recommended Action: Receive and file.
17. ACE Monthly Report
Recommended Action: Receive and file.
18. Committee Attendance
Recommended Action: Receive and file.
19. Committee Appointments
Recommended Action: Appoint the following members to the SGVCOG Committees:
-Public Works TAC: City of San Gabriel, City of Glendora
20. RFP to Review Retirement Benefit Options
Recommended Action: Authorize staff to release RFP to review retirement benefit options for SGVCOG staff.
21. SB 623 (Monning)
Recommended Action: Adopt Resolution 18-17 to oppose SB 623 (Monning).
22. Support for Rio Hondo/San Gabriel River E/WMP Modifications
Recommended Action: Authorize the Executive Director to submit a letter of support for

- the changes to the Rio Hondo/San Gabriel River Enhanced Watershed Management Plan.
23. Safe, Clean Water Recap
Recommended Action: Receive and file.
24. ACA 5 / Proposition 69
Recommended Action: Adopt Resolution 18-18 to support ACA 5/Proposition 69.
25. Employee Handbook
Recommended Action: Adopt Resolution 18-19 to approve update to the SGVCOG employee handbook.
26. AB 1971 (Santiago)
Recommended Action: Adopt Resolution 18-20 to support AB 1971 (Santiago).
27. Salary Resolution
Recommended Action: Adopt Resolution 18-21 to update the SGVCOG salary schedule.
28. Update Conflict of Interest Code
Recommended Actions: 1) Adopt Resolution 18-22 to update SGVCOG Conflict of Interest Code and 2) Direct Executive Director to submit to the County of Los Angeles Board of Supervisors.

PRESIDENT'S REPORT

5 MINUTES

EXECUTIVE DIRECTOR'S REPORT

15 MINUTES

29. Update on SGVCOG/ ACE Integration
Recommended Action: For information only.
30. Draft FY 2018-19 Budget
Recommended Action: For information only.

GENERAL COUNSEL'S REPORT

5 MINUTES

COMMITTEE REPORTS

10 MINUTES

31. Transportation Committee
32. Homelessness Committee
33. Energy, Environment and Natural Resources Committee
34. Water Committee

PROJECT REPORTS

5 MINUTES

35. The ACE Project
36. Homeless Coordination Efforts
37. San Gabriel Valley Energy Wise Partnership

BOARD MEMBER ITEMS

ANNOUNCEMENTS

ADJOURN