



ADMINISTRATIVE/ PERSONNEL COMMITTEE AGENDA

**Monday, April 24, 2023
5:45 p.m.**

**CVAG Conference Room
74-199 El Paseo, West Building, Suite 100
Palm Desert, CA 92260**

**Members of the Committee and the public may attend and participate by
video at the following remote location:**

**Capital Hilton
1001 16th Street Northwest
Washington, DC 20036**

Public comment is encouraged to be emailed to the Administrative/Personnel Committee prior to the meeting at cvag@cvag.org by 5:00 p.m. on the day prior to the committee meeting. Comments intended to be read aloud should be no more than 300 characters.

**THIS MEETING IS HANDICAPPED ACCESSIBLE.
ACTION MAY RESULT ON ANY ITEMS ON THIS AGENDA**

**UNLESS OTHERWISE STATED, ALL ACTION ITEMS WILL BE PRESENTED TO THE
EXECUTIVE COMMITTEE FOR FINAL APPROVAL.**

1. **CALL TO ORDER** – Chair Steven Hernandez, City of Coachella

2. **ROLL CALL**

- A. **Member Roster**

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3. **PUBLIC COMMENTS ON AGENDA ITEMS**

This is the time and place for members of the public to address the Administrative/Personnel Committee on agenda items. At the discretion of the Chair, comments may be taken at the time items are presented. Please limit comments to three (3) minutes.

4. **CHAIR / EXECUTIVE DIRECTOR ANNOUNCEMENTS**

5. **CONSENT CALENDAR**

- A. **Approval of the November 22, 2022 Administrative/Personnel Committee Minutes**

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- B. **Approve the updates to CVAG's Personnel Rules & Benefits Manual to take effect as of July 1, 2023, which reflect consistency with the approved implementation of the Classification and Total Compensation Study**

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6. **DISCUSSION/ ACTION**

- A. **CVAG Officer Rotation for FY 2023/2024 – Tom Kirk**

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Recommendation: Nominate the representative from the City of Desert Hot Springs to serve as FY 2023/2024 Chair and the representative from the City of Rancho Mirage to serve as FY 2023/2024 Vice Chair

- B. **Implementation of Classification and Total Compensation Study and Performance Management System – Erica Felci**

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Recommendation: Information

- C. **Fiscal Year 2023/2024 Budgetary Items – Claude T. Kilgore**

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Recommendation: Provide direction to staff on CVAG's Fiscal Year 2023/2024 Budget

7. **INFORMATION ITEMS**

A. **CalPERS Unfunded Accrued Liability**

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8. **PUBLIC COMMENTS ON NON-AGENDA ITEMS**

This is the time and place for members of the public to address the Administrative/Personnel Committee on items of general interest within the purview of this committee. Please limit comments to two (2) minutes.

9. **CLOSED SESSION**

Public Employee Performance Evaluation

Government Code Section 54957(b)(1)

Title: Executive Director

10. **ANNOUNCEMENTS**

The next meeting of the **Executive Committee** will be held on Monday, June 5, 2023, at 4:30 p.m. at the CVAG conference room, 73-710 Fred Waring Drive, Suite 119, Palm Desert, CA 92260.

ADMINISTRATIVE/PERSONNEL COMMITTEE ROSTER



Jurisdiction	Seat on Committee	Members
City of Coachella	CVAG Chair	Steven Hernandez Mayor
City of Desert Hot Springs	CVAG Vice Chair	Scott Matas Mayor
City of Palm Springs	CVAG Past Chair	Lisa Middleton Councilmember
City of La Quinta	CVCC Chair	Linda Evans Mayor
Agua Caliente Band of Cahuilla Indians	Chair Appointee	Reid Milanovich Tribal Chair
City of Rancho Mirage	Chair Appointee	Ted Weill Councilmember

ITEM 5A**ADMINISTRATIVE/ PERSONNEL COMMITTEE
MINUTES OF MEETING
November 22, 2022****1. CALL TO ORDER**

The November 22, 2022 Administrative/Personnel Committee meeting was called to order at 12:01 p.m. by Chair Steven Hernandez, City of Coachella, via Zoom videoconference, which was pursuant to AB 361 and the guidelines for virtual meetings.

2. ROLL CALL**MEMBERS PRESENT**

Mayor Steven Hernandez, Chair
Mayor Scott Matas, Vice Chair
Tribal Chair Reid Milanovich

Mayor Lisa Middleton, Past Chair
Mayor Linda Evans, CVCC Chair

AGENCY

City of Coachella
City of Desert Hot Springs
Agua Caliente Band of Cahuilla Indians
(arrived during Item 6A)
City of Palm Springs (arrived during Item 6A)
City of La Quinta

3. PUBLIC COMMENTS

None.

4. CHAIR / EXECUTIVE DIRECTOR ANNOUNCEMENTS

None.

5. CONSENT CALENDAR

IT WAS MOVED BY MAYOR EVANS AND SECONDED BY MAYOR MATAS TO APPROVE THE CONSENT CALENDAR.

A. APPROVAL OF THE APRIL 21, 2022 ADMINISTRATIVE/PERSONNEL COMMITTEE MEETING MINUTES

THE MOTION CARRIED WITH 3 AYES AND 2 MEMBERS ABSENT.

**MAYOR HERNANDEZ
MAYOR MATAS
CHAIR MILANOVICH
MAYOR MIDDLETON
MAYOR EVANS**

**AYE
AYE
ABSENT
ABSENT
AYE**

6. DISCUSSION

A. Implementation of Classification and Total Compensation Study – Claude Kilgore

Finance/ Administration Director Claude Kilgore presented the staff report and provided a recap of the study. Alyssa Thompson of Koff & Associates provided the study results and Mr. Kilgore outlined a phased-in approach to implementing the recommendations.

Member discussion ensued and staff addressed questions about the recommended next steps. Members noted the impact was well within budget and asked staff to, with the next fiscal year budget, also provide the Committee with an analysis of adjusting the salary ranges above the median.

IT WAS MOVED BY MAYOR HERNANDEZ AND SECONDED BY MAYOR MIDDLETON TO RECEIVE AND FILE THE RESULTS OF THE CLASSIFICATION AND TOTAL COMPENSATION STUDY AND, PURSUANT TO CVAG RESOLUTION 2022-005, ADOPT AN UPDATED FISCAL YEAR 2022/23 SALARY SCHEDULE AND ALLOCATED POSITIONS AND AUTHORIZE THE EXECUTIVE DIRECTOR TO TAKE THE NECESSARY STEPS TO PHASE-IN THE CHANGES, INCLUDING MAKING MINOR UPDATES TO ACHIEVE CONSISTENCY IN CVAG'S PERSONNEL RULES & BENEFITS MANUAL; AND ENDORSE THE FOLLOWING FOR INCLUSION IN CVAG'S FISCAL YEAR 2023/24 BUDGET

- **SALARY STRUCTURE: PHASE-IN THE REMAINING PAY INCREASES TO ENSURE ALL EMPLOYEES ARE AT LEAST THE MINIMUM FOR THEIR CLASSIFICATION**
- **ADMINISTRATIVE LEAVE: END THE PRACTICE OF OFFERING ADMINISTRATIVE FOR SALARIED EMPLOYEES**
- **TIME OFF: INCREASE BY 2 DAYS THE VACATION OFFERING AND ADD A ROTATING HOLIDAY**
- **DEFERRED COMPENSATION PLAN: ESTABLISH AN EMPLOYER MATCH TO DEFERRED COMPENSATION CONTRIBUTIONS, NOT TO EXCEED 2 PERCENT OF AN EMPLOYEE'S ANNUAL SALARY**
- **PERFORMANCE MANAGEMENT SYSTEM: IMPLEMENT A NEW PERFORMANCE MANAGEMENT SYSTEM CORRELATING TO AN OPEN RANGE STRUCTURE AND PAY-FOR-PERFORMANCE MERIT INCREASES**
- **EMPLOYEE CONTRACTS: STANDARDIZE THE USE OF EMPLOYMENT CONTRACTS ACROSS MANAGEMENT AND EXECUTIVE LEVEL POSITIONS**

THE MOTION CARRIED UNANIMOUSLY.

MAYOR HERNANDEZ	AYE
MAYOR MATAS	AYE
CHAIR MILANOVICH	AYE
MAYOR MIDDLETON	AYE
MAYOR EVANS	AYE

7. PUBLIC COMMENTS ON NON-AGENDA ITEMS

None.

8. **ANOUNCEMENTS**

The next meeting of the **Executive Committee** will be held on Monday, December 5, 2022 at 4:30 p.m. via Zoom webinar.

9. **CLOSED SESSION**

The Committee adjourned to closed session at 1:07 p.m.

CONFERENCE WITH REAL PROPERTY NEGOTIATOR

Property: 73-710 Fred Waring Dr, Suite 200, and 74199 Highway 111, Suites W100 and E102, 73733 Fred Waring Drive, and 43100 Cook Street, City of Palm Desert;

CVAG Negotiator: Tom Kirk, Executive Director

Negotiating Parties: City of Palm Desert, Ocean Properties Development Corp., Shah Management and Baxley Properties

Under Negotiation: Price and Terms of Payment

10. **ADJOURN**

The closed session ended at 1:30 p.m. There was no reportable action.

The meeting was adjourned at 1:31 p.m.

Respectfully submitted,

Erica Felci
Assistant Executive Director

ITEM 5B

Coachella Valley Association of Governments Administrative/Personnel Committee

April 24, 2023



STAFF REPORT

Subject: Updated Personnel Rules & Benefits Manual

Contact: Erica Felci, Assistant Executive Director (efelci@cvaq.org)

Recommendation: Approve the updates to CVAG's Personnel Rules & Benefits Manual to take effect as of July 1, 2023, which reflect consistency with the approved implementation of the Classification and Total Compensation Study

Background: In December 2021, based on the recommendation from the Administrative/Personnel Committee, the Executive Committee authorized the Executive Director to negotiate and execute an agreement with Koff & Associates to conduct a Classification and Total Compensation Study (the Study) as part of a joint effort with Western Riverside Council of Governments (WRCOG), and authorize the Administrative/Personnel Committee to direct the related next steps. The study did not include CVAG's Executive Director, as he is hired by contract. In June 2022, the CVAG General Assembly, at the recommendation of the Executive Committee, adopted Resolution 2022-005, which adopted the current fiscal year budget provided a cost-of-living adjustment to salaries and empowered the Administrative/Personnel Committee to modify the personnel classification system and salary schedule based on the study's outcome, so long as the total personnel expenses remain within the agency's overall budget for salaries.

In November 2022, the Administrative/Personnel Committee was provided with a final report and provided direction on the implementation of the study's recommendations. This authorization included new classifications and changing the salary structure from a longevity-based step system to a merit-based open range salary structure with an established minimum, control point, and maximum. Additional changes included the implementation of employment agreements for management and director-level staff, the removal of administrative leave and additional vacation and holiday time for staff. The goal of these changes is to ensure CVAG can retain and recruit top talent by remaining competitive, yet take a conservative approach by not being at the top of the market.

In order to achieve consistency, the Administrative/Personnel Committee authorized the Executive Director to make modifications to the CVAG Personnel Rules & Benefits Manual. The existing manual, which was last updated in December 2020, includes a number of references to salary steps, receiving increases based on years of service and the previous classification structure. These references have been replaced with references to the new classifications and ranges and performance evaluation system. It also includes the updated benefit offerings that the Administrative/Personnel Committee endorsed for inclusion in the Fiscal Year 2023/24 Budget, including the end of administrative leave, the addition of two vacation days, a deferred compensation plan with match, and a rotating holiday.

Staff is providing a redlined version of the changes and is recommending the Administrative/ Personnel Committee adopt the updated version. Once approved, the document will be shared with the Executive Committee for concurrence and circulated to staff after the budget is adopted.

Fiscal Analysis: The authorization for these changes were provided in June 2022 when the CVAG General Assembly, at the recommendation of the Executive Committee, adopted Resolution 2022-005, which adopted the current fiscal year budget provided a cost-of-living adjustment to salaries and empowered the Administrative/ Personnel Committee to modify the personnel classification system and salary schedule based on the study's outcome, so long as the total personnel expenses remain within the agency's overall budget for salaries.

The estimated costs for the new benefits provided to CVAG Staff beginning July 1, 2023 will be finalized with CVAG's FY2023/2024 budget, which will be presented to CVAG's Finance Committee in May 2023. These costs to CVAG are currently estimated at \$80,000 for 401(a) deferred compensation matching contributions and approximately \$32,000 for two additional vacation days. The increased costs are generally offset via productivity gains with the concurrent removal of paid administrative leave which was previously offered to FLSA Exempt employees at a rate of 80 hours per year.

Attachments: Redlined updates to CVAG's Personnel Rules & Benefits Manual.

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS



Personnel Rules and Benefits

~~November 12, 2020~~ July 1, 2023

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Core Policies

1.0 Welcome

1.1 A Welcome Policy

Welcome! You have just joined a dedicated organization. We hope that your employment with Coachella Valley Association of Governments, “CVAG” or “Agency”, will be rewarding and challenging. We take pride in our employees as well as in the products and services we provide.

The Agency complies with all federal and state employment laws, and this handbook generally reflects those laws. The Agency also complies with any applicable local laws, although there may not be an express written policy regarding those laws contained in the handbook.

The employment policies and/or benefits summaries in this handbook are written for all employees.

Please take the time now to read this handbook carefully. Sign the acknowledgment at the end to show that you have read, understood, and agree to the contents of this handbook, which sets out the basic rules and guidelines concerning your employment. This handbook supersedes any previously issued handbooks or policy statements dealing with the subjects discussed herein. The Agency reserves the right to interpret, modify, or supplement the provisions of this handbook at any time. Neither this handbook nor any other communication by a management representative or other, whether oral or written, is intended in any way to create a contract of employment. Please understand that no employee handbook can address every situation in the workplace.

If you have questions about your employment or any provisions in this handbook, contact me or the human resources staff.

We wish you success in your employment here at CVAG!

All the best,

Tom Kirk
Executive Director
Coachella Valley Association of Governments

1.2 Employment Relationship

For Cause Employment

Generally, employees are employed at CVAG under a “for cause” employment relationship. This means that employees who may be subject to disciplinary action or termination by CVAG, will be given the opportunity to be heard through grievance or appeals process outlined in this handbook.

At-Will Employment

CVAG also employs specific categorized employees on an “at-will” basis. Employees who fall into the at-will employment relationship are (1) those employed in the ~~Homeless Services~~ **CV Housing First program** unit and (2) **program managers and** director-level management employees, ~~hired as of the effective date of this manual and thereafter, unless otherwise determined by CVAG.~~ For these employees, your employment may be terminated at any time, with or without notice and with or without cause. Likewise, we respect your right to leave CVAG at any time, with or without notice and with or without cause.

Nothing in this handbook or any other Agency document should be understood as creating a contract, guaranteed or continued employment, a right to termination only ~~“for cause,”~~ or any other guarantee of continued benefits or employment for employees employed on an at-will basis. Only the Executive Director has the authority to make promises or negotiate with regard to guaranteed or continued employment, and any such promises are only effective if documented in writing and signed by the Executive Director.

If a written agreement between an at-will and CVAG is inconsistent with this handbook, the written agreement is controlling.

Nothing in this handbook will be interpreted, applied, or enforced to interfere with, restrain, or coerce employees in the exercise of their rights under Section 7 of the National Labor Relations Act.

1.3 Revisions to Handbook

This handbook is our attempt to keep you informed of the terms and conditions of your employment, including CVAG policies and procedures. The handbook is not a contract. The Agency reserves the right to revise, add, or delete from this handbook as we determine to be in our best interest, except the policy concerning at-will employment. When changes are made to the policies and guidelines contained herein, we will endeavor to communicate them in a timely fashion, typically in a written supplement to the handbook or in a posting on Agency bulletin boards.

2.0 Introductory Language and Policies

2.1 About the Agency

The purpose of this manual is to provide employees of CVAG with an overview of CVAG’s policies, benefits and rules.

It shall be the duty of all CVAG employees to comply and assist in carrying into effect the provisions of this manual and such internal management memoranda as the Executive Director shall issue.

The Executive Director is responsible for the administration of the personnel system. They may delegate any such powers and duties to any other officer or employee. The Executive Director or designee shall have the authority to appoint, promote, transfer, discipline, and terminate all employees of CVAG in accordance with the personnel practices described in this document, and adopted by CVAG.

The Executive Director, with the authority and direction of the Executive Committee, has authority not specifically delegated in this document, including, but not limited to: the exclusive right to determine the administrative goals and objectives of CVAG, set standards for performance, determine the procedures and standards of selection for employment and promotion, direct employees, take disciplinary action, lay off employees because of lack of work or for other business reasons, maintain the efficiency of CVAG's activities, determine the methods, means and personnel by which CVAG's activities are to be conducted, determine the content of position classifications, exercise control and discretion over the organization of CVAG and the technology required to perform its goals and objectives.

The CVAG Executive Committee or, when delegated to the Administrative/ Personnel Committee, shall have the authority to modify and update the personnel rules and policies as necessary and appropriate.

Members of the Executive Committee and the General Assembly of CVAG shall deal with the administrative services of CVAG only through the Executive Director, except for the purpose of inquiry, and neither the Executive Committee nor the General Assembly or any member thereof shall give orders to any subordinates of the Executive Director; nor shall any subordinates of the Executive Director contact any member of the Executive Committee or General Assembly, without the express permission of the Executive Director, for the purpose of attempting to influence any decision of the Executive Director, the Executive Committee or the General Assembly. For purposes of this section, "inquiry" means any and all communications short of giving orders, directions, or instructions to any member of the administrative staff. Such members shall give all information reasonably requested by any Executive Committee or General Assembly member. The Executive Director shall take their orders and instructions from the Executive Committee or General Assembly only when sitting in a duly convened meeting of the Executive Committee or General Assembly and no individual member of either of these bodies shall give any orders or instructions to the Executive Director. The Executive Committee or General Assembly shall instruct the Executive Director in matters of policy. Any action, determination or omission of the Executive Director shall be subject to review by the Executive Committee. The Executive Committee may not overrule, change, or modify any such action, determination, or omission except by the affirmative vote of at least a majority of all the members of the Executive Committee with voting privileges.

2.2 Ethics Code

CVAG will conduct business honestly and ethically wherever operations are maintained. We strive to improve the quality of our services, products, and operations and will maintain a reputation for honesty, fairness, respect, responsibility, integrity, trust, and sound business judgment. Our managers and employees are expected to adhere to high standards of business and personal integrity as a representation of our business practices, at all times consistent with their duty of loyalty to the Agency.

We expect that officers, directors, and employees will not knowingly misrepresent the Agency and will not speak on behalf of the Agency unless specifically authorized.

Violation of the Code of Ethics can result in discipline, up to and including termination of employment. The degree of discipline imposed may be influenced by the existence of voluntary disclosure of any ethical violation and whether or not the violator cooperated in any subsequent investigation.

3.0 Hiring and Orientation Policies

3.1 New Hires and Introductory Periods

The first 12 months of your employment is considered an introductory period. During this period, you will become familiar with CVAG and your job responsibilities, and we will have the opportunity to monitor the quality and value of your performance and make any necessary adjustments in your job description or responsibilities. Your introductory period with the Agency can be shortened or lengthened as deemed appropriate by the Executive Director. During the introductory period (whether in the initial 12 months or during any extended period), all employees are considered to be at-will, and may be terminated at any time without cause or without recourse to any appeal procedure or any other appeal right. Completion of this introductory period does not imply guaranteed or continued employment. Nothing that occurs during or after this period should be construed to change the nature of the applicable employment relationship.

Severance Policy

A severance benefit may be available for employees employed in ~~director~~ positions with ~~an at-will~~ employment agreements basis who have successfully completed their introductory period in the event that they are involuntary terminated due to a layoff, change in Agency direction, or job elimination or reorganization, conditioned upon the signing of a severance release and waiver agreement. Under such circumstances, in the discretion of the Executive Director, severance may be offered to the departing director in an amount (a) up to and not to exceed three (3) months of employee's base salary at the time of separation if the employee was employed by CVAG for a period of three (3) years, or (b) up to and not to exceed six (6) months of employee's base salary at the time of separation if the employee was employed by CVAG for a period of more than three (3) years.

No severance will be provided to an at-will, program manager or director level employee who has not successfully completed their introductory period, is terminated for cause (which shall include, but not be limited to a material breach of the employee's Employment Agreement; any immoral, unethical, or bad faith conduct; any conduct that reflects moral turpitude, including but not limited to fraud, embezzlement, bribery or perjury; any conduct that amounts to discrimination or harassment; and any conduct in violation of applicable laws, rules or regulations, including but not limited to conduct amounting to violation of the Political Reform Act or Government Code Section 1090), who loses their position solely through poor performance, who voluntarily resigns, who leaves CVAG employment due to a service or disability retirement, or due to the employee's inability to perform all or substantially all of employee's duties due to illness or other disability, or who violates CVAG policies.

Severance payments may be made in a single lump sum or via regular pay cycles for the specified duration of the severance period after employee's separation. If employee is paid via regular pay cycles, employee will not be considered to be employed by CVAG during that time period and no additional benefits of any kind will continue or accrue.

3.2 Employment Authorization Verification

New hires will be required to complete Section 1 of federal Form I-9 on the first day of paid employment and must present acceptable documents authorized by the U.S. Citizenship and Immigration Services to prove your identity and authorization to be legally employed in the United States. Acceptable documents must be presented within three business days following the start of employment with CVAG. In addition, you will be required to sign a verification attesting to your employment authorization. If you are currently employed and have not complied with this requirement or if your status has changed, you must inform your Director immediately.

If you are authorized to work in this country for a limited period of time, you will be required to submit proof of renewed employment eligibility prior to expiration of that period to remain employed by the Agency.

3.3 EEO Statement and Anti-harassment Policy

Equal Opportunity Statement

CVAG is committed to the principles of equal employment. We are committed to complying with all federal, state, and local laws providing equal employment opportunities, and all other employment laws and regulations. It is our intent to maintain a work environment that is free of harassment, discrimination, or retaliation based on an individual's race (including, but not limited to, hair texture and protective hairstyles such as braids, locks, and twists), color, religion, religious creed (including religious dress and grooming practices), national origin, ancestry, citizenship, physical or mental disability, medical condition (including cancer, genetic characteristics, and HIV/AIDS related conditions), genetic information, marital status, sex (including pregnancy, childbirth, breastfeeding, or related medical conditions), gender (including gender identity and gender expression), age (40 years and over), sexual orientation, veteran and/or military status, protected medical leaves (requesting or approved for leave under the Family and Medical Leave Act or the California Family Rights Act), domestic violence victim status, political affiliation, family and parental status, or any other status protected by federal, state, or local laws. The Agency is dedicated to the fulfillment of this policy in regard to all aspects of employment, including but not limited to recruiting, hiring, placement, transfer, training, promotion, rates of pay, and other compensation, termination, and all other terms, conditions, and privileges of employment.

The Agency will conduct a confidential, prompt, and thorough investigation of all allegations of discrimination, harassment, or retaliation, or any violation of the Equal Employment Opportunity Policy. The Agency will take appropriate corrective and remedial action, when warranted. The Agency prohibits retaliation against any employees who provide information about, complain about, or assist in the investigation of any complaint of discrimination or violation of the Equal Employment Opportunity Policy.

We are all responsible for upholding this policy. You may discuss questions regarding equal employment opportunity with your Director or any other designated member of management.

Policy Against Workplace Harassment

CVAG has a strict policy against all types of workplace harassment, including sexual harassment and other forms of workplace harassment based upon an individual's race (including, but not limited to, hair texture and protective hairstyles such as braids, locks, and twists), color, religion, religious creed (including religious dress and grooming practices), national origin, ancestry, citizenship, physical or mental disability, medical condition (including cancer, genetic characteristics, and HIV/AIDS related conditions), genetic information, marital

status, sex (including pregnancy, childbirth, breastfeeding, or related medical conditions), gender (including gender identity and gender expression), age (40 years and over), sexual orientation, veteran and/or military status, protected medical leaves (requesting or approved for leave under the Family and Medical Leave Act or the California Family Rights Act), domestic violence victim status, political affiliation, family and parental status or any other status protected by federal, state, or local laws.

This policy protects all applicants and employees (including managers and supervisors) from unlawful harassment and discrimination. This includes harassment by employees, managers, supervisors, contractors, interns, volunteers, vendors, suppliers, and customers. In addition, this policy extends to conduct connected with an individual's work, even when the conduct takes place away from the workplace, such as a business trip or business-related social function.

Harassment

Harassment means disrespectful or unprofessional conduct, including disrespectful or unprofessional conduct based on an individual's race (including, but not limited to, hair texture and protective hairstyles such as braids, locks, and twists), color, religion, religious creed (including religious dress and grooming practices), national origin, ancestry, citizenship, physical or mental disability, medical condition (including cancer, genetic characteristics, and HIV/AIDS related conditions), genetic information, marital status, sex (including pregnancy, childbirth, breastfeeding, or related medical conditions), gender (including gender identity and gender expression), age (40 years and over), sexual orientation, veteran and/or military status, protected medical leaves (requesting or approved for leave under the Family and Medical Leave Act or the California Family Rights Act), domestic violence victim status, political affiliation, family and parental status or any other status protected by federal, state, or local laws.

While it is not possible to list all the circumstances that may constitute other forms of workplace harassment, some examples of conduct that may constitute workplace harassment include:

- The use of disparaging or abusive words or phrases, slurs, negative stereotyping, or threatening, intimidating, or hostile acts that relate to the above protected categories;
- Written or graphic material that insults, stereotypes, or shows aversion or hostility toward an individual or group because of one of the above protected categories and that is placed on walls, bulletin boards, email, voicemail, or elsewhere on Agency premises, or circulated in the workplace; or
- A display of symbols, slogans, or items that are associated with hate or intolerance toward any select group.

Sexual Harassment

Sexual harassment conduct includes all of the prohibited actions set forth above, as well as other unwelcome conduct such as unwanted sexual advances, requests for sexual favors or visual, verbal or physical conduct of a sexual nature when: (1) submission to such conduct is made a term or condition of employment; or (2) submission to or rejection of such conduct is used as a basis for employment decisions affecting the individual; or (3) such conduct has the purpose or effect of unreasonably interfering with an employee's work performance or creating an intimidating, hostile, or offensive working environment. Sexual harassment can occur between members of the same or opposite sex. Employees are hereby informed that no supervisor, manager, or other person or sexually harassing conduct need not be motivated by sexual desire and may include situations that began as reciprocal relationships, but that later cease to be reciprocal.

Sexual harassment is generally categorized into the following two types:

- Quid pro quo sexual harassment ("this for that"), which includes:
 - Submission to sexual conduct when made explicitly or implicitly a term or condition of an individual's employment.
 - Submission to or rejection of the conduct by an employee when used as the basis for employment decisions affecting the employee.
- Hostile work environment sexual harassment is conduct of a sexual nature or on the basis of sex by any person in the workplace that unreasonably interferes with an employee's work performance and/or creates an intimidating, hostile, or otherwise offensive working environment. Examples include:
 - Unwelcome sexual advances, flirtation, teasing, sexually suggestive or obscene letters, invitations, notes, emails, voicemails, or gifts.
 - Sex, gender, or sexual orientation-related comments, slurs, jokes, remarks, or epithets.
 - Leering, obscene, or vulgar gestures, or sexual gestures.
 - Displaying or distributing sexually suggestive or derogatory objects, pictures, cartoons, or posters or any such items.
 - Impeding or blocking movement, unwelcome touching, or assaulting others.
 - Any sexual advances that are unwelcome as well as reprisals or threats after a negative response to sexual advances.
 - Conduct or comments consistently targeted at one gender, even if the content is not sexual.

Retaliation

Retaliation means any adverse employment action taken against an employee because the employee engaged in activity protected under this policy. Protected activities may include, but are not limited to, reporting or assisting in reporting suspected violations of this policy and/or cooperating in investigations or proceedings arising out of a violation of this policy.

Adverse employment action is conduct or an action that materially affects the terms and conditions of the employee's employment status or is reasonably likely to deter the employee from engaging in protected activity. Even actions that do not result in a direct loss of compensation may be regarded as an adverse employment action when considered in the totality of the circumstances.

Examples of retaliation under this policy include but are not limited to: demotion, suspension, reduction in pay, denial of a merit salary increase, failure to hire or consider for hire, refusing to promote or consider for promotion because of reporting a violation of this policy, harassing another employee for filing a complaint, denying employment opportunities because of making a complaint or for cooperating in an investigation, changing someone's work assignments for identifying harassment or other forms of discrimination in the workplace, treating people differently such as denying an accommodation, not talking to an employee when otherwise required by job duties, or otherwise excluding the employee from job-related activities because of engagement in activities protected under this policy.

CVAG prohibits retaliation against employees who, based on a reasonable belief, provide information about, complain, or assist in the investigation of any complaint of harassment or discrimination.

Reporting Discrimination, Harassment, and/or Retaliation

If you feel that you have witnessed or have been subjected to any form of discrimination, harassment, or retaliation, immediately notify the Executive Director.

We will promptly and thoroughly investigate any claim and take appropriate corrective and/or remedial action where we find a claim has merit. If the Agency begins an investigation, we will endeavor to conduct the investigation in a timely manner and will keep the investigation confidential to the extent possible. The Agency will only share information about a complaint of harassment with those who need to know about it. In the same way, anyone involved in an investigation of harassment has an obligation to keep all information about the investigation confidential. Failure to keep information about an investigation confidential may result in disciplinary action up to and including termination. Investigations will be documented and tracked for timely resolution.

When the investigation has been completed, the Agency will normally communicate the results of the investigation to the complaining individual, to the alleged harasser and, if appropriate, to others who are directly involved. If our policy against harassment is found to have been violated, appropriate corrective action, up to and including termination, will be taken against the harasser so that further discrimination, harassment or retaliation will be prevented. Discipline for violation of this policy may include but is not limited to, written reprimand, suspension, demotion, transfer, or discharge. As necessary, CVAG may monitor any incident of harassment or discrimination to assure the inappropriate behavior has stopped. In all cases, CVAG will follow up as necessary to ensure that no individual is retaliated against for making a complaint or cooperating with an investigation. Both the rights of the alleged harasser and the complainant will be considered in any investigation and subsequent action.

In addition to our internal complaint procedure, employees may also contact either the Equal Employment Opportunity Commission (EEOC) or the California Department of Fair Employment and Housing (DFEH) to report unlawful discrimination, harassment, or retaliation. If you wish to file a complaint with the DFEH, you must do so within three years of the alleged unlawful action. The EEOC and the DFEH serve as neutral fact-finders and will investigate the complaint and attempt to assist the parties to voluntarily resolve their disputes. For more information, visit or contact human resources staffer the nearest EEOC or DFEH office, or visit their website at <https://www.dfeh.ca.gov>.

3.4 Conflicts of Interest

CVAG is concerned with conflicts of interest that create actual or potential job-related concerns, especially in the areas of confidentiality, customer relations, safety, security and morale. If there is any actual or potential conflict of interest between you and a supplier, distributor, or contractor to CVAG, you must disclose it to your Director. If an actual or potential conflict of interest is determined to exist, the Agency will take such steps as it deems necessary to reduce or eliminate this conflict.

In addition, CVAG, as a public agency, must ensure that certain political activities and conduct by officers and employees are restricted so as to eliminate any actual or potential conflict of interest. In accordance with California Government Code Sections 3201-3209, CVAG elects to prohibit the following political activities to the extent permitted under federal and state law:

- The use, promise, or threaten or attempt to use any political authority or influence in personnel matters, including aiding or preventing a person from securing a position, nomination, confirmation, promotion or change in compensation within CVAG, by anyone who holds, or is seeking election or appointment to any office or employment with CVAG
- Solicitation of political contributions, directly or indirectly, from fellow employees, unless such request is made to the general public which may include employees of CVAG;

- Participation in any political activities while in uniform/attire adorned with “CVAG”, “CVCC”, “DCE”, and their variations; and
- Engaging in political activity during working hours or while on the premises of CVAG offices, or while conducting CVAG business away from the premises.

3.5 Employment of Relatives and Friends

CVAG will not employ friends or close relatives in circumstances where actual or potential conflicts may arise that could compromise supervision, safety, confidentiality, security, and morale at CVAG. To avoid this problem, CVAG reserves the right to exercise business judgement in deciding to refuse to hire or place a friend or close relative in a position where the potential for favoritism or conflict may or does exist.

CVAG wishes to avoid an environment with misunderstandings, complaints of favoritism, or claims of sexual harassment that may arise out of romantic relationships between two employees. Therefore, should you marry or enter into an intimate relationship with another employee you are obligated to immediately inform CVAG of the relationship and potential conflict. The employees may not remain in a reporting relationship or in positions where one individual may affect the compensation or other terms or conditions of employment of the other individual. CVAG will determine how best to address the situation.

3.6 Job Descriptions

CVAG attempts to maintain a job description for each position. If you do not have a current copy of your job description, you should request one from [human resources](#). ~~the Director of Administrative Services.~~

Job descriptions prepared by the Agency serve as an outline only. Due to business needs, you may be required to perform job duties that are not detailed in your written job description but are reasonably within the scope of your position and employment with CVAG. Furthermore, CVAG reserves the right to revise, add to, or delete from your job duties to suit business needs. CVAG will provide reasonable notice of any modification of the job description. Additionally, nothing contained within the job description is intended to alter, modify, or delete your assigned employment relationship with CVAG.

If you have any questions regarding your job description or the scope of your duties, please speak with your Director.

3.7 Posting of Openings

CVAG desires to promote qualified employees from within where it believes that is possible, consistent with the need to assure that all positions are staffed by highly competent individuals. New job openings generally will be posted on the website and publications.

It is within the discretion of CVAG to determine whether recruitment for job openings will be limited to regular CVAG employees or will be open to the public at large.

Open Recruitment means any recruitment and selection process which invites qualified applicants from the public at large as well as CVAG employees.

3.8 Training Program

In most cases, and for most departments, training employees is done on an individual basis by the department manager. Even if you have had previous experience in the specified functions of your job duties outside of your employment with CVAG, it is necessary to learn CVAG specific procedures, as well as the responsibilities of the specific position. If you feel you require additional training, consult your Director.

4.0 Wage and Hour Policies

4.1 Introduction to Wage and Hour Policies

At CVAG, pay depends on a wide range of factors, including pay scale surveys, individual effort (~~step~~ merit increases), and recommendations made by the Administrative/Personnel Committee. If you have any questions about your compensation, including matters such as paid time off, commissions, overtime, benefits, or paycheck deductions, speak with human resources staff. ~~the Director of Administrative Services.~~

Except as provided in any written employment contract or agreement, newly hired employees shall be appointed at or near the lower end ~~the first step~~ of the salary range to which their job class is assigned. However, when it appears that the person's education, previous training, and/or experience employee are substantially superior to those required of the class, the Executive Director may authorize an appointment to a position at a higher ~~step~~ section of the salary range. Additionally, initial employment at a salary ~~step~~ other than entry level, may be authorized by the Executive Director when a particularly difficult recruiting problem for a ~~class~~ classification exists.

CVAG's classifications include the following: Program Assistant, Program Specialist, Intern, Management Analyst, Accountant, Office Manager, Clerk, Program Manager, and director-level positions such as department directors, Chief Operating Officer, Deputy Executive Director and Executive Director.

Classification pay: CVAG group its positions into one of three classes as follows:

Class I ~~—~~ clerical and secretarial positions;

Class II ~~—~~ management, supervisory and professional positions; and

Class III ~~—~~ Executive Director and any other position as designated by the Executive Committee on the recommendation of the Executive Director.

Employment agreements shall be required of individuals who are in at least program manager and director-level positions. Each ~~class~~ classification specification shall include, but is not limited to, a list of typical duties and a statement of the minimum qualification required for the appointment. However, class specifications are not an all-inclusive list, and therefore, employees may be required to perform other assigned duties. It shall be understood that all positions require the ability to read, write, and communicate clearly in English; to follow written and oral instructions and to maintain satisfactory professional relationships with co-workers and the public. For those classifications with levels, distinctions between levels are be defined based on scope of responsibility, complexity of work, supervision received and exercised, authority for making decisions and taking action, type and level of required knowledge, skills, abilities, education, training, and experience.

The Executive Director shall be responsible for the establishment, administration, and maintenance of the Classification Plan. As appropriate, the Executive Director shall direct a review of the existing Classification Plan to ensure that it is effectively maintained and that it

reflects any significant changes in duties and responsibilities of positions. Such a review may involve only selected classes or the entire Classification Plan.

Salary Schedule: The Executive Director shall, as appropriate, prepare an official salary schedule covering all classes of positions in CVAG. In preparing the salary schedule, consideration shall be given to rates of pay and working conditions for comparable work in other public agencies and in private employment within the State of California. In addition, consideration shall be given to CVAG's financial position and to attracting and retaining highly qualified personnel.

The Executive Director shall recommend a proposed salary schedule for adoption to CVAG's Executive Committee. The Executive Committee shall adopt, amend and adopt, or choose not to adopt the proposed plan as part of a proposed budget.

Pay Plan Structure: The basic pay range for all classifications shall consist of salary ranges that were evaluated and determined through the 2022 Classification and Total Compensation Study. -It is an open-range based structure with an established minimum, control point, and maximum. steps, each approximately 5% greater than the preceding step up through step five. ~~Upon the sixth step created to encourage longevity, up to a 2.5% merit increase may be given.~~

Class I Non-exempt employees will be considered hourly employees.

4.2 Recording Time

CVAG is required by applicable federal, state, and local laws to keep accurate records of hours worked by certain employees. To ensure that the Agency has complete and accurate time records and that employees are paid for all hours worked, nonexempt employees are required to record all working time using Agency time sheets. Exempt employees may also be required to track days worked and paid days off (e.g. holidays, vacation, etc.) to properly designate time off under the appropriate pay code. Speak with the ~~Director of Administrative Services~~ human resources staff for specific instructions.

You must accurately record all of your time to ensure you are paid for all hours worked and must follow established Agency procedures for recording your hours worked. Time must be recorded as follows:

- At the start of your shift.
- At the start of your meal period.
- At the end of your meal period, to resume work.
- At the end of your shift; and
- Before and after any other time away from work.

Time sheets/time cards or their electronic equivalent are to be turned in to your Director or appropriate department on the Thursday beginning the new pay period.

Notify ~~the Director of Administrative Services~~ human resources staff and your Director of any pay discrepancies, unrecorded or erroneously recorded work hours, or any involuntarily missed meal or break periods.

Falsifying time entries is strictly prohibited. Falsifying time entries includes purposely recording false time, recording time on behalf of another employee and working "off the clock." Falsifying time records will subject you to disciplinary action up to and including termination. Immediately report to Upper Level Management any employee, supervisor, or manager who

falsifies your time entries or encourages or requires you to falsify your time entries or work off the clock.

4.3 Workday/Workweek

CVAG's workweek begins on Thursday and ends the following Wednesday. The workday begins at 12:00 a.m. and ends at 11:59 p.m. Employees may be required to come in early, work late, or work overtime from time to time, depending on various factors, such as workloads, staffing needs, and special projects.

4.4 Pay Period

All employees are paid bi-weekly, every other week, on Fridays for the pay period that ends on the previous Wednesday. If a payday falls on a holiday, generally, you will be paid on the last business day before the holiday.

Review your paycheck for accuracy and report any concerns to the ~~Director of Administrative Services~~ human resources staff immediately. If you have been overpaid or underpaid, the error will be corrected as soon as possible.

4.5 Direct Deposit

CVAG encourages all employees to enroll in direct deposit. If you would like to take advantage of direct deposit, ask human resources for an application form. Typically, the bank will begin the direct deposit of your payroll with the first paycheck following submittal of your completed application.

If you have selected the direct deposit payroll service, explanation of your deductions will be available to you on paydays via the Paychex online service.

4.6 Paycheck Deductions

CVAG is required by law to make certain deductions from your pay each pay period. This includes federal, state, local income taxes, and unemployment taxes, Federal Insurance Contributions Act (FICA) contributions (i.e, Medicare), and any other deductions required under law or by court order for wage garnishments. The amount of your tax deductions will depend on your earnings and the information you list on your federal Form W-4 and applicable state withholding form. You may also authorize voluntary deductions from your paycheck, including contributions for insurance premiums, retirement plans, spending accounts, or other services. Your deductions will be reflected in your wage statement.

The Agency will not make deductions to your pay that are prohibited by federal, state, or local law. If you have any questions about deductions from your pay, contact the Executive Director and/or the designee of ~~Administrative Services~~. You will be reimbursed in full for any isolated, inadvertent, or improper deductions, as defined by law. If an error is found, you will receive an immediate adjustment, which will be paid no later than your next regular payday.

4.7 Travel Time Pay

Some nonexempt positions within CVAG require travel. If you are a nonexempt employee and are required to travel in the course of conducting your work, you will be paid as follows:

- If you report to the workplace and then are required to travel to another site to work for the day, travel time to the assigned workplace will be paid.
- When you are required to report to a site other than your regular work site, and you go directly to that site without first going to the regular work place, the Agency will pay travel time for any time in excess of your normal commute time to your regular work site.
- If you are required to travel to a distant workplace, you will be paid travel time in addition to time worked.
- Your travel hours are “hours worked” for the purposes of calculating overtime.

4.8 Reporting Time Pay

CVAG provides reporting time pay to nonexempt employees in all circumstances required by applicable law, including when you report to work for your scheduled shift but are asked to work, or are given, less than half of the hours you were scheduled to work. Reporting time pay may also be available for employees who are asked to call in or verify whether they will be required to work through online resources. Reporting time pay will be paid at your regular rate of pay. Reporting time pay for hours not actually worked is not counted for purposes of determining overtime.

Reporting time pay is not provided under certain circumstances, including, but not limited to:

- When Agency operations cannot begin or continue due to threats to employees or property, or when civil authorities recommend that work not begin or continue;
- When public utilities fail to supply electricity, water, or gas, or there is a failure in the public utilities or sewer system; or
- When the interruption of work is caused by an “act of God” or other cause outside of the employer’s control, such as an earthquake.

Speak with the ~~Director of Administrative Services~~ human resources staff for more information regarding reporting time pay.

4.9 One Day Rest in Seven

In accordance with California law, nonexempt employees are generally permitted, on average, one day of rest for every seven days of work depending upon scheduling and business needs as well as availability and interest in additional hours of work.

4.10 Overtime

If you are a nonexempt employee, you may qualify for overtime pay. All overtime must be approved in advance, in writing, by the Executive Director and/or the designee.

At certain times CVAG may require you to work overtime. We will attempt to give as much notice as possible in this instance. However, advance notice may not always be possible. Failure to work overtime when required or working unauthorized overtime may result in disciplinary action, up to and including termination.

Nonexempt employees who work more than eight hours in any workday or more than six days in any workweek, will be paid overtime at a rate of:

- One and one-half times your regular rate of pay for all hours worked in excess of eight hours up to and including 12 hours in any workday, and for the first eight hours worked on the seventh consecutive day of work in a workweek.
- Two times your regular rate for all hours worked in excess of 12 hours in a workday or in excess of eight hours on the seventh consecutive day of work in a workweek.

Nonexempt employees who work more than 40 hours in a workweek are entitled to overtime pay after any daily overtime hours are subtracted. In this instance, overtime will be paid at a rate of one and one-half times your regular rate of pay for hours worked in excess of the 40 hours in a workweek (minus any daily overtime hours). The same hours are never counted against different overtime limits.

Holidays, vacation days, and sick leave days do not count as time worked for the purpose of computing overtime.

4.11 Wage Disclosure Protection

In accordance with California law, CVAG will not:

- Prohibit you from:
 - Disclosing your own wages;
 - Discussing the wages of others; or
 - Inquiring about another's wages.
- Require you to sign a waiver or other document that proposes to deny you the right to disclose the amount of your wages.
- Discharge, formally discipline, or otherwise discriminate or retaliate against you for disclosing the amount of your wages.

However, if you have access to or knowledge of the private compensation information of other employees as a part of your role and essential job functions, you may not disclose that information to individuals who do not have a legitimate business need to access it, unless the disclosure is:

- In response to a formal complaint or charge;
- Part of an investigation, proceeding, hearing, or action, including an investigation conducted by the Agency; or
- Consistent with the legal duty of the Agency to furnish information.

If you believe that you have been discriminated or retaliated against in violation of this policy, immediately report your concerns to the Executive Director.

Nothing in this policy will be enforced to interfere with, restrain or coerce, or retaliate against employees regarding their rights under the National Labor Relations Act.

4.12 Attendance Policy

If you know ahead of time that you will be absent or late, provide reasonable advance notice to your Director. You may be required to provide documentation of any medical or other excuse for being absent or late where permitted by applicable law.

CVAG reserves the right to apply unused vacation, sick time, or other paid time off to unauthorized absences where permitted by applicable law. Absences resulting from approved leave, vacation, or legal requirements are exceptions to the policy.

Failure on the part of an employee, absent without leave, to return to work within 24 hours after a notice to return shall be cause for immediate discharge. First class US Postal Service letter addressed to the employee's last known address shall be reasonable notice.

4.13 Job Abandonment

If you fail to show up for work or fail to call in with an acceptable reason for the absence, for a period of three consecutive days, excepting periods determined by the Executive Director, you will be considered to have abandoned your job and voluntarily resigned from CVAG.

4.14 Meal and Rest Periods Policy

CVAG strives to provide a safe and healthy work environment and comply with all federal and state regulations regarding meal and rest periods. Check with your Director regarding procedures and schedules for meal and rest periods.

The Agency requests that employees observe and accurately record meal periods in time and attendance records. If you know in advance that you may not be able to take an uninterrupted scheduled meal or rest period, let your Director know; in addition, notify your Director as soon as possible if you were unable to take or were prohibited from taking an uninterrupted scheduled meal or rest period.

Meal and rest periods are intended to provide employees with an opportunity to be away from work, and employees are not permitted to perform any work during meal and rest periods.

Meal Periods

If you are a nonexempt employee and work more than five hours in a workday, you will be provided an unpaid, uninterrupted 30-minute to one-hour meal period no later than the end of your fifth hour of work and will be required to "clock out" from the timekeeping system to begin your meal period. If you work fewer than six hours in a workday, you may mutually agree with ~~the Director of Administrative Services~~ human resources staff to waive the meal period.

If you are nonexempt and work more than 10 hours in a workday, you will be provided a second unpaid, uninterrupted 30-minute to one-hour meal period no later than the end of your tenth hour of work. If you work no more than 12 hours in a workday and have taken the first meal period, you may mutually agree with ~~the Director of Administrative Services~~ human resources staff to waive the second meal period.

See ~~the Director of Administrative Services~~ human resources for procedures related to requesting to waive a meal period in the above circumstances.

Rest Periods

If you are a nonexempt employee, you will be provided paid, 10-minute rest periods based on total hours worked daily. As these rest breaks are paid, you are not required to "clock out" from the timekeeping system to start your rest break. You will receive 10 minutes of uninterrupted rest time for every four hours of work, or major portion of each four hours worked. Accordingly, if you work:

- Less than three and a half hours, you are not entitled to a rest period;
- Three and a half to six hours, you are entitled to a 10-minute rest period;
- Six to 10 hours, you are entitled to two 10-minute rest periods; or
- Ten to 14 hours, you are entitled to three 10-minute rest periods.

Rest periods are to be taken in the middle of the four-hour work period when possible. Rest periods may not be combined or added to meal periods or used to start work later or end work early.

4.15 Nonexempt Personnel

If you are classified as nonexempt at the time of your hiring, you will be eligible for minimum wage and overtime pay in accordance with federal, state, and local laws. If you have a question regarding whether you are exempt or nonexempt, contact your Director for clarification.

4.16 Exempt Personnel

If you are classified as exempt at the time of your hiring, you are not eligible for overtime pay as otherwise required by federal, state, or local laws. If you have a question regarding whether you are exempt or nonexempt, contact your Director for clarification.

4.17 Regular Full-Time Personnel

Regular full-time employees are those who have completed their introductory period and are regularly scheduled to work at least 40 hours per week. Unless stated otherwise or specifically required by law, all the benefits provided to employees at CVAG are for regular full-time employees only. This includes vacation, holiday pay, health insurance, and other benefits coverage.

4.18 Regular Part-Time Personnel

All employees who regularly work fewer than 40 hours per week are considered part time. Part-time employees are not eligible for CVAG benefits unless specified otherwise in this handbook, in the benefit plan summaries, or specifically required by law.

4.19 Temporary Personnel

Temporary employees are hired for a specific period or specific work project, not to exceed three months in duration. CVAG reserves the right to extend the duration of temporary employment where necessary. Temporary employees are not eligible for benefits unless specified otherwise in this handbook or in the benefit plan summaries, or specifically permitted by law.

4.20 Business Expenses Policy

The purpose of this policy is to define approved nontravel business expenses and the authority for incurring and approving such expenses at CVAG.

Approved business expenses are the reasonable and necessary expenses incurred by employees to achieve legitimate business purposes that are not covered by normal Agency procurement processes.

Business Meetings (Employer-Sponsored Events and Meetings)

The Agency pays for expenses necessary to achieve a valid business purpose when meetings are held with customers, vendors, or other Agency employees. The most senior Agency individual present is to pay for and report all expenses.

The Agency will make every effort to have a master account set up for Agency-wide and large group events. However, if you are at a small meeting or staying by yourself at a hotel, pay individually and submit for reimbursement accordingly.

Technical and Training Seminars

The Agency pays for expenses associated with attendance at classes and seminars that enhance job-related skills. Prior approval must be obtained by your Director.

Other Expenses

The Agency will pay for postage and telephone expenses that are for business purposes.

Reporting

Report approved expenses on the standard expense report form and include a description of the expense, its business purpose, date, place, and the participants.

4.21 Travel Expenses

The purpose of this policy is to define approved business travel expenses and the authority for incurring and approving such expenses at CVAG.

Travel expenses are the reasonable and necessary expenses incurred by employees when traveling on approved CVAG business trips. Travel is limited to business activities for which other means of communication is inadequate and for which prior approval from your Director has been received.

Reimbursement for Per Diem, Hotels and Public Transportation

All requests for such reimbursement must be approved in advance of incurring the expense by the Executive Director except in cases of emergency when advance approval is not possible. The following rates are minimums that will be paid without receipts when on CVAG business requiring work at least two hours before or after CVAG's usual work hours or when out of town overnight on CVAG business. Higher reimbursements can be approved by the Executive Director upon submission of proper documentation including justification of the higher rates. Such approval (or non-approval) shall be at the sole discretion of the Executive Director.

- Daily allowance for meals (per diem): \$50.00
- For fractions of days:
 - Breakfast: \$13.00
 - Lunch: \$14.00
 - Dinner: \$23.00
- Hotel allowance: The lowest room rate for a single occupant at the hotel where the conference is being held or the normal rate in the community for comparable accommodations.

Air Travel

Use economy or tourist class fares when traveling on Agency business. In addition, private, noncommercial aircraft or chartered aircraft is not to be used, and no more than two Agency officers should travel together on the same flight.

Airfares are to be charged to personal credit cards and subsequently submitted for reimbursement on a monthly expense report.

Hotels

Neither in-room movies nor refreshment bars are approved Agency expenses.

Insurance

The Agency does not pay for personal travel insurance for employees.

Rental Cars

You are to use rental firms having existing relationships with the Agency and, where feasible, have negotiated discount rates. Available reasonable transportation is to be used.

Personal Vehicles

When using your own vehicle for business purposes, you must maintain insurance coverage as required by law. Travel between your home and primary office is not considered to be business travel. You may not use your personal vehicle for business travel without authorization. Every attempt should be made to utilize the use of courier and delivery services in order to avoid hazard of liability and the time away from work. You will be reimbursed for vehicle use at the standard IRS mileage rate. The Executive Director must authorize any deviation from this policy.

Reporting

Report approved expenses and include a description of the expense, its business purpose, date, place, and the participants.

Travel Reservations

Airline travel, rental cars, and hotels must be booked through the corporate designated travel agency in order to be reimbursed.

5.0 Performance, Discipline, Layoff, and Termination

5.1 Open Door/Conflict Resolution Policy

CVAG strives to provide a comfortable, productive, legal, and ethical work environment. To this end, we want you to bring any problems, concerns, or grievances you have about the workplace to the attention of your Director and, if necessary, to ~~h~~Human ~~R~~esources or upper level management.

If you believe there is inappropriate conduct or activity on the part of the Agency, management, its employees, vendors, customers, or any other persons or entities related to the Agency, bring your concerns to the attention of your Director at a time and place that will allow the person to properly listen to your concern. Most problems can be resolved informally through dialogue between you and your immediate Director. If you have already brought this matter to the attention of your Director before and do not believe you have received a sufficient response, or if you believe that person is the source of the problem, present your concerns to human resources or upper level management. Describe the problem, those persons involved in the problem, efforts you have made to resolve the problem, and any suggested solution you may have.

Grievance Procedure

Every effort shall be made to resolve a grievance between an employee whose employment is terminable for cause through discussion between the employee and his/her immediate supervisor as described above. This grievance procedure does not apply to employees who are employed on an at-will basis.

Matters Subject to Grievance Procedure: A grievance shall be a claim filed by an employee on their own behalf, contending that CVAG has violated or misapplied a specific provision expressed and written in this Personnel Policy.

Employees shall submit only such claims that they, reasonably and in good faith, believe have merit and are subject to this grievance procedure.

Grievance Procedure: An employee shall have the right to present a formal grievance in writing to the Executive Director. Such grievance shall be filed within ten calendar days of the alleged grievance. An employee or designated representative may present their grievances during working hours, provided such use of CVAG time shall be kept to a reasonable minimum.

When discussing the formal grievance with the Executive Director, the employee shall have the right to appear with their representative who may also participate in the discussion. The Executive Director shall review, render a decision with comments in writing and provide the written decision to the employee within ten workdays after receiving the formal grievance. If the employee does not agree with the decision reached, the employee may present an appeal in writing to the Executive Director within ten workdays. Failure of the employee to take further action within ten workdays after receipt of the decision of the Executive Director will constitute a withdrawal of the grievance. If an appeal is requested, the Executive Director will convene a hearing of the Administrative/Personnel Committee and will notify the employee of the date and time of the hearing.

Appeal for Reconsideration to the Administrative/Personnel Committee: Upon receipt of an appeal for reconsideration, the Administrative/Personnel Committee shall discuss the grievance with the employee and any other appropriate persons. The Administrative/Personnel Committee may designate a fact-finding committee, an individual not in the normal line of the employee's supervision, or CVAG's legal counsel to render advice concerning the appeal. Within ten working days, the Administrative/Personnel Committee shall render a formal decision, in writing, to the employee. Such decision shall be considered as final.

All communications pertaining to an employee's grievance shall be confidential and shall not be discussed except with authorized personnel who have a legitimate business reason to be privy to such communication.

This grievance procedure may be used by an employee without fear of retaliation. Reprisals shall not be taken against any employee for submitting a grievance. Supervisors shall not delay or suppress submission and orderly consideration of a grievance.

5.2 Promotions

To match you with the job for which you are best suited and to meet the business needs of CVAG, you may be transferred from your current job. It is our policy to promote from within only when the most qualified candidate is available. Promotions are made on an equal opportunity basis according to employees possessing the needed skills, education, experience, and other qualifications that are required for the job.

Reclassification Upward means that if a position is reclassified to include a higher salary range, the incumbent employee may be appointed to the position so reclassified.

Reclassification Downward means that if a position is reclassified to a classification having a lower salary range, the incumbent employee may be appointed to the position so reclassified. A reclassification downward could occur at the discretion of CVAG or at the request of an employee.

5.3 Performance Improvement

CVAG will make efforts to periodically review your work performance. The performance improvement process will take place annually, or as CVAG needs dictate. You may specifically request that your Director assist you in developing a Performance Improvement Plan at any time.

The performance improvement process is a means for increasing the quality and value of your work performance. During this process, your initiative, effort, attitude, job knowledge, and other factors will be addressed.

5.4 Pay Raises

Depending on financial health and other Agency factors, efforts will be made to give pay raises consistent with CVAG policy, job performance, and the consumer price index. The Agency may also make individual pay raises based on merit or due to a change of job position. For those employees who are at-will, the terms of their employment agreement govern pay raises.

~~Each new employee enters on the first step and becomes eligible for a step increase after successful completion of their introductory period of one year to the second step. Thereafter, further step increases up through the fifth step will be given, based upon merit with at least a competent or higher performance evaluation in all areas rated. After three years on the fifth step, employees become eligible for an increase to step six. If on any performance evaluation, an employee receives less than a competent rating in any category, the employee will be notified in writing of why the rating was given, what the employee must do to improve it, and how long the employee will have to bring up the performance to a competent rating. These Merit increases will be based on how an employee is reviewed under the performance evaluation system, and will depend on funds available, and will be considered at least annually. These increases will be applied the same across the agency, ensuring all employees who receive the same total scores are compensated the same percentage increase for their quality of work. after the second step. Upon the sixth step created to encourage longevity, up to a 2.5% merit increase may be given.~~

5.5 Outside Employment

Outside employment that creates a conflict of interest or that affects the quality or value of your work performance or availability at CVAG is prohibited. The Agency recognizes that you may seek additional employment during off hours, but in all cases expects that any outside employment will not affect your attendance, job performance, productivity, work hours, or scheduling, or would otherwise adversely affect your ability to effectively perform your duties or in any way create a conflict of interest. Any outside employment that will conflict with your duties and obligations to the Agency should be reported to your Director. Failure to adhere to this policy may result in discipline up to and including termination.

5.6 Standards of Conduct

CVAG wishes to create a work environment that promotes job satisfaction, respect, responsibility, integrity, and value for all our employees, clients, customers, and other

stakeholders. We all share in the responsibility of improving the quality of our work environment. By deciding to work here, you agree to follow our rules.

While it is impossible to list everything that could be considered misconduct in the workplace, what is outlined here is a list of common-sense infractions that could result in discipline, up to and including immediate termination of employment. This policy is not intended to limit our right to discipline or discharge employees for any reason permitted by law.

Examples of inappropriate conduct include, but are not limited to:

- Violation of the policies and procedures set forth in this handbook.
- Possessing, using, distributing, selling, or negotiating the sale of illegal drugs or other controlled substances while on CVAG premises or conducting CVAG business;
- Being under the influence of alcohol or marijuana while on CVAG premises (including in CVAG vehicles), or while conducting CVAG business;
- Inaccurate reporting of the hours worked by you or any other employees;
- Providing knowingly inaccurate, incomplete, or misleading information when speaking on behalf of the Agency or in the preparation of any employment-related documents including, but not limited to, job applications, personnel files, employment review documents, intra-Agency communications, or expense records;
- Taking or destroying CVAG property;
- Possession of potentially hazardous or dangerous property (where not permitted) such as firearms, weapons, chemicals, etc., without prior authorization;
- Fighting with, threatening, attempts to use violence or harassment of (as defined in our EEO policy), any fellow employee, vendor, or customer;
- Discriminatory or harassing conduct or behavior as defined in the EEO policy with any fellow employee, vendor, or customer;
- Refusal or failure to follow directions or to perform a requested or required job task;
- Refusal or failure to follow safety rules and procedures;
- Excessive tardiness or absences;
- Smoking outside of designated areas;
- Working unauthorized overtime;
- Solicitation of fellow employees on Agency premises during working hours.
- Failure to dress according to Agency policy;
- Use of obscene or harassing (as defined by our EEO policy) language in the workplace;
- Engaging in outside employment that interferes with your ability to perform your job at this Agency;
- Gambling on CVAG premises or while conducting CVAG business; or
- Lending CVAG keys or keycards to CVAG property to unauthorized persons.

Nothing in this policy is intended to limit your rights under the National Labor Relations Act, or to modify your applicable employment status with CVAG.

5.7 Transfers

Transfer means the reassignment of an employee from one position to another position which has the same maximum salary and requires substantially the same qualifications. It is within the discretion of CVAG to transfer an employee upon determination that doing so would be in the best interests of CVAG.

5.8 Criminal Activity/Arrests

CVAG will report all criminal activity in accordance with applicable law. Involvement in criminal activity while employed by the Agency, whether on or off Agency property, may result in disciplinary action including suspension or termination of employment.

You are expected to be on the job, ready to work, when scheduled. Inability to report to work as scheduled may lead to disciplinary action, up to and including termination of employment, for violation of an attendance policy or job abandonment.

5.9 Disciplinary Process

Violation of CVAG policies or procedures may result in disciplinary action including demotion, transfer, leave without pay, or termination of employment. CVAG encourages a system of progressive discipline depending on the type of prohibited conduct or pursuant to contracted terms and conditions:

Disciplinary Process for Employees Who Are Not At-Will

The Executive Director may take disciplinary actions against an employee using any of the following methods, which are illustrative, and not exclusive and not intended to be progressive.

- **Oral Reprimand:** The employee shall be counseled concerning the unsatisfactory areas of work and shall be informed about methods of improvement.
- **Written Reprimands:** In cases where the infraction of the rules and regulations has been of a serious nature, the written reprimand shall be employed. The purpose of the written is to call the attention of the employee to serious defects in his/her work. The written reprimand should include a detailed statement of the problem and a notation to the effect that the problem was discussed with the employee in question. A copy of the written reprimand shall be included in the employee's personnel file. Only the Executive Director or his/her designated representative may issue the reprimands.
- **Suspensions:** An employee may be suspended without pay from their position at any time for a disciplinary purpose. Suspension without pay shall not exceed thirty (30) calendar days, nor shall any employee be penalized by suspension for more than thirty (30) calendar days in any fiscal year.
- **Termination:** When other types of disciplinary action do not result in satisfactory performance, or if the offense is flagrant, or if serious violations of rules and regulations are involved, at the sole discretion of the Executive Director, the employee shall be subject to termination. A notice of intention to terminate the employee, which shall include details of specific incidents and/or action leading to the termination, will be issued to the employee.
- **Probationary Employees:** These policies regarding disciplinary action do not apply to probationary employees who can be discharged or demoted at any time at the discretion of the Executive Director.
- **Employee Review:** The employee shall be given an opportunity to review the documents or materials upon which proposed disciplinary action is based, and he/she shall be supplied with a copy of the documents.
- **Employee Response:** Within ten (10) working days after the employee has had the review opportunity provided above, the employee or his/her representative shall have the right to respond orally, in writing, or both. At the employee's option, an Appeal can be made to the Personnel Committee as started in Section 7.2 under Grievance Procedure.

Disciplinary Process for At-Will Employees

For at-will employees, CVAG is not required to engage in progressive discipline and may discipline or terminate employees who violate the rules of conduct, or where the quality or value of their work fails to meet expectations at any time. While CVAG may attempt at its discretion to engage in progressive discipline such action does not in any manner alter the at-will nature of employment.

In appropriate circumstances, management will first provide you with a verbal warning, then with one or more written warnings, and if the conduct is not sufficiently altered, eventual demotion, transfer, forced leave, or termination of employment. Your Director will make every effort possible to allow you to respond to any disciplinary action taken. Understand that while the Agency is concerned with consistent enforcement of our policies, we are not obligated to follow any disciplinary or grievance procedure and that depending on the circumstances, you may be disciplined or terminated without any prior warning or procedure.

5.10 Workforce Reductions (Layoffs)

If necessary, based upon business needs, CVAG management may decide to implement a reduction in force (RIF). We acknowledge that RIFs can be a trying experience for all involved, and the Agency will make its best effort to make sound business decisions while acknowledging the needs of its workforce. CVAG will provide notice to any RIF when reasonable and/or required by federal or state law.

5.11 Resignation Policy

CVAG hopes that your employment with the Agency will be a mutually rewarding experience. However, CVAG acknowledges that varying circumstances may cause you to resign from your employment with CVAG. The Agency intends to handle any resignation in a professional manner with minimal disruption to the workplace.

Notice

The Agency requests that you provide a minimum of two weeks' notice of your resignation. Employees who are subject to employment agreements must follow the noticing requirements in the agreements. ~~If you are a Director, you are requested to provide a minimum of four weeks' notice. CVAG requests that you provide a written resignation letter to your Director. However, this request for notice does not alter the nature of an at-will employment, and thus, at-will employees may resign with or without notice. If you provide less notice than requested, the Agency may deem you to be ineligible for rehire, depending on the circumstances of the notice given.~~

The Agency reserves the right to provide you with pay in lieu of notice in situations where job or business needs warrant such action.

Final Pay

CVAG will pay separated employees in accordance with applicable laws and other sections of this handbook.

Notify CVAG if your address changes during the calendar year in which resignation occurs to ensure tax information is sent to the correct address.

Return of Property

At the time of separation, or prior to separation, you are required to return all CVAG property including cellphones, keys, tools, laptops, credit cards, and identification cards. The Agency may pursue criminal charges for failure to return Agency property.

5.12 Post-Employment References

CVAG policy is to confirm dates of employment and job title only. With written authorization, the Agency will confirm compensation. Any requests for employment verification should be forwarded to human resources staff. ~~the Director of Administrative Services.~~

6.0 General Policies

6.1 Non-solicitation/Non-distribution Policy

To avoid disruption of business operations or disturbance of employees, visitors, and others, CVAG has implemented a Nonsolicitation/Nondistribution Policy. For purposes of this policy, "solicitation" includes, but is not limited to, selling items or services, requesting contributions, and soliciting or seeking to obtain membership in or support for any organization. Solicitation performed through verbal, written, or electronic means is governed by this Non-solicitation/Non-distribution Policy.

You are prohibited from soliciting other employees during your assigned working time. For this purpose, working time means time during which either you or the employees who are the object of the solicitation are expected to be actively engaged with assigned work. You may conduct solicitations during your lunch period, coffee breaks, or other authorized nonworking time, so long as you do so when the other employees are also on nonworking time.

To avoid inappropriate litter, clutter, and safety risks, you may not distribute literature or other items that are not work related in working areas at any time. Working areas do not include break/rest areas, lunchrooms, or parking lots. Electronic distribution of materials is prohibited during work time. Literature that violates the Agency's equal employment opportunity and anti-harassment policies (including threats of violence), or is knowingly and recklessly false, is never permitted. Non-employees are not permitted to distribute materials on Agency premises at any time.

This policy is not intended to restrict the statutory rights of employees, including the right to discuss terms and conditions of employment.

Violations of this policy should be reported to your Director.

6.2 Personal Appearance

Your personal appearance reflects on the reputation, integrity, and public image of CVAG. All employees are required to report to work neatly groomed and dressed. You are expected to maintain personal hygiene habits that are generally accepted in the community, including clean clothing, good grooming and personal hygiene, and appropriate attire for the workplace and the work being performed. Depending on your job, may be required to wear uniforms or protective safety clothing and equipment. Use common sense and good judgment in determining what to wear to work.

Fragrant products, including but not limited to perfumes, colognes, and scented body lotions or hair products, should be used in moderation out of concern for others with sensitivities or allergies.

The Agency, in accordance with applicable law, will reasonably accommodate employees with disabilities or religious beliefs that make it difficult for them to comply fully with the personal appearance policy unless doing so would impose an undue hardship on the Agency. Contact your Director to request a reasonable accommodation.

Failure to comply with the personal appearance standards may result in being sent home to groom or change clothes. If sent home due to your appearance, your time spent away from work will not be paid. You are required to clock out when leaving and clock in upon your return to work. Frequent violations may result in disciplinary action, up to and including termination of employment.

6.3 Whistleblower Policy

When employees notify a supervisor, manager, or an appropriate government or law enforcement agency that they have reason to believe their employer is violating a state or federal statute, or violating or not complying with a state or federal rule or regulation, those employees are protected from retaliation. As such, CVAG has a strict policy that prohibits retaliation against employees who make such reports while employed in any form of employment or who participates in the investigation of such a complaint. The Agency also does not permit retaliation against employees who refuse to participate in an activity that would result in a violation of a state or federal statute, or a violation or noncompliance with a state or federal rule or regulation.

If you have information regarding possible violations of state or federal statutes, rules, or regulations, or violations of fiduciary responsibility by the Agency, we encourage you to report it immediately to your Director or to the Executive Director. Alternatively, you may contact the California State Attorney General's Whistleblower Hotline at (800) 952-5225. The Attorney General will refer your call to the appropriate government authority for review and possible investigation.

6.4 Access to Personnel and Medical Records Files

CVAG maintains separate medical records files and personnel files for all employees. Files containing medical records are stored separate and apart from any business-related records in a safe, locked, inaccessible location. The medical file is the repository for sensitive and confidential information related to an individual's health, health benefits, health-related leave and/or accommodations, and benefits selections and coverage. Medical records are kept confidential in compliance with applicable laws and access is on a "need-to-know" basis only.

Supervisors and others in management may have access to your personnel file for possible employment-related decisions. All employees have the right to inspect and receive a copy of their personnel records. The Agency will make such records available for inspection and/or to receive a copy within 30 calendar days of a written request. Payroll records will be made available to inspect or receive a copy within 21 calendar days of a verbal or written request.

All requests by an outside party for information contained in your personnel file will be directed to the Executive Director and/or the designee, Administrative Services Director, which is the only director authorized to give out such information.

6.5 Authorization for Use of Personal Vehicle

All employees required to operate a motor vehicle as part of their employment duties must maintain a valid driver's license, acceptable driving record, and appropriate insurance coverage. CVAG may run a motor vehicle department check to assess your driving record. It

is your responsibility to provide a copy of your current driver's license and insurance coverage for your personnel file. Any changes in your driving record, including, but not limited to, driving infractions or changes to your insurance policy, must be reported to the Agency immediately.

If you use your personal vehicle in the course and scope of employment, you may not operate such vehicle while:

- Under the influence of drugs, alcohol, or any other substance that might impair your judgment or ability to drive; or
- Texting, emailing, or otherwise using a cell phone or other handheld device without utilizing a hands-free device.

6.6 Bulletin Boards

CVAG maintains an official bulletin board located in the kitchen for providing employees with official Agency notices, including wage and hour laws, changes in policies, and other employment-related notices. At times, the Agency may also post information of general interest to employees on the bulletin board. You are responsible for being informed about this material by periodically reviewing the bulletin board. Only authorized personnel may add and remove notices from the bulletin board. As provided in the Non-solicitation/Non-distribution policy, unauthorized postings by employees are strictly prohibited.

6.7 Computer Security and Copying of Software

Software programs purchased and provided by CVAG are to be used only for creating, researching, and processing materials for Agency use. By using Agency hardware, software, and networking systems you assume personal responsibility for their use and agree to comply with this policy and other applicable Agency policies, as well as city, state, and federal laws and regulations.

All software acquired for or on behalf of the Agency, or developed by Agency employees or contract personnel on behalf of the Agency, is and will be deemed Agency property. It is the policy of the Agency to respect all computer software rights and to adhere to the terms of all software licenses to which the Agency is a party. The Executive Director is responsible for enforcing these guidelines.

You may not illegally duplicate any licensed software or related documentation. Unauthorized duplication of software may subject you and/or the Agency to both civil and criminal penalties under the United States Copyright Act.

You may not duplicate, copy, or give software to any outsiders including clients, contractors, members, and others. You may use software on local area networks or on multiple machines only in accordance with applicable license agreements entered into by the Agency.

6.8 Employer Sponsored Social Events

CVAG holds periodic social events for employees. Be advised that your attendance at these events is voluntary and does not constitute part of your work-related duties. Any exceptions to this policy must be in writing and signed by the Executive Director prior to the event.

Alcoholic beverages may be available at these events. If you choose to drink alcoholic beverages, you must do so in a responsible manner. Do not drink and drive. Instead, please call a taxi, ride share or appoint a designated driver.

Despite attending voluntarily, you are expected to adhere to CVAG's Anti-harassment Policy.

6.9 Off-Duty Use of Employer Property or Premises

You may not use CVAG property for personal use during working time. You are responsible for returning Agency property in good condition and repairing or replacing any property damaged as the result of personal use or as the result of negligence. This includes use of copy machines, computers, Agency products, or office supplies for personal use without prior authorization.

It is Agency policy to control off duty and nonworking hour use of Agency facilities either for business or personal reasons. You are prohibited from using Agency facilities during off duty or nonworking hours without the written consent of your Director. If you use Agency facilities during your off-duty hours or Agency off-hours, you may be required to sign a log-in and log-out sheet maintained by the Agency or building manager.

6.10 Personal Cell Phone/Mobile Device Use

While CVAG permits employees to bring personal cell phones and other mobile devices (i.e. smart phones, tablets, laptops) into the workplace, you must not allow the use of such devices to interfere with your job duties or impact workplace safety and health.

Use of personal cell phones and mobile devices at work can be distracting and disruptive and cause a loss of productivity. Thus, you should primarily use such personal devices during nonworking time, such as breaks and meal periods. During this time, use devices in a manner that is courteous to those around you. Outside of nonworking time, use of such devices should be minimal and limited to emergency use only. If you have a device that has a camera and/or audio/video recording capability, you are restricted from using those functions on Agency property unless authorized in advance by management or when they are used in a manner consistent with your right to engage in concerted activity under section 7 of the National Labor Relations Act (NLRA).

You are expected to comply with Agency policies regarding the protection of confidential and proprietary information when using personal devices.

While operating a vehicle on work time, the Agency requires that the driver's personal cell phone/mobile device be turned off. If you need to make or receive a phone call while driving, pull off the road to a safe location unless you have the correct hands-free equipment for the device that is in compliance with applicable state laws.

You may connect your personal device to the Agency network or to Agency equipment (computers, printers, etc.) for personal use.

You may have the opportunity to use your personal devices for work purposes. Before using a personal device for work-related purposes, you must obtain written authorization from your supervisor. The use of personal devices is limited to certain employees and may be limited based on compatibility of technology. If you are authorized to use a personal device, you will receive a monthly stipend based on the estimated use of the device. If you obtain or currently have a plan that exceeds the monthly stipend, the Agency will not be liable for the cost difference.

Nothing in this policy is intended to prevent employees from engaging in protected concerted activity under the NLRA.

You will be subject to disciplinary action up to and including termination of employment for violation of this policy.

6.11 Personal Data Changes

It is your obligation to provide CVAG with your current contact information, including current mailing address and telephone number. Inform the Agency of any changes to your marital or tax withholding status. Failure to do so may result in loss of benefits or delayed receipt of W-2 and other mailings. To make changes to this information, contact [human resources](#). ~~the Director of Administrative Services.~~

6.12 Security

All employees are responsible for helping to make CVAG a secure work environment. Upon leaving work, lock all file cabinets and doors protecting valuable or sensitive material in your work area and report any lost or stolen keys, passes, or similar devices to [human resources](#) ~~the Director of Administrative Services~~ immediately. Refrain from discussing specifics regarding Agency security systems, alarms, passwords, etc. with those outside of the Agency.

Immediately advise your Director of any known or potential security risks and/or suspicious conduct of employees, customers, or guests of the Agency. Safety and security is the responsibility of all employees and we rely on you to help us keep our premises secure.

6.13 Social Media Policy

At CVAG, we recognize the Internet provides unique opportunities to participate in interactive discussions and share information using a wide variety of social media. However, use of social media also presents certain risks and carries with it certain responsibilities. To minimize risks to the Agency, you are expected to follow our guidelines for appropriate use of social media.

This policy applies to all employees who work for the Agency.

Guidelines

For purposes of this policy, *social media* includes all means of communicating or posting information or content of any sort on the Internet, including to your own or someone else's web log or blog, journal or diary, personal website, social networking or affinity website, web bulletin board or a chat room, whether associated or affiliated with the Agency, as well as any other form of electronic communication.

Agency principles, guidelines, and policies apply to online activities just as they apply to other areas of work. Ultimately, you are solely responsible for what you communicate in social media. You may be personally responsible for any litigation that may arise should you make unlawful defamatory, slanderous, or libelous statements against any member, manager, owner, or employees of the Agency.

Know and Follow the Rules

Ensure your postings are consistent with these guidelines. Postings that include unlawful discriminatory remarks, harassment, and threats of violence or other unlawful conduct will not be tolerated and may subject you to disciplinary action up to and including termination.

Be Respectful

The Agency cannot force or mandate respectful and courteous activity by employees on social media during nonworking time. If you decide to post complaints or criticism, avoid using statements, photographs, video, or audio that reasonably could be viewed as unlawful, slanderous, threatening, or that might constitute unlawful harassment. Examples of such conduct might include defamatory or slanderous posts meant to harm someone's reputation or posts that could contribute to a hostile work environment on the basis of race, sex, disability, age, national origin, religion, veteran status, or any other status or class protected by law or Agency policy. Your personal posts and social media activity should not reflect upon or refer to the Agency.

Maintain Accuracy and Confidentiality

When posting information:

- Do not create a link from your personal blog, website, or other social networking site to an Agency website that identifies you as speaking on behalf of the Agency;
- Never represent yourself as a spokesperson for the Agency, unless you have been tasked to do so by the Executive Director. If the Agency is a subject of the content you are creating, do not represent yourself as speaking on behalf of the Agency. Make it clear in your social media activity that you are speaking on your own behalf; and
- Respect copyright, trademark, third-party rights, and similar laws and use such protected information in compliance with applicable legal standards.

Using Social Media at Work

Do not use social media while on your work time, unless it is work related as authorized by your manager or consistent with policies that cover equipment owned by the Agency.

Media Contacts

If you are not authorized to speak on behalf of the Agency, do not speak to the media on behalf of the Agency. Direct all media inquiries for official Agency responses to the Assistant to the Executive Director.

Retaliation and Your Rights

Retaliation or any other negative action is prohibited against anyone who, based on a reasonable belief, reports a possible deviation from this policy or cooperates in an investigation. Those who retaliate against others for reporting a possible deviation from this policy or for cooperating in an investigation will be subject to disciplinary action, up to and including termination.

Nothing in this policy is designed to interfere with, restrain, or prevent employees from communications regarding wages, hours, or other terms and conditions of employment, or to restrain employees in exercising any other right protected by law. All employees have the right to engage in or refrain from such activities.

6.14 Suggestion Policy

At CVAG, we welcome suggestions for continued improvement and welcome your ideas for better ways to do your job, provide services at CVAG, or meet member and community needs. Discuss your ideas with your Director or another member of the management team.

We also encourage you to offer any suggestions derived from seminars, magazines, or other outside sources of information you believe would add value to the Agency.

Understand that any suggestions, innovations, inventions, or other matter created by you on work time or with Agency tools or property are considered to be the property of the Agency.

6.15 Telecommuting

Telecommuting is defined as regularly working a full or partial workday from home or some other alternate work site.

CVAG will make telecommuting available to employees when it benefits organizational and departmental needs. This option may not be available in some job classifications due to business needs. Each department manager will determine, in his or her discretion, the positions within the department that may be suitable for telecommuting.

If you meet eligibility requirements for telecommuting, you must submit a Telecommuting Agreement form to your immediate Director for departmental approval. If you are granted a telecommuting arrangement, you will be subject to the same performance standards as prior to telecommuting. Telecommuting work areas may be evaluated to ensure that appropriate safety standards are met.

Telecommuting may also be offered as a reasonable accommodation due to a disability or severe medical condition. However, telecommuting will only be offered by CVAG where it is a “reasonable” accommodation and not simply due to a request made by the employee. Consult ~~the Director of Administrative Services~~ [human resources](#) if you are requesting telecommuting as a reasonable accommodation.

6.16 Telephone Use

CVAG phones are principally for work-related communications. Unless there is an emergency, limit long distance telephone calls to business purposes only. Limit personal use of Agency telephones to brief communications during rest periods where possible. Casual conversation with friends and relatives during working hours is strongly discouraged. Telephone use is subject to the Use of Agency Technology Policy.

6.17 Third Party Disclosures

From time to time, CVAG may become involved in news stories or potential or actual legal proceedings of various kinds. When that happens, lawyers, former employees, newspapers, law enforcement agencies, and other outside persons may contact our employees to obtain information about the incident or the actual or potential lawsuit.

If you receive such a contact, you should not speak on behalf of the Agency and should refer any call requesting the position of the Agency to the [Executive Director and/or the designee](#). ~~Assistant to the Executive Director.~~ If you have any questions about this policy or are not certain what to do when such a contact is made, contact the [Executive Director and/or the designee](#). ~~Assistant to the Executive Director.~~

6.18 Use of Agency Technology

This policy is intended to provide CVAG employees with the guidelines associated with the use of the Agency information technology (IT) resources and communications systems.

This policy governs the use of all IT resources and communications systems owned by or available at the Agency, and all use of such resources and systems when accessed using your own devices, including but not limited to:

- Email systems and accounts;
- Internet and intranet access;
- Telephones and voicemail systems, including wired and mobile phones, smartphones, and pagers;
- Printers, photocopiers, and scanners;
- Fax machines, e-fax systems, and modems;
- All other associated computer, network, and communications systems, hardware, peripherals, and software, including network key fobs and other devices; and
- Closed-circuit television (CCTV) and all other physical security systems and devices, including access key cards and fobs.

General Provisions

Agency IT resources and communications systems are to be used for business purposes only unless otherwise permitted under applicable law or CVAG.

All content maintained in Agency IT resources and communications systems are the property of the Agency. Therefore, employees should have no expectation of privacy in any message, file, data, document, facsimile, telephone conversation, social media post, conversation, or any other kind or form of information or communication transmitted to, received, or printed from, or stored or recorded on Agency electronic information and communications systems.

The Agency reserves the right to monitor, intercept, and/or review all data transmitted, received, or downloaded over Agency IT resources and communications systems in accordance with applicable law. Any individual who is given access to the system is hereby given notice that the Agency will exercise this right periodically, without prior notice and without prior consent.

The interests of the Agency in monitoring and intercepting data include, but are not limited to: protection of Agency trade secrets, proprietary information, and similar confidential commercially-sensitive information (i.e. financial or sales records/reports, marketing or business strategies/plans, product development, customer lists, patents, trademarks, etc.); managing the use of the computer system; and/or assisting employees in the management of electronic data during periods of absence.

You should not interpret the use of password protection as creating a right or expectation of privacy, nor should you have a right or expectation of privacy regarding the receipt, transmission, or storage of data on Agency IT resources and communications systems.

Do not use Agency IT resources and communications systems for any matter that you would like to be kept private or confidential.

Violations

Violations of this policy will subject you to disciplinary action, up to and including termination of employment. If necessary, the Agency will also advise law enforcement officials of any illegal conduct.

6.19 Use of Employer Vehicles

Agency vehicles are to be used for CVAG business only. Unless the use of the vehicle has been approved for personal use, personal or outside business use is strictly prohibited.

If you drive an Agency vehicle, all infractions or violations while driving the vehicle and all restrictions, suspensions, or revocations against your driver's license must be immediately reported to your Director.

When an Agency vehicle cannot be operated, is unsafe for use, or has been damaged, notify your Director immediately.

As the driver of an Agency vehicle, you are responsible for the vehicle while in your charge and must not permit unauthorized persons to drive it or be a passenger. You are also responsible for the daily housekeeping of the vehicle; it is to remain clean and uncluttered.

You may not operate a motor vehicle while under the influence of alcohol, marijuana, or a chemical substance or other substance that can impair judgment. You may not operate a motor vehicle while texting, emailing, or otherwise using a cell phone or other handheld device without utilizing a hands-free device.

Multiple driving moving violations that appear on the annual state department of motor vehicle check will result in suspension of rights to drive an Agency vehicle or drive a personal vehicle for Agency business. Suspension of rights will continue until one year has passed with no infractions. If there are persistent and ongoing problems with driving infractions, and driving a vehicle is a part of successful execution of job responsibilities, you may be terminated.

6.20 Workplace Privacy and Right to Inspect

CVAG property, including but not limited to phones, computers, tablets, desks, work place areas, vehicles, or machinery, remains under the control of the Agency and is subject to inspection at any time, without notice to any employees, and without their presence.

You should have no expectation of privacy in any of these areas. We assume no responsibility for the loss of, or damage to, your property maintained on Agency premises including that kept in lockers and desks.

7.0 Benefits

7.1 Holidays

The following holidays shall be observed by CVAG with respect to all employees of CVAG. All full-time and part-time regular employees shall be entitled to the following holidays provided that they work at least one day before and after the holiday unless the Executive Director is their sole discretion waives this requirement. Part-time employees are entitled to holiday pay at a ratio determined by the number of regularly scheduled hours in their workday.

The observed holidays are: Martin Luther King Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the day after Thanksgiving, from a 1/2 half day on Christmas Eve Day running through January 1 (Given in lieu of holidays such as Lincoln's Birthday, Admission Day, Columbus Day and Veterans' Day) CVAG will also offer employees one additional holiday that will rotate between Juneteenth and Indigenous Peoples' Day.

When Christmas falls on a Monday, the holiday period will begin with the whole day on December 25.

When Christmas falls on a Tuesday, the holiday period will begin with the whole day on December 24.

When Christmas falls on a Saturday, the holiday will begin with the whole day on December 24.

Special Holidays: Holidays proclaimed by the President of the United States or the Governor of California may be granted upon approval of the Executive Committee.

Weekend Holidays: If any of the recognized holidays falls on a Saturday, the preceding Friday shall be designated as the holiday. If any of the recognized holidays falls on a Sunday, the following Monday shall be designated as the holiday.

7.2 Paid Sick Leave (Accrual Method)

In accordance with California's Healthy Workplaces, Healthy Families Act, CVAG provides all eligible employees with paid sick leave benefits. Paid sick leave may be used:

- For the diagnosis, care, or treatment of an existing health condition or preventive care for you or your family member (a child, your own or your spouse/registered domestic partner's parent or legal guardian, a spouse, a registered domestic partner, a grandparent, a grandchild, or a sibling);
- For victims of domestic violence, sexual assault, or stalking to seek care, psychological counseling, shelter or support services, safety-related measures, or any relief, including restraining orders, to help ensure the health, safety, or welfare of the victim or the victim's child;
- For enforced quarantine of the employee in accordance with community health regulations; or

Eligibility

All employees, including part-time and temporary, who have worked in California for at least 30 days within a year after beginning employment are entitled to earn paid sick leave.

Accrual and Usage

Eligible full-time employees begin to accrue paid sick leave upon employment at a rate of four hours for every pay period worked and may begin using accrued leave on the 90th day of employment.

Eligible part-time employees begin to accrue paid sick leave upon employment at a rate of .05 hours for every hour worked and may begin using accrued leave on the 90th day of employment.

Under the provisions of CVAG's contract with Public Employees Retirement System (PERS), employees are eligible for service credit at retirement for all unused, accumulated leave upon retirement.

You may not use more sick leave than you have accrued or receive an advance of sick leave that has not yet been accrued.

Notice

If your need for leave is foreseeable, provide human resources the Director of Administrative Services with as much advance notice as possible. We recognize that there may be occasions, such as sudden illness, when advance notice is not possible; in these situations, inform your Director of the circumstances as soon as practicable. You may also be asked to provide a certification of illness to your Director.

Interaction with Other Leave

Paid sick leave will run concurrently with other types of leave where permitted under applicable law. For example, if the employee is eligible for disability benefits, they must apply for such benefits. For example, if you require a leave of absence for your own serious health condition or to care for a qualified family member with a serious health condition under the Family Medical Leave Act or Californian Family Rights Act (if applicable), paid sick leave may be applied concurrently with these leaves.

Retaliation

The Agency will not retaliate against employees who request or take leave in accordance with this policy.

Sick Leave While on Vacation

An employee shall be granted sick leave by the Executive Director for illness while on vacation to the extent that it exceeds two regularly scheduled workdays. Such illness will be charged to sick leave rather than vacation leave only under the following conditions:

- The illness or injury of the employee was of a nature that would preclude the effective use of vacation and would prevent the employee from performing their normal duties on the job.
- The employee must notify the Executive Director immediately upon the conclusion of their approved vacation leave.

Administrative Leave

~~Class II and Class III Exempt employees will receive ten administrative leave days at the start of the fiscal year. Unused administrative leave is not subject to accumulation or paid upon termination.~~

7.3 Vacation Policy

CVAG provides eligible employees with paid vacation.

Eligibility

All regular full-time employees are eligible to accrue vacation time immediately upon hire. Employees will accrue but are ineligible to use their vacation until they have worked for six months.

All regular part-time employees shall accrue vacation benefits immediately upon hire. Employees will accrue but are ineligible to use their vacation until they have worked for six months. Vacation time for part time employees is at a ratio determined by the number of regularly scheduled hours in their workday.

Temporary employees are not eligible to accrue vacation benefits.

Deposits into Your Leave Account

Vacation is calculated according to your work anniversary year.

The amount of vacation accrued each year is based on your length of service and accrues according to an accrual schedule determined by the Agency up to a maximum annual grant as shown below:

- First three years of employment: ~~5/6 working days for each month or 3.60769~~ **23** hours per payroll period (~~8960~~ **960** hours/year)
- Beginning of fourth year and through the tenth year: ~~4 1/4 working days for each month or 54.6454~~ **2308** hours per payroll period (~~12036~~ **36** hours/year)
- Beginning of the eleventh year and thereafter: ~~1 2/3 working days for each month or 6.4538~~ **7692** hours per payroll period (~~16076~~ **76** hours/year)
- ~~When an employee reaches Step 6 on their salary merit scale and has served for a period of at least 5 years, they become eligible to receive an additional 40 hours of vacation leave yearly (prorated for part-time employees) after a favorable evaluation.~~

Once you reach the maximum accrual amount (2.5 times annual entitlement), you will not accrue any additional vacation until you use some of the accrued but unused vacation and the amount falls below the maximum accrual amount. You will not receive retroactive credit for any period of time in which you did not accrue vacation because you accrued the maximum amount.

Leave Usage and Requests for Leave

Agency encourages you to use your vacation time. You are eligible to begin using vacation after 6 months of employment.

You must request vacation from your Director as far in advance as possible, but at least 2 weeks in advance. The Agency will generally grant requests for vacation when possible, taking business needs into consideration. When multiple employees request the same time off, their length of employment may determine priority in scheduling vacation times.

You must take vacation in increments of at least **half** ~~1~~ day.

During a Leave of Absence

Agency may require you to use any unused vacation during disability or family medical leave, or any other leave of absence, where permissible under local, state, and federal law.

You will not accrue vacation during unpaid leaves of absence, or other periods of inactive service, unless vacation accrual is required by applicable federal, state, or local law.

Payout of Accrued Vacation

Once the maximum vacation accrual is reached, and/or upon written request by an employee, CVAG's Executive Director at their discretion may pay off a portion of an employee's accumulated vacation time in lieu of the employee taking time off work. The employee can only make one request per fiscal year and may request payoff for any accrued but unused vacation time that is in excess of 80 hours, and up to a maximum of 80 hours.

Separation of Employment

Upon separation of employment for any reason, you will be paid for accrued but unused vacation hours.

7.4 Witness Leave

If you are required by law to appear in court as a witness, you may take unpaid time off to do so. You are required to provide CVAG reasonable advance notice of the date that you will need to take off work.

7.5 Voting Leave

If your work schedule prevents you from voting on Election Day, CVAG will allow you to take reasonable time off to vote. Under these circumstances, you will be paid for up to 2 hours for voting leave. The time off must be used at the beginning or end of the regular work shift. To request time off for voting, you must notify your Director with as much reasonable notices as possible, but at least two working days in advance of the voting day.

7.6 School Activities Leave

CVAG will provide employees with an unpaid leave of up to 40 hours per calendar year for engaging in either of the following activities:

- To find, enroll, or reenroll their child in a school or with a licensed childcare provider, or to participate in activities of the school or licensed childcare provider of their child; or
- To address a childcare provider or school emergency.

Employees may only take up to 8 hours of School Activities Leave in a calendar month.

For the purposes of this policy, “childcare provider or school emergency” means that an employee’s child cannot remain in a school or with a childcare provider due to one of the following: the school or childcare provider has requested the child be picked up, or has an attendance policy, prohibiting the child from attending school or the licensed childcare provider; behavioral or discipline problems; a closure or unexpected unavailability of the school or childcare provider, excluding holidays; or a natural disaster, including but not limited to fire, earthquake or flood.

Eligibility

All employees who are the parent (including guardian, stepparent, foster parent, grandparent, or person who stands in loco parentis) of one or more children of the age to attend kindergarten or grades 1-12, or cared for by a licensed child care provider.

Notice

To request time off under this leave policy, you must provide reasonable notice in advance of the time off needed. Additionally, CVAG may require you to provide documentation from the school or licensed childcare provider to serve as proof of the child-related activity on the specific date and time requested off.

If more than one parent is employed by the Agency, generally, leave will be granted to the parent who provides notice first. At the Agency’s discretion, both parents may be granted leave simultaneously.

Use of Vacation Time

Employees are required to use accrued vacation hours concurrently with this leave. When employees do not have any available vacation hours, the leave will be taken unpaid.

Retaliation

The Agency will not retaliate against employees who request or take leave in accordance with this policy.

7.7 School Disciplinary Leave

CVAG will provide eligible employees with unpaid leave where permitted by law, to appear at their child's school if the child has been suspended or, for reasons specified in the California Education Code Section 48900.1, the parent has been requested to attend a portion of a school day in the classroom of their child or ward.

Eligibility

All employees who are the parent or guardian of a student are eligible for school disciplinary leave.

Notice

You must provide documentation from the school of your need to take school disciplinary leave.

Retaliation

The Agency will not retaliate against employees who request or take leave in accordance with this policy.

7.8 Pregnancy Disability Leave

If you are disabled by pregnancy, childbirth, or a related medical condition, CVAG will provide you with up to four months of unpaid Pregnancy Disability Leave (PDL).

Eligibility

To be eligible for PDL, you must suffer from a pregnancy-related disability. A **pregnancy-related disability** is a physical or mental condition related to pregnancy or childbirth that prevents you from performing the essential duties of your job, or would cause undue risk to you or your pregnancy's successful completion.

Conditions for which PDL is available include, but are not limited to:

- Severe morning sickness;
- Prenatal or postnatal care;
- Doctor ordered bed rest;
- Gestational diabetes;
- Pregnancy-induced hypertension;
- Preeclampsia;
- Post-partum depression;
- Lactation conditions such as mastitis;
- Loss or end of pregnancy; or
- Recovery from loss or end of pregnancy.

Use of Leave

PDL may be taken before or after birth during any period of time (not to exceed four months) where you are physically unable to work due to your pregnancy-related disability. You may take PDL all at once or intermittently.

Where applicable under state and federal law, employees who qualify and are entitled to take PDL may also be eligible for leave under the California Family Rights Act (CFRA). CFRA leave will be counted separately from PDL. An additional 12 weeks of bonding leave may also be available to qualified individuals. Speak with your Director about your eligibility for these leaves.

Notice and Leave Request Process

Foreseeable Need for Leave

If the need for leave is foreseeable because of an expected birth/adoption or planned medical treatment, you must give at least 30 days' notice. If 30 days' notice is not practicable, give notice as soon as possible. You are expected to complete and return a leave request form prior to the beginning of leave. Failure to provide appropriate notice and/or complete and return the necessary paperwork will result in the delay or denial of leave.

Unforeseeable Need for Leave

If the need for leave is unforeseeable, provide notice as soon as practicable and possible under the given circumstances. Normal call-in procedures apply to all absences from work including those for which leave under this policy may be requested. Complete and return the necessary leave request form as soon as possible to obtain the leave. Failure to provide appropriate notice and/or complete and return the necessary paperwork on a timely basis will result in the delay or denial of leave.

Leave Request Process

To request leave under this policy, obtain a leave request form from your Director and return the completed form to ~~Administrative Services~~ [human resources](#). If the need for leave is unforeseeable and you will be absent more than three days, contact ~~Administrative Services~~ [human resources](#) by telephone and request that a leave form be mailed to your home. If leave will be fewer than three days, complete and return the leave request form upon returning to work.

Call-In Procedures

In all instances of absence, follow the call-in procedures and standards established for giving notice of absence from work utilizing phone, text and email.

Paid Leave Utilization During Pregnancy Leave

You will be required to use available sick leave during PDL. However, you may opt to use any available vacation during your PDL in order to receive compensation for additional time off for the leave.

If you are on PDL for eight or more consecutive calendar days, you may be eligible for partial wage replacement benefits under the California State Disability Insurance ("SDI") program. You are responsible for applying for these benefits and can obtain forms from your health care provider or from the California Employment Development Department ("EDD").

Certification and Fitness for Duty Requirements

When requesting PDL, you must provide certification from a health care provider to qualify for leave. Such certification must be provided within 15 days of the request for leave unless it is not practicable under the circumstances despite your diligent efforts. Failure to provide certification may result in the leave being delayed, denied, or revoked. At the discretion of the Agency, you may also be required to obtain a second or third certification from another health care provider at Agency expense. Recertification of the continuance of a serious health condition or an injury/illness of a military service member will also be required at appropriate intervals.

Temporary Transfer and Other Accommodations

If you are suffering from a pregnancy related disability, you are entitled to a temporary transfer to another position or other reasonable accommodation based on the pregnancy-related disability if you request the transfer or reasonable accommodation and the request is based on the medical certification of a health care provider that a transfer or reasonable accommodation is medically advisable, and the request can be reasonably accommodated by the Agency. All employees who are transferred to accommodate a pregnancy-related disability have the same reinstatement and other rights described below with respect to pregnancy-related disability leaves.

The Agency may also require you to transfer temporarily to an available alternative position with the same pay and benefits in order to accommodate your need for intermittent leave or a reduced work schedule.

Health Insurance

The Agency will maintain your health insurance coverage during leave as if you were still working. You must continue to make timely payments of your share of the premiums. Failure to pay premiums within 30 days of when they are due may result in a lapse of coverage. If this occurs, you will be notified 15 days before the date coverage will lapse that coverage will terminate unless payments are promptly made. Alternatively, at our option, the Agency may pay your share of the premiums during the leave and recover the costs of this insurance upon your return to work. Coverage that lapses due to nonpayment of premiums will be reinstated immediately upon return to work without a waiting period. Under most circumstances, if you do not return to work at the end of leave, the Agency may require reimbursement for the health insurance premiums paid during the leave.

Return to Work

Upon returning to work at the end of leave, you will be placed in your original job or an equivalent job with equivalent pay and benefits. You will not lose any benefits that accrued before leave was taken. You may not, however, be entitled to discretionary raises, promotions, bonus payments, or other benefits that become available during leave.

At the completion of PDL, you will be required to obtain a release to return to work from your health care provider stating that you are able to resume your original job or duties.

Failure to Return

If you fail to return to work or fail to make a request for an extension of leave prior to the expiration of the leave, you will be deemed to have voluntarily terminated your employment.

Alternative Employment

While on leave of absence, you may not work or be gainfully employed either for yourself or others unless express, written permission to perform such outside work has been granted by the Agency. If you are on a leave of absence and are found to be working elsewhere without permission, you will be automatically terminated.

False Reason for Leave

You will be terminated if you provide a false reason for a leave.

Retaliation

The Agency will not retaliate against employees who request or take leave in accordance with this policy.

7.9 California Family Rights Act Policy

Beginning January 1, 2021, in accordance with the California Family Rights Act (CFRA), CVAG will provide eligible employees up to a combined total of 12 weeks of unpaid leave per year for the following reasons:

- The birth of your child, or adoption or foster care placement of a child with you.
- Your own serious health condition (not including disability due to pregnancy, childbirth, or related medical conditions).
- The serious health condition of a family member including spouse, siblings, grandparents, grandchildren, domestic partners, parents-in-law and children (of any age, one whom the employee stands in loco parentis, or that of a domestic partner).
- Qualified exigencies related to the covered active duty of an employee's spouse, domestic partner, child or parent in the United States Armed Forces.

Eligibility

To be eligible for CFRA leave:

- You must work at a worksite that employs 5 or more employees.
- You must have been employed with the Company for at least 12 months and for 1,250 hours during the previous 12 months.

Leave Usage

Eligible employees may take up to 12 workweeks of leave per leave year. For purposes of this policy, the leave year is the 12-month period measured forward from the day CFRA leave began.

You are required to use any accrued vacation time or other paid accrued time off that you are eligible to take during the otherwise unpaid portion of the CFRA leave. You also are required to use any accrued sick leave that you are eligible to take during the otherwise unpaid portion of a CFRA leave if the CFRA leave is for your own serious health condition or any other reason mutually agreed to between you and the Agency.

When medically necessary, leave may be taken on an intermittent or reduced work schedule. If you are taking a leave for the birth, adoption, or foster care placement of a child, you may take a minimum of two weeks, and you must finish the leave within one year of the birth or placement for adoption or foster care.

CFRA leave will run concurrent with other federal/state laws where permitted by law.

Notice Requirement

If possible, provide at least 30 days' advance notice of the need for leave where leave is foreseeable (such as the birth of a child or planned medical treatment). If the need for leave is not foreseeable, provide notice as soon as possible. Notice should include the anticipated timing and duration of the leave.

Failure to comply with these notice rules is grounds for, and may result in, deferral of the request for leave until you comply with the notice requirement.

Medical Certification

Where leave is requested for your own serious health condition or to care for a covered family member with a serious health condition, the Agency may require written communication from a health care provider stating the reasons for the leave and the probable duration of the condition.

Return to Work

If you take leave for your own serious health condition, you must obtain from your health care provider a release to return to work before you will be permitted to resume work.

Reinstatement

Upon return to work at the end of leave, you will be placed in your original job or an equivalent job with equivalent pay and benefits. You will not lose any benefits that accrued before leave was taken. You may not, however, be entitled to discretionary raises, promotions, bonus payments, or other benefits that become available during the period of leave.

Benefits

If the Agency provides you with health benefits under a group health plan, the Agency will maintain and pay for your health coverage at the same level and under the same conditions as coverage would have been provided if you had not taken CFRA leave.

Failure to Return to Work

If you fail to return to work or fail to make a request for an extension of leave prior to the expiration of the leave, you will be considered to have voluntarily terminated your employment. Under most circumstances, if you do not return to work at the end of leave, the Agency may require reimbursement for the health insurance premiums paid during the leave.

Alternative Employment

While on leave of absence, you may not work or be gainfully employed either for yourself or others unless express, written permission to perform such outside work has been granted by the Agency. If you are on a leave of absence and are found to be working elsewhere without permission, you will be subject to disciplinary action up to and including termination.

Abuse of Leave

If you are found to have provided a false reason for a leave, you will be subject to disciplinary action up to and including termination.

Retaliation

The Agency will not retaliate against employees who request or take leave in accordance with this policy.

7.10 Jury Duty Leave

Every Employee of CVAG who is summoned or required to serve as a trial juror or witness shall be entitled to be absent from their CVAG duties during the period of such service or while necessarily being present in court as a result of such a call, for a reasonable length of time.

When summoned for jury duty, employees should immediately notify their supervisors so the employee's absence can be covered. Employees are expected to return to work within a reasonable time if excused from jury duty during regular business hours.

CVAG will pay the employee's regular pay, less any jury compensation for work lost due to jury duty service, up to a maximum of fifteen (15) workdays per year. Employees are requested to present a statement showing the amount of jury duty compensation and duration of service to receive pay for those days.

7.11 Crime Victim Leave

CVAG provides employees who are the victim of a violent felony or serious felony (or the family member of a victim of a violent felony or serious felony) with unpaid leave in order to attend judicial proceedings related to the crime. A family member under this policy includes a spouse, domestic partner, child, stepchild, brother, stepbrother, sister, stepsister, mother, stepmother, father, or stepfather.

When the need for leave is foreseeable, you must provide documentation of the scheduled proceeding. Such notice is typically given to the victim of the crime by a court or government agency setting the hearing, a district attorney or prosecuting attorney's office, or a victim/witness office. If advance notice is not possible, you must provide appropriate documentation within a reasonable time after the absence.

Any absence from work to attend judicial proceedings will be unpaid, unless you choose to take paid time off, such as accrued vacation or personal holiday.

The Agency will not retaliate against employees who request or take leave in accordance with this policy.

7.12 Bereavement Leave

CVAG recognizes the importance of taking leave when there is a death in the family. Where bereavement leave is not required by law, the Agency will provide bereavement leave as follows:

All employees are eligible for 3 days of paid bereavement leave for the death of an immediate family member.

You may use accrued but unused vacation/sick leave/paid time off if additional time is needed. Additional unpaid time off may be granted at the discretion of the Agency on a case-by-case basis.

For purposes of this policy, **immediate family member** includes the following and applies both to the family of the employee and the employee's spouse or domestic partner: child (including foster child and stepchild), spouse, domestic partner, sister, brother, parents (including foster parents and stepparents), grandparents.

You must provide notice of your need for bereavement leave as far in advance as possible. The Agency may require documentation supporting your need for bereavement leave.

7.13 Bone Marrow and Organ Donor Leave

CVAG will provide employees, with a paid leave of absence for the purpose of donating organs or bone marrow. When donating an organ, you may take up to 30 paid business days in any one-year period.

The Agency will provide employees with an additional unpaid leave of absence of up to 30 business days in a one-year period when donating an organ. The one-year period is measured from the date leave begins.

When donating bone marrow, you may take up to five paid business days in any one-year period. The one-year period for both leaves is measured from the date leave begins.

You are required to provide as much advance notice as possible if you wish to take leave to donate an organ or bone marrow. Provide human resources with verification from a physician that the donation will take place and that there is a medical necessity for the donation.

When taking a leave for bone marrow, you must use up to five days of accrued unused paid sick leave vacation or combination thereof concurrently with the leave. When taking a leave when donating an organ, you must use up to two weeks of accrued paid sick leave, vacation, or combination thereof concurrently with the leave.

Leave taken under this policy does not constitute a break in service for health insurance coverage, accrual of vacation or sick pay, or seniority.

This leave will not run concurrently with federal Family and Medical Leave Act or California Family Rights Act leave.

The Agency will not retaliate against employees who request or take leave in accordance with this policy.

7.14 Emergency Services Leave

If you are a volunteer firefighter, reserve peace officer, or emergency rescue personnel (as defined by applicable law), CVAG will provide you with unpaid time off to perform your emergency duties. You may substitute available vacation for any unpaid portion of leave to perform such emergency duties.

If you are a health care provider you must notify the Agency at the time you become designated as emergency rescue personnel and when you are notified that you will be deployed as a result of that designation.

7.15 Military Leave (USERRA)

CVAG complies with applicable federal and state law regarding military leave and re-employment rights. Unpaid military leave of absence will be granted to members of the uniformed services in accordance with the Uniformed Services Employment and Reemployment Rights Act of 1994 and its subsequent amendments (collectively "USERRA") and all applicable state law. You must submit documentation of the need for leave to the ~~Director of Administrative Services~~ [human resources](#). When returning from military leave of absence, you will be reinstated to your previous position or a similar position, in accordance with state and federal law. You must notify your Director of your intent to return to employment based on requirements of the law. For more information regarding status, compensation, benefits, and reinstatement upon return from military leave, contact the ~~Director of Administrative Services~~ [human resources](#).

7.16 Personal Leave of Absence

CVAG recognizes that you may need time off from work in special circumstances that other leave policies may not address. In such cases, you may request a personal leave of absence.

Eligibility

All regular employees employed for at least 90 days are eligible to apply for an unpaid personal leave of absence.

Requesting Leave

Requests for unpaid personal leave must be submitted to the Executive Director in writing at least 30 days in advance where practical. In emergency situations, written notice must be provided as soon as possible. The request should include the reason for the leave as well as the dates you expect to begin and end the leave.

Job performance, absenteeism, and departmental requirements will be taken into consideration before a request is approved. Requests for unpaid personal leave may be denied or granted for any reason and are within the sole discretion of the Agency.

The leave of absence shall not exceed three months. After three months, the leave of absence may be extended up to three additional months if authorized by the Executive Director. No such leave shall be granted except upon written request of the employee, setting forth the reason for the request, and the approval will also be in writing. Upon expiration of regularly approved leave or within a reasonable period of time after notice to return to work, the employee shall be reinstated in the classification held at the time the leave was granted if the needs of CVAG permits and/or a position in such classification is available. Failure on the part of an employee on leave to report promptly at its expiration, or within a reasonable time after notice return to work shall be cause for termination.

The granting of any leave of absence without pay exceeding fourteen calendar days shall result in a new salary anniversary for the employee. Such date shall be based on their original salary date plus the number of calendar days of their leave in excess of fourteen calendar days. Since the earning of benefits is determined by hours worked, leaves of absence without pay do NOT earn vacation, sick leave, any benefits such as retirement credits, holiday time and car allowances; not do they earn any CVAG payments toward medical insurance, dental insurance, life insurance and deferred compensation except as required by such law such as COBRA benefits, which are available at the employee's own expense.

Alternative Employment

While on an unpaid leave of absence, you may not work or be gainfully employed either for yourself or others unless express, written permission to perform such outside work has been granted by the Agency. If you are on a leave of absence and are found to be working elsewhere without permission, you will be subject to disciplinary action up to and including termination.

7.17 Disability Insurance

If you are unable to work for at least eight days due to a non-work-related illness or injury, or a pregnancy-related disability, you may be eligible to receive disability insurance benefits. Disability insurance is a component of California's State Disability Insurance ("SDI") program. Disability insurance provides eligible employees with up to 52 weeks of partial wage

replacement benefits. Benefit amounts are based on a percentage of your wages paid during a specific 12-month base period, determined by the date your claim begins.

To apply for this benefit, you must contact the California Employment Development Department (“EDD”) to obtain the necessary forms, including a healthcare certification to be completed by your treating physician.

The SDI program does not create a right to a leave of absence, job protection, or job reinstatement. As stated above, SDI is a program that provides partial wage replacement benefits while an employee is unable to work for the reasons mentioned above. Further, SDI is funded by workers through SDI payroll deductions.

You are responsible for filing your claim and other forms promptly and accurately with the EDD. To learn more about the SDI program, including eligibility requirements and benefits, or to make a claim for DI benefits, contact your local EDD office or visit (www.edd.ca.gov).

CVAG will be notified that you have submitted a disability insurance claim and will be promptly respond to any requests from EDD to confirm pay rate and dates not worked due to disability.

7.18 Paid Family Leave Insurance

California's Paid Family Leave (PFL) insurance program provides eligible employees with up to eight weeks of partial wage replacement in any 12-month period to take time off from work to bond with a new child (either by birth, adoption, or foster care placement) or to care for a seriously ill family member (child, parent, parent-in-law, grandparent, grandchild, sibling, spouse, or registered domestic partner). The 12-month period begins on the day a claim is submitted.

PFL insurance is funded entirely by workers through state disability insurance (SDI) payroll deductions. If you are currently receiving benefits from SDI or workers' compensation insurance, you may not be eligible to receive PFL benefits. The California PFL insurance program does not create a right to a leave of absence, job protection, or job reinstatement.

The PFL insurance program makes benefits available to eligible employees through the EDD. To obtain more information on eligibility or to obtain a claim form, you must contact the EDD office or visit the website (www.edd.ca.gov). Medical and other documentation may be required.

7.19 Dental Insurance

All regular full-time employees who are scheduled to and do work 30 hours per week and who have completed 30 days of employment at CVAG are eligible for the Agency dental plan on the first day of the month following 30 days of employment. Dental plan benefits are described in detail in the Summary Plan Description (“SPD”).

7.20 Employer-Sponsored Disability Benefits

CVAG offers the following employer-sponsored disability insurance benefits to employees when they miss work due to non-work-related disabilities.

Eligibility

All regular employees, who are scheduled to and do work 30 hours per week, employed at least 30 days are eligible for employer-sponsored Short-Term Disability. Eligibility begins on the first day of the month following 30 days of employment.

Short-Term Disability Insurance

Short-Term Disability insurance generally pays a weekly benefit if you cannot work because of a covered illness or injury. The benefit replaces a portion of your weekly income, providing funds directly to you to help pay your bills and living expenses. Check your plan documents for details about benefit payments and duration.

Long-Term Disability Insurance

Long-Term Disability insurance generally pays a monthly benefit to you if you cannot work because of a covered illness or injury. The benefit replaces a portion of your income, thus helping to meet your financial commitment in a time of need. Check your plan documents for details about benefit payments and duration.

Additional Information

The terms and conditions for the disability insurance program are outlined in the Summary of Plan Benefits. Contact ~~the Director of Administrative Services~~ [human resources](#) for a copy of the plan provisions, required forms, and additional information about these benefits.

7.21 PERS and 457 Deferred Compensation Plans

All regular employees employed to work the number of hours as required by the Public Employees Retirement System ("PERS") to qualify, automatically become members of the (PERS). CVAG contributes to retirement funds immediately upon employment [in accordance with PERS policy](#).

Retirement is defined as an employee who is fully vested in PERS and meets the retirement requirements of PERS. Under CVAG's contract with PERS, [Classic](#) employees receive 2% of final compensation at age 55 for each year of service credit [and PEPR employees receive 2% at 62](#). For employees who retire earlier, the percentage of final compensation is reduced. The provisions of the Retirement system are available [directly](#) from PERS.

Under the provisions of CVAG's contract with PERS, employees are eligible for service credit for all unused, accrued sick leave [at the PERS maximum amount allowable](#).

[CVAG offers its employees a 457\(b\) plan to which employees may contribute in line with Internal Revenue Code. CVAG does not provide a matching contribution on the 457\(b\) plan. Effective July 1, 2023, CVAG also offers its employees a 401\(a\) plan to which CVAG will match up to 2% of an employee's annual salary. Employees are eligible to contribute to the plan in line with Internal Revenue Code with any CVAG matching contribution effective only after an employee reaches six months of employment. Employees are fully vested in their eligible employer contributions.](#)

7.22 Health Insurance Policy

CVAG offers group health insurance benefits to all eligible employees who are scheduled to and do work at least 30 hours per week and who have completed 30 days of employment and their eligible dependents. Health plan benefits are described in detail in the Summary Plan Description ("SPD"), which may be obtained from the ~~Director of Administrative Services~~ [human resources](#). To cover both the employee's cost and/or the dependent's costs, CVAG will provide an amount equivalent to the CalPERS PERS Choice health plan rates for the respective three tiers. For part time employees the amount paid by CVAG toward health benefits and insurance is reduced in proportion to those hours the employee works compared to an 80 hour pay period. Any costs in excess of the benefit amount will be paid by the employee. Any unused benefit amount will be paid to the employee. Employees can choose not to be covered by CVAG's medical insurance only if they receive comparable coverage from another source and provide proof of such coverage. Employees choosing not to be covered by CVAG's insurance will receive a benefit rate equivalent to the single rate. The employee must notify the ~~Director of Administrative Services~~ [human resources](#) of any changes in non-CVAG provided benefits.

Payments by the employer stop if the employee is terminated, leaves employment or retires subject to PERS and COBRA requirements (details herein below).

Benefits may be canceled or changed at the discretion of the Agency, unless otherwise prohibited by law.

If you or a dependent become ineligible for benefits due to a change in work hours or through a life event, or you leave employment with us, you may have the right to continue your health benefits under federal or state law. In such event, the Agency will provide you with information about your rights to continue your benefits coverage.

7.23 COBRA

The Consolidated Omnibus Budget Reconciliation Act (COBRA) provides the opportunity for eligible CVAG employees and their beneficiaries to continue health insurance coverage under the Agency health plan when a "qualifying event" could result in the loss of eligibility. Qualifying events include resignation, termination of employment, death of an employee, reduction in hours, a leave of absence, divorce or legal separation, entitlement to Medicare, or where a dependent child no longer meets eligibility requirements.

Contact the ~~Director of Administrative Services~~ [human resources](#) to learn more about your COBRA rights.

7.24 Life Insurance

CVAG provides life insurance to all regular employees who are scheduled to and do work at least 30 hours per week and who have completed 30 days of employment with the Agency. You will be required to notify the benefits administrator of your intended beneficiary. Refer to the SPD for details about the benefit.

7.25 Workers' Compensation Insurance Policy

Workers' compensation is a no-fault system designed to provide benefits to all employees for work-related injuries. Workers' compensation insurance coverage is paid for by employers and governed by state law. The workers' compensation system provides for coverage of medical treatment and expenses, occupational disability leave, and rehabilitation services, as well as

payment for lost wages due to work related injuries. If you are injured on the job while working at CVAG, no matter how slightly, you are to report the incident immediately to your Director. Consistent with applicable state law, failure to report an injury within a reasonable period of time could jeopardize your claim for benefits.

To receive workers' compensation benefits, notify your Director immediately of your claim. If your injury is the result of an on-the-job accident, you must fill out an accident report. You will be required to submit a medical release before you can return to work.

7.26 Credit Union

CVAG employees are eligible to join the Altura Credit Union will full privileges for saving and borrowing money as members. Upon request by the employee, CVAG will handle deposits to each participating employee's account with the Credit Union on a payroll deduction basis. Information regarding the Credit Union may be obtained by the Accounts Manager.

7.27 Section 125 Plan

CVAG has established an IRS Section 125 program. This program can be used upon written request of a CVAG employee to set aside a portion of the employee's pay for the purposes described in the program's brochure. For a copy of the brochure see ~~the Director of Administrative Services~~ [human resources](#).

The result can be considerable tax savings since these benefits are paid from pre-tax earnings if this option is exercised by the employee. You may want to consult your tax advisor prior to exercising this option. There are certain guidelines and restrictions by the IRS on this program.

The current plan allows for the payment of childcare expenses, insurance premiums and a medical reimbursement program.

7.28 Accommodations for Nursing Mothers

CVAG is required by law to provide employees that are nursing mothers with certain accommodations to express milk upon request. Accordingly, the Agency will provide nursing mothers with:

- Reasonable break time to express milk for their infant child(ren) each time the mother has the need to express milk; and
- A private room or other location in close proximity to their work area, other than a restroom, which is shielded from view and free from intrusion, to express breast milk.

Requesting Accommodation

If you have a need for accommodation, contact your Director. If the Agency cannot provide break time or a location that complies with the above, the Agency will provide you with a written response.

Break Times

Regarding break times, you may use your regular paid rest breaks or may take other reasonable break time when needed. If possible, the break time should run concurrently with scheduled meal and rest breaks already provided to you. If the break time cannot run

concurrently with meal and rest breaks already provided or additional time is needed, break times will be unpaid except where federal or state law dictates otherwise.

Milk Storage

Expressed milk can be stored in Agency refrigerators. Sufficiently mark or label your milk to avoid confusion for other employees who may share the refrigerator.

Retaliation

The Agency will not retaliate against employees who request or obtain an accommodation in accordance with this policy.

Right to File Complaint

If you feel the Agency is not providing you with adequate break time and/or a place to express milk as provided for in Labor Code § 1030, you may file a report/claim with the Labor Commissioner's Bureau of Field Enforcement ("BOFE") at the BOFE office nearest your place of employment. The complaint must be filed within three years of the alleged unlawful action.

In addition, if you believe you have been a victim of retaliation for either asserting a right to lactation accommodation or for complaining to the Labor Commissioner about the failure of the Agency to provide this accommodation, you may file a retaliation claim with the Labor Commissioner's Office pursuant to Labor Code § 98.7. This claim must be filed within six months of the alleged retaliation.

7.29 Leave and Accommodations for Victims of Domestic Violence, Sexual Assault, or Stalking

CVAG will provide an unpaid leave of absence to victims of domestic violence, sexual assault, or stalking to obtain or attempt to obtain any relief, including time to acquire:

- Temporary restraining orders;
- Permanent restraining orders;
- Mental Health Treatment;
- Medical Treatment; or
- Time in a domestic violence shelter.

Notice

You must provide reasonable advance notice of your intention to take leave for the above reasons unless advanced notice is not feasible. If an unscheduled absence occurs, you must provide the following certifying documentation within a reasonable amount of time after your absence:

- A police report indicating that you were a victim of domestic violence, sexual assault, or stalking;
- A court order protecting or separating you from the perpetrator of an act of domestic violence, sexual assault, or stalking, or other evidence from the court or prosecuting attorney stating that you have appeared in court; or
- Documentation from a licensed medical professional, domestic violence counselor, sexual assault counselor, licensed health care provider, or counselor stating that you were undergoing treatment for physical or mental injuries or abuse resulting from victimization of an act of domestic violence, sexual assault, or stalking.

Reasonable Accommodation

In addition to time off, at your request, CVAG will provide:

Reasonable accommodations to assist in protecting your safety while at work. Such reasonable accommodations may include the implementation of safety measures such as:

- A transfer, reassignment, or modified schedule;
- A change in telephone number, workstation or installed lock;
- Assistance in documenting domestic violence, sexual assault, or stalking that occurs in the workplace;
- An implemented safety procedure or other adjustment to a job structure, workplace facility, or work requirement in response to domestic violence, sexual assault, or stalking; or
- Referral to a victim assistance organization.

Upon receiving a request, the Agency will engage in a timely, good faith, interactive process with you to determine the most effective reasonable accommodations.

Once you no longer need an accommodation, you must notify the Agency that the accommodation is no longer needed. If circumstances change and you need a new accommodation, you must request one.

Certification

When requesting a reasonable accommodation, you will be asked to submit a signed, written statement that certifies that the accommodation is for an authorized purpose. You may also be asked to provide certifying documentation as listed above in the Notice section of this policy. If the accommodation extends beyond six months, CVAG may request certification documentation every six months after the date of the prior certification.

Use of Paid Time Off

Generally, this is an unpaid leave of absence.

You may use available vacation, personal leave, accrued paid sick leave, or compensatory time off for your leave.

Confidentiality

The Agency will maintain the confidentiality of anyone requesting time off or requesting an accommodation under this policy, except as required by federal or state law or as necessary to protect your safety in the workplace.

Retaliation

The Agency will not retaliate against a victim of domestic violence, sexual assault, or stalking for requesting or obtaining leave or a reasonable accommodation in accordance with this policy.

7.30 Disability Accommodation

CVAG complies with the Americans with Disabilities Act (ADA), the Pregnancy Discrimination Act, and all applicable state and local fair employment practices laws, and is committed to providing equal employment opportunities to qualified individuals with disabilities, including disabilities related to pregnancy, childbirth, and related conditions. Consistent with this

commitment, the Agency will provide reasonable accommodation to otherwise qualified individuals where appropriate to allow the individual to perform the essential functions of the job, unless doing so would create an undue hardship on the business.

If you require an accommodation because of your disability, it is your responsibility to notify your Director. You may be asked to include relevant information such as:

- A description of the proposed accommodation;
- The reason you need an accommodation; and
- How the accommodation will help you perform the essential functions of your job.

After receiving your request, the Agency will engage in an interactive dialogue with you to determine the precise limitations of your disability and explore potential reasonable accommodations that could overcome those limitations. Where appropriate, we may need your permission to obtain additional information from your medical provider. All medical information received by the Agency in connection with a request for accommodation will be treated as confidential.

The Agency encourages you to suggest specific reasonable accommodations that you believe would allow you to perform your job. However, the Agency is not required to make the specific accommodation requested by you and may provide an alternative accommodation, to the extent any reasonable accommodation can be made without imposing an undue hardship on the Agency.

If leave is provided as a reasonable accommodation, such leave may run concurrently with leave under the federal Family and Medical Leave Act and/or any other leave where permitted by state and federal law.

The Agency will not discriminate or retaliate against employees for requesting an accommodation.

7.31 Religious Accommodation

CVAG is dedicated to treating its employees equally and with respect and recognizes the diversity of their religious beliefs. All employees, unpaid interns, and volunteers may request an accommodation when their religious beliefs cause a deviation from the Agency dress or grooming code, or the individual's schedule, basic job duties, or other aspects of employment. The Agency will consider the request, but reserves the right to offer its own accommodation to the extent permitted by law. Some, but not all, of the factors that the Agency will consider are cost, the effect that an accommodation will have on current established policies, and the burden on operations, including other employees, when determining a reasonable accommodation. At no time will the Agency question the validity of a person's belief.

If you require a religious accommodation, speak with your Director.

7.32 Continuing Education Policy, Tuition Assistance, and Wellness Policy

We believe in the continuing education of our employees. If CVAG sends you to a class or training program during normal working hours related to your employment and you are nonexempt, you will be paid training pay for that time. If you are interested in attending an outside class and having the Agency pay for your attendance, you are required to provide advance written notice describing the class, including the subject matter, length, and cost. Depending on the type of training, the Agency may reimburse some or all of the fees, including materials expenses, meals, and transportation. If your Director approves of your attendance

at a class that is not sponsored by the Agency, you will be reimbursed once you have attended and paid for the class.

All regular employees who are scheduled to and do work 30 or more hours per week shall be eligible to participate after six months of employment.

The employee must still be employed by CVAG upon completion of the course and at the time they apply for reimbursement.

The Executive Director will determine what type of courses will be allowed for reimbursement prior to commitment by the employee.

Courses considered by the Executive Director for reimbursement shall be designed to directly improve the knowledge of the employee which will improve performance and enhance advancement opportunities.

Professional Memberships are reimbursed at 100%

Funds can also be used toward CVAG wellness program. Purchases need to be approved and will be reimbursed at 75%.

Employees are eligible for a maximum annual (fiscal year) benefit of \$1,250,000.

7.33 Unemployment Compensation Insurance Policy

Unemployment compensation insurance provides temporary income for employees who have lost their job under certain circumstances. Your eligibility for unemployment compensation will, in part, be determined by the reasons for your separation from the Agency. For more information about eligibility and applying for unemployment compensation benefits, contact your local EDD office or visit www.edd.ca.gov.

7.34 Vision Care Insurance

All regular employees who are scheduled to and do work 30 hours per week and who have reached 30 days of employment at CVAG are eligible for the Agency vision care plan. Eligibility begins on the first day of the month after 30 days of employment. Vision care plan benefits are described in detail in the Summary Plan Description.

8.0 Safety and Loss Prevention

8.1 General Safety Policy

It is the responsibility of all CVAG employees to maintain a healthy and safe work environment. Report all safety hazards and occupational illnesses or injuries to your Director as soon as reasonably possible and complete an occupational illness or injury form as needed. Failure to follow the Agency health and safety rules may result in disciplinary action, up to and including termination of employment.

8.2 Drug and Alcohol Policy

CVAG is committed to providing a safe, healthy, and productive work environment. Consistent with this commitment, it is the intent of the Agency to maintain a drug, marijuana, and alcohol-free workplace. Being under the influence of alcohol, marijuana, illegal drugs (as classified

under federal, state, or local laws), or other impairing substances while on the job may pose a serious health and safety risk to others, and will not be tolerated.

Prohibited Conduct

The Agency expressly prohibits employees from engaging in the following activities when they are on duty or conducting Agency business or on Agency premises (whether or not they are working):

- The use, abuse, or being under the influence of alcohol, marijuana illegal drugs, or other impairing substances;
- The possession, sale, purchase, transfer, or transit of any illegal or unauthorized drug, including prescription medication that is not prescribed to the individual, or drug-related paraphernalia; or
- The illegal use or abuse of prescription drugs.

While the use of marijuana has been legalized under some state laws for medicinal and/or recreational uses, it remains an illegal drug under federal law. The Agency does not discriminate against employees solely on the basis of their lawful off-duty use of marijuana. However, you may not consume or be under the influence of marijuana while on duty or at work. If you have a valid prescription for medical marijuana, refer to the Agency Disability Accommodation policy for additional information.

Nothing in this policy is meant to prohibit your appropriate use of over-the-counter medication or other medication that can legally be prescribed under both federal and state law, if it does not impair your job performance or safety or the safety of others. If you take over-the-counter medication or other medication that can legally be prescribed under both federal and state law to treat a disability, inform your Director if you believe the medication may impair your job performance, safety, or the safety of others or if you believe you need a reasonable accommodation before reporting to work while under the influence of that medication.

Violations

Violation of this policy may result in disciplinary action, up to and including termination of employment.

If an employee is suspected of being impaired, or under the influence of any intoxicating substance, the Agency maintains the right to request that employee to undergo a drug test. If the employee refuses or has a test result that is positive, disciplinary action may result, up to and including termination of employment. While waiting for the results of the test, the employee will be placed on a leave. In most cases, the results are received immediately.

8.3 Policy Against Workplace Violence

As the safety and security of our employees, vendors, contractors, and the general public is in the best interests of CVAG, we are committed to working with our employees to provide a work environment free from violence, intimidation, and other disruptive behavior.

Zero Tolerance Policy

The Agency has a zero tolerance policy regarding workplace violence and will not tolerate acts or threats of violence, harassment, intimidation, and other disruptive behavior, either physical or verbal, that occurs in the workplace or other areas. This applies to management, co-workers, employees, and non-employees such as contractors, members, and visitors.

Workplace violence can include oral or written statements, gestures, or expressions that communicate a direct or indirect threat of physical harm, damage to property, or any intentional behavior that may cause a person to feel threatened.

Prohibited Conduct

Prohibited conduct includes, but is not limited to:

- Physically injuring another person;
- Threatening to injure a person or damage property by any means, including verbal, written, direct, indirect, or electronic means;
- Taking any action to place a person in reasonable fear of imminent harm or offensive contact;
- Possessing, brandishing, or using a firearm or other weapon on Agency property or while performing Agency business except as permitted by state law; or
- Violating a restraining order, order of protection, injunction against harassment, or other court order.

Reporting Incidents of Violence

Report to your Director, in accordance with this policy, any behavior that compromises our ability to maintain a safe work environment. All reports will be investigated immediately and kept confidential, except where there is a legitimate need to know. You are expected to cooperate in any investigation of workplace violence.

Violations

Violating this policy may subject you to criminal charges as well as discipline up to and including immediate termination of employment.

Retaliation

Victims and witnesses of workplace violence will not be retaliated against in any manner. In addition, you will not be subject to discipline for, based on a reasonable belief, reporting a threat or for cooperating in an investigation.

If you initiate, participate, are involved in retaliation, or obstruct an investigation into conduct prohibited by this policy, you will be subject to discipline up to and including termination.

If you believe you have been wrongfully retaliated against, immediately report the matter to [human resources staff](#). ~~the Director of Administrative Services.~~

8.4 Nonsmoking Policy

CVAG is concerned about the effect that smoking and secondhand smoke inhalation can have on its employees and clients. Smoking in the office, client areas, restrooms and inside CVAG vehicles is prohibited. CVAG also considers the use of e-cigarettes and vaping devices that contain nicotine as “smoking”, and therefore, use of these products is also prohibited in the areas listed above.

Employees who wish to smoke must do so on an approved rest break or meal period and may only do so in the designated smoking areas.

8.5 Heat Illness Prevention

CVAG is committed to complying with all applicable laws and ensuring that employees avoid heat illness while working outside. Heat illness may begin with mild symptoms and progress quickly to signs of serious and life-threatening illness. All employees who work outdoors and are reasonably anticipated to be exposed to the risk of heat illness will be provided detailed training before starting work involving a risk of heat illness.

This policy ensures that employees working outdoors understand they are allowed and encouraged to take preventative cool-down rest periods in provided shaded areas whenever they feel the need to protect themselves from overheating.

You may also be asked to take a cool-down rest period if you are observed having any signs of heat illness. Access to shade is permitted at all times. Cool-down periods are not limited in frequency and are considered time worked.

When taking a preventative cool-down rest period:

- You will be monitored and asked if you are experiencing any symptoms of heat illness;
- You will be encouraged to remain in the shade; and
- You will not be ordered back to work until any signs or symptoms of heat illness have abated, but in no event sooner than five minutes after accessing shade, excluding the time needed to access the shade.

The Agency provides fresh, pure, and suitably cool drinking water at no charge. When the work environment is hot, you are encouraged to frequently drink small cups of water, with up to four cups (one quart or more) per hour recommended, to stay hydrated.

The Agency has in place effective emergency response procedures if you show signs or report symptoms of heat illness while taking a preventative cool-down rest period.

You must immediately report to your Director if you experience any symptoms or signs of heat illness or see signs of heat illness in co-workers so that the Agency can respond with medical attention, as appropriate.

The Agency will not discriminate or retaliate against employees who take preventative cool-down rest periods in accordance with this policy.

8.6 Business Closure and Emergencies

CVAG recognizes that inclement weather and other emergencies may affect your ability to get to work. In such situations, your safety is paramount.

Office Closure

Examples of emergencies when the Agency may close include, but are not limited to, power outages, orders given by government authorities, earthquake, flood, and fire.

Notification

In an emergency, the Agency will make every effort to notify you of the closing by phone. These notification efforts assume that you have access to electricity and internet and/or phone service.

When the Agency is unable to notify you of the closure, use common sense to assess the safety and practicality of the situation. In a regional power outage, for example, the Agency is

likely to have no power. If there is reported flash flooding in your area, report to work only if you can make it safely.

Partial-Day Closure

If an emergency event such as inclement weather or a power outage occurs, the Agency may decide to close mid-day. When the Agency closes mid-day, you will be instructed to leave immediately so that the conditions do not further deteriorate and affect your ability to travel safely.

If you are exempt and are working at home with prior permission, or at the office on the day of the partial day closure, you will be paid your normal salary for the week. If you are nonexempt, you will be paid for the hours you worked, unless state law dictates otherwise.

Notified of Closure Prior to Reporting to Work

If you are nonexempt and are notified of a closure prior to reporting to work, you will not be paid during the closure, unless state law dictates otherwise. If you are exempt, you will be paid your normal salary for the week.

Benefits Coverage

Your health insurance coverage will be maintained by the Agency during the closure on the same basis as if you were still working.

Extending Leave

When the Agency closure ends, you are expected to report to work. Contact your Director if you cannot return to work at the end of the closure. The Agency recognizes that you may need additional time off to repair extensive home damage or for other emergency situations. These will be assessed on a case-by-case basis.

If You Cannot Get to Work

Unique circumstances may affect your ability to come to work even when the Agency is able to remain open. The Agency recognizes that in a severe national or regional disaster, all methods of communication may be unavailable. However, you should continue to try and contact your Director, by any method possible.

Time missed under circumstances where the Agency remains open and you are unable to report to work is to be used as vacation time, personal time, or is unpaid.

9.0 Trade Secrets and Inventions

9.1 Confidentiality and Nondisclosure of Trade Secrets

As a condition of employment, CVAG employees are required to protect the confidentiality related to the Agency. Access to this information should be limited to a "need to know" basis and should not be used for personal benefit, disclosed, or released without prior authorization from management.

If you have information that leads you to suspect that employees are sharing such information in violation of this policy and/or competitors are obtaining such information, you are required to inform your Director or human resources staff. ~~the Director of Administrative Services.~~

Violation of this policy may result in disciplinary action up to and including termination, and may subject the violator to civil liability.

Closing Statement

Thank you for reading our handbook. We hope it has provided you with an understanding of our mission, history, and structure as well as our current policies and guidelines. We look forward to working with you to create a successful Agency and a safe, productive, and pleasant workplace.

Tom Kirk, Executive Director

Coachella Valley Association of Governments

Acknowledgment of Receipt and Review

By signing below, I acknowledge that I have received a copy of the Coachella Valley Association of Government ("CVAG" or "Agency") Employee Handbook (handbook) and that I have read it, understand it, and agree to comply with it. I understand that the Agency has the maximum discretion permitted by law to interpret, administer, change, modify, or delete the rules, regulations, procedures, and benefits contained in the handbook at any time with or without notice. No statement or representation by a supervisor, manager, or any other employee, whether oral or written, can supplement or modify this handbook. Changes can only be made if approved in writing by the Executive Director of the Agency. I also understand that any delay or failure by the Agency to enforce any rule, regulation, or procedure contained in the handbook does not constitute a waiver on behalf of the Agency or affect the right of the Agency to enforce such rule, regulation, or procedure in the future.

I understand that neither this handbook nor any other communication by a management representative or other, whether oral or written, is intended in any way to create a contract of employment. I further understand that, unless I have a written employment agreement signed by an authorized Agency representative, I am employed "at-will" (to the extent permitted by law) and this handbook does not modify my "at-will" employment status. I further understand that if my employment has not expressly been designated as "at-will", I am entitled to due process for any adverse employment action that occurs, including discipline and termination.

If I am covered by a written employment agreement (signed by an authorized Agency representative), I understand that the terms of the employment agreement or collective-bargaining agreement will control.

This handbook is not intended to preclude or dissuade employees from engaging in legally protected activities under the National Labor Relations Act ("NLRA").

This handbook supersedes any previous handbook or policy statements, whether written or oral, issued by CVAG.

If I have any questions about the content or interpretation of this handbook, I will contact Executive Director.

Signature

Date

Print Name

Confirmation of Receipt of Harassment, Discrimination and Retaliation Prevention Policy

I have received my copy of the Agency's Harassment, Discrimination and Retaliation Prevention Policy. I understand and agree that it is my responsibility to read and familiarize myself with this policy. I understand that the Agency is committed to providing a work environment that is free from harassment, discrimination, and retaliation. My signature certifies that I understand that I must conform to and abide by the rules and requirements described in this policy.

Signature

Date

Print Name

ITEM 6A

Coachella Valley Association of Governments Administrative/ Personnel Committee April 24, 2023



STAFF REPORT

Subject: CVAG Officer Rotation for FY 2023/2024

Contact: Tom Kirk, Executive Director (tkirk@cvag.org)

Recommendation: Nominate the representative from the City of Desert Hot Springs to serve as FY 2023/2024 Chair and the representative from the City of Rancho Mirage to serve as FY 2023/2024 Vice Chair

Background: The CVAG Executive Committee annually provides a nomination for the CVAG officers to the General Assembly, which meets each June. In 2019, the CVAG Executive Committee discussed the need for a more formal process of choosing the incoming officers. This led to an update to the CVAG By-Laws, which established a rotation that would elect a member jurisdiction's representative rather than a specific individual. The By-Laws also state that *"Based on a recommendation of the Administrative/Personnel Committee, the Executive Committee may in making its nominations deviate from the strict rotation set forth above if determined to be in CVAG's best interests."*

CVAG's officers are now based on jurisdiction and not individual elected officials. The rotation was last updated at the 2021 General Assembly meeting to reflect additional tribal members. The approved rotation is as follows: *Agua Caliente Band of Cahuilla Indians, Indio, Cabazon Band of Mission Indians, Torres Martinez Desert Cahuilla Indians, Twenty-Nine Palms Band of Mission Indians, Palm Springs, Coachella, Desert Hot Springs, Rancho Mirage, Riverside County's Fourth Supervisorial District, Blythe, La Quinta, Palm Desert, Cathedral City, Indian Wells, Riverside County's Fifth Supervisorial District.*

CVAG's current officers are the representative from the City of Coachella serving as CVAG Chair and the representative from the City of Desert Hot Springs serving as Vice Chair.

The By-laws include a stipulation that requires 75 percent attendance or more of the Executive Committee meetings "in the previous year." Representatives from both the City of Desert Hot Springs and the City of Rancho Mirage have had perfect attendance in the past year. Therefore, staff is recommending the Administrative/ Personnel Committee confirm the representative from the City of Desert Hot Springs will serve as FY 2023/2024 Chair and the representative from the City of Rancho Mirage will serve as the FY 2023/2024 Vice Chair.

CVAG staff will present the Administrative/Personnel Committee's recommendation to the Executive Committee and then to the General Assembly in June 2023.

Fiscal Analysis: There is no additional fiscal impact as CVAG officers receive the same per diem as other members.

ITEM 6B

Coachella Valley Association of Governments Administrative/Personnel Committee

April 24, 2023



STAFF REPORT

Subject: Implementation of Classification and Total Compensation Study and Performance Management System

Contact: Erica Felci, Assistant Executive Director (efelci@cvag.org)

Recommendation: Information

Background: CVAG staff has been seeking guidance from the Administrative/Personnel Committee on CVAG's staffing needs now and in the long-term. In November 2022, the Committee was provided what was a culmination of a nearly year-long process to review CVAG's classifications, total compensation, salary structure and performance management system. The Classification and Total Compensation Study was completed by Koff & Associates under a contract that CVAG authorized in December 2021 as part of a joint effort with Western Riverside Council of Governments (WRCOG).

Overall, the results of the Koff study indicated that 90 percent of CVAG's classifications were below the market median for base salary and 70 percent were below the market for total compensation. This equates to roughly 16 percent below market value on base salary dollars and 9 percent below market on total compensation dollars. The Koff study also identified changes that moved CVAG from a step-based structure to an open-range based structure with an established minimum, control point, and maximum. Such a system will ensure CVAG staff are not just rewarded for their longevity – which often results from the step system – but are rather compensated based on their quality of work.

After receiving the results in November 2022, the Administrative/ Personnel Committee authorized the Executive Director to phase-in a number of personnel-related changes, including new classifications and the implementation of a new performance management system that establishes pay-for-performance merit increases. With this report, CVAG staff is providing an update on the process of implementing changes.

New Classifications and Open Salary Structure

CVAG historically had three classes of employees: Class I covering clerical and secretarial positions; Class II covering management, supervisory and professional positions; and Class III, which is the Executive Director. These broad classifications have led to a wide-range of duties within a class. Based on Koff's recommendations, these classifications have been replaced with the following: Program Assistant, Program Specialist, Intern, Management Analyst, Accountant, Office Manager, Clerk, Program Manager, and director-level positions such as department directors, Chief Operating Officer, Deputy Executive Director and Executive Director. For those classifications with levels, distinctions between levels are be defined based on scope of responsibility, complexity of work, supervision received and exercised, authority for making

decisions and taking action, type and level of required knowledge, skills, abilities, education, training, and experience.

The Executive Director provided staff with an update on the Koff study and next steps that the Administrative/ Personnel Committee authorized during a December 2022 staff meeting. Each staff member was also provided with a letter detailing their new classification and job descriptions. This was not the first time they received this information: Earlier in the study, CVAG staff had an opportunity to review drafts of their own, recommended classifications to ensure that the position duties and responsibilities matched their current working patterns and was appropriately classed. In situations where employees were making less than the new salary range, staff members received half of the pay increase effective January 1, 2023 with the other half effective July 1, 2023.

Based on the Administrative/ Personnel Committee approval, the Executive Director also notified individuals in the program manager and director-level positions that employment agreements were being implemented. Because some staff already had agreements, the Executive Director offered to retain the old agreements – on the condition those employees would not be offered the new benefits being incorporated into the Fiscal Year 2023/24 budget (such as an extra holiday). It should be noted that CVAG saw a 100 percent completion of the new employment agreements.

Performance Management System

Based on the Administrative/ Personnel Committee's direction in early 2022, Koff's scope of work was expanded to include a review of the performance evaluation system. CVAG had used the same evaluation criteria and system for decades and much of it was outdated. Koff completed its review in January 2023, and it established a link between annual reviews and the new, open range pay structure. It also aligns all staff performance reviews to an annual cycle ahead of the next year's budgetary process.

The new performance management system standardizes the scoring for competencies in each classification. These competencies reflect the knowledge, skills, abilities, and other factors that CVAG management has identified as necessary for effective job performance. They are utilized as pillars of reference throughout the performance management program and reinforced by establishing a regular schedule of conversations with supervisors, goal setting sessions, and feedback from human resources. In addition, each staff member worked with their supervisor to establish clear and measurable performance goals that relate to CVAG's departments and programs. This further makes clear what is expected of the employee with a clear focus on end results. Staff members also created individual growth goals that focused on their personal and career development.

CVAG staff rolled out the system in early February 2023 and, by early April 2023, all of CVAG staff had completed the new review process. The results of these reviews will be reflected as merit-based increases that are folded into the proposed Fiscal Year 2023/24 budget on a pro-rated basis based on each employee's previous merit increase.

Fiscal Analysis: There is no additional cost to this update. Personnel Costs for Fiscal Year 2023/2024 will be presented to the Finance Committee as well as the Executive Committees as part of the budget review.

In June 2022, the CVAG General Assembly, at the recommendation of the Executive Committee, adopted Resolution 2022-005, which adopted the current fiscal year budget provided a cost-of-living adjustment to salaries and empowered the Administrative/ Personnel Committee to modify the personnel classification system and salary schedule based on the study's outcome, so long as the total personnel expenses remain within the agency's overall budget for salaries. Based on the authorization the Administrative/ Personnel Committee provided in November 2022, salary increases related to the new classifications have been implemented in a phased-in approach.

ITEM 6C

Coachella Valley Association of Governments Administrative/Personnel Committee April 24, 2023



STAFF REPORT

Subject: Fiscal Year 2023/2024 Budgetary Items

Contact: Claude T. Kilgore, Director of Finance/Administration (ckilgore@cvag.org)

Recommendation: Provide direction to staff on CVAG's Fiscal Year 2023/2024 Budget

Background: The Administrative/Personnel Committee has historically met during the annual budget process to provide staff direction on various items that will be included in the upcoming budget as it relates to personnel matters and related budgetary information. Last year, CVAG staff implemented a new budget software, Questica, that was approved by the Executive Committee in the fall of 2021. Now in its second year of use, CVAG staff has been able to realize efficiencies, increase effectiveness of internal reporting, and have overall better insight into the annual budgetary process.

At the April 24 meeting of the Administrative/ Personnel Committee, CVAG staff will present pertinent information related to membership dues and upcoming expenses, including the carry-over of current-year budgeted Enterprise Resource Planning (ERP) system procurement and implementation as it is in the early stages. Based on feedback from the Finance Committee, and as detailed in a separate staff report, staff is updating the CalPERS Unfunded Accrued Liability (UAL) paydown approach. In addition, the Administrative/ Personnel Committee will be provided information on a potential Cost-of-Living Adjustment (COLA) increase to membership dues and personnel costs.

There are personnel needs that have been, and need to be, addressed to keep important regional priorities on track all in the face of combating inflation and increasing employee retention. CVAG management has initiated a number of personnel related strategies including flexible workplace, expanded use of contractors and a new office space that will accommodate the staff needed to implement forward-thinking programs.

Coupled with these facts and figures, CVAG staff intends to provide the Committee with budgetary items to consider for fiscal year 2023/2024. Based on the feedback and direction, CVAG staff will finalize the remainder of the budget and present it to the Finance Committee in May 2023. CVAG staff notes that these discussions and recommendations also have an indirect impact on the Coachella Valley Conservation Commission and Desert Community Energy, which CVAG also staffs.

Fiscal Analysis: The fiscal impact will be built into CVAG's Fiscal Year 2023/2024 Budget, which will be presented for adoption by the Executive Committee and General Assembly in June 2023.

ITEM 7A

Coachella Valley Association of Governments Administrative/ Personnel Committee

April 24, 2023



STAFF REPORT

Subject: CalPERS Unfunded Accrued Liability

Contact: Claude T. Kilgore, Director of Finance/Administration (ckilgore@cvag.org)

Recommendation: Information

Background: In 2019, the Administrative/Personnel Committee and the Finance Committee (formerly known as the Audit Committee) requested that CVAG staff to look into the possibility of CVAG addressing the escalating cost of the CalPERS Unfunded Accrued Liability (UAL). It is well known that the UAL for almost all agencies has been on the rise and continues to soar, placing an increasingly tight fiscal burden on agencies throughout California. In addition, the UAL calculation and pension valuation and accounting in general are an extremely complex concept that involve the use of numerous professionals and assumptions. The annual valuation report is typically on a two-year lag, and the UAL is subject to increase or decrease due to investment strategies and results and assumption changes, payroll projections among other items year-to-year.

Based on committees' direction, a paydown approach was developed beginning in Fiscal Year 2019/20 that included a one-time \$1,000,000 payment in the first year and then full Minimum UAL Payments each fiscal year with an annual Additional Discretionary Payment (ADP) to bring the total UAL payment to around \$200,000 annually. When this paydown was established, this formula would have allowed paying off CVAG's UAL over an approximate 10-year period. However, recent investment results at CalPERS and other factors have shifted UAL valuation input assumptions.

In February 2023, CVAG staff convened the Finance Committee and recommended the Committee re-evaluate the current UAL paydown approach in order to proactively manage changing external forces and prudently manage the UAL. At the meeting, Palm Springs Councilmember Lisa Middleton of the City of Palm Springs provided an overview of the CalPERS organization as well as provide other valuable insight and information about its operations. Councilmember Middleton currently sits on the 13-member CalPERS Board of Directors, a position she was appointed to by Governor Newsom in 2019. Councilmember Middleton also sits on numerous committees at CalPERS where she chairs both the Finance & Administration Committee as well as the Risk & Audit Committee.

She was joined by CalPERS actuary, Kurt Schnieder. Mr. Schnieder has been an actuary in the defined benefit retirement field for more than 20 years. Actuaries like Mr. Schnieder partner with public agencies like CVAG to manage the costs and risks of public pensions in a way that allows agencies to continue to provide public services efficiently and cost effectively. Mr. Schnieder overviewed how the CalPERS investment results from fiscal year 2022 are projected to affect CVAG's UAL now and in the future. On its most recently available CalPERS Valuation Report dated June 30, 2021, CVAG's funded ratio was 95.7%, which is a much-improved funded status from prior years. It also is higher than the public agencies status of 82.6%, indicating that recent

ADPs made by CVAG have been effective in lowering CVAG's overall future UAL costs. However, this ratio does not include the approximately \$1.6 million investment loss from the year ended June 30, 2022.

Following the presentation, CVAG staff provided an overview of options regarding UAL paydown approach with the new investment loss information. The Finance Committee provided direction for the FY2023/2024 budgeted CalPERS UAL paydown and directed staff to incorporate an annual payment of \$250,000 – which is \$50,000 more than the originally scheduled amount – into the upcoming budget based on CVAG staff recommendation. This increased paydown will not only reduce the overall UAL yet it will also reduce future UAL payments as well as allow for stable annual contributions. The Finance Committee will meet again in the spring 2023 to revisit this topic as part of the draft budget for FY2023/2024, which will then go to the Executive Committee for review and approval. CVAG staff will continue to monitor CalPERS valuation reports as well as additional information available each year to maintain an annual ADP plan updated with relevant and timely adjustments and assumptions when preparing the budget each year.

Finally, CVAG staff would like to share new interactive tools recently released from CalPERS that were overviewed in the February meeting. These interactive tools are available to the public and provide a format to view and compare the funded status of all CalPERS agencies and can be filtered by agency type, location, classification and more.

[Summary of Valuation Results - CalPERS](#)

[CalPERS Valuation Results - Google My Maps](#)

Fiscal Analysis: CVAG's total annual required employer contribution set by CalPERS for FY2023/2024 is \$98,064. Based on the direction from the Finance Committee, CVAG staff will incorporate a total \$250,000 payment (\$151,936 ADP) into the FY2023/2024 budget for consideration and adoption.

Attachment: Miscellaneous Plan of the Coachella Valley Association of Governments (CalPERS ID: 3910122713) Annual Valuation Report as of June 30, 2021 (most recent report)



California Public Employees' Retirement System

Actuarial Office

400 Q Street, Sacramento, CA 95811 | Phone: (916) 795-3000 | Fax: (916) 795-2744

888 CalPERS (or **888-225-7377**) | TTY: (877) 249-7442 | www.calpers.ca.gov

July 2022

PEPRA Miscellaneous Plan of the Coachella Valley Association of Governments (CalPERS ID: 3910122713)

Annual Valuation Report as of June 30, 2021

Dear Employer,

Attached to this letter, you will find the June 30, 2021 actuarial valuation report for the rate plan noted above. **Provided in this report is the determination of the minimum required employer contributions for fiscal year (FY) 2023-24.** In addition, the report contains important information regarding the current financial status of the plan as well as projections and risk measures to aid in planning for the future.

Because this plan is in a risk pool, the following valuation report has been separated into two sections:

- Section 1 contains specific information for the plan including the development of the current and projected employer contributions, and
- Section 2 contains the Risk Pool Actuarial Valuation appropriate to the plan as of June 30, 2021.

Section 2 can be found on the CalPERS website (www.calpers.ca.gov). From the home page, go to "Forms & Publications" and select "View All". In the search box, enter "Risk Pool" and from the results list download the Miscellaneous Risk Pool Actuarial Valuation Report for June 30, 2021.

Your June 30, 2021 actuarial valuation report contains important actuarial information about your pension plan at CalPERS. The plan actuary whose signature is in the Actuarial Certification is available to discuss.

Actuarial valuations are based on assumptions regarding future plan experience including investment return and payroll growth, eligibility for the types of benefits provided, and longevity among retirees. The CalPERS Board of Administration (board) adopts these assumptions after considering the advice of CalPERS actuarial and investment teams and other professionals. Each actuarial valuation reflects all prior differences between actual and assumed experience and adjusts the contribution requirements as needed. This valuation is based on an investment return assumption of 6.8%, which was adopted by the board in November 2021. Other assumptions used in this report are those recommended in the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021.

Required Contribution

The table below shows the minimum required employer contributions and the Employee PEPRA Rate for FY 2023-24 along with estimates of the required contributions for FY 2024-25. Employee contributions other than cost sharing (whether paid by the employer or the employee) are in addition to the results shown below. **The required employer contributions in this report do not reflect any cost sharing arrangement between the agency and the employees.**

Fiscal Year	Employer Normal Cost Rate	Employer Amortization of Unfunded Accrued Liability	PEPRA Member Rate
2023-24	8.00%	\$0	8.25%
<i>Projected Results</i>			
2024-25	8.0%	\$0	TBD

The actual investment return for FY 2021-22 was not known at the time this report was prepared. The projections above assume the investment return for that year would be 6.8%. ***To the extent the actual investment return for FY 2021-22 differs from 6.8%, the actual contribution requirements for FY 2024-25 will differ from those shown above.*** For additional details regarding the assumptions and methods used for these projections, please refer to the "Projected Employer Contributions" in the "Highlights and Executive Summary" section. This section also contains projected required contributions through FY 2028-29.

Changes from Previous Year's Valuation

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for FY 2020-21. Since the return exceeded the 7.00% discount rate sufficiently, the CalPERS Funding Risk Mitigation policy allows CalPERS to use a portion of the investment gain to offset the cost of reducing the expected volatility of future investment returns. Based on the thresholds specified in the policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate of 0.20%, from 7.00% to 6.80%.

On November 17, 2021, the board adopted new actuarial assumptions based on the recommendations in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study reviewed the retirement rates, termination rates, mortality rates, rates of salary increases, and inflation assumption for public agencies. These new assumptions are incorporated in this actuarial valuation and will impact the required contribution for FY 2023-24. In addition, the board adopted a new strategic asset allocation as part of its Asset Liability Management process. The new asset allocation along with the new capital market assumptions and economic assumptions support a discount rate of 6.80%. This includes a reduction in the price inflation assumption from 2.50% to 2.30%.

Besides the above noted changes, there may also be changes specific to the plan such as contract amendments and funding changes.

Further descriptions of general changes are included in the "Highlights and Executive Summary" section and in Appendix A of the Section 2 report, "Actuarial Methods and Assumptions."

Questions

We understand that you might have questions about these results, and the plan actuary whose signature is on the valuation report is available to discuss. If you have other questions, you may call the Customer Contact Center at (888)-CalPERS or **(888-225-7377)**.

Sincerely,

SCOTT TERANDO, ASA, EA, MAAA, FCA, CFA
Chief Actuary



**Actuarial Valuation
as of June 30, 2021**

**for the
PEPRA Miscellaneous Plan
of the
Coachella Valley Association of
Governments
(CalPERS ID: 3910122713)**

**Required Contributions
for Fiscal Year
July 1, 2023 - June 30, 2024**

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Section 1 – Plan Specific Information

Section 2 – Risk Pool Actuarial Valuation Information

Section 1

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

**Plan Specific Information
for the
PEPRA Miscellaneous Plan
of the
Coachella Valley Association of
Governments**

**(CalPERS ID: 3910122713)
(Rate Plan ID: 26564)**

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Actuarial Certification

To the best of our knowledge, this report, comprising of Sections 1 and 2, is complete and accurate and contains sufficient information to disclose, fully and fairly, the funded condition of the PEPRA Miscellaneous Plan of the Coachella Valley Association of Governments and satisfies the actuarial valuation requirements of Government Code section 7504. This valuation is based on the member and financial data as of June 30, 2021 provided by the various CalPERS databases and the benefits under this plan with CalPERS as of the date this report was produced. Section 1 of this report is based on the member and financial data for Coachella Valley Association of Governments, while Section 2 is based on the corresponding information for all agencies participating in the Miscellaneous Risk Pool to which the plan belongs.

As set forth in Section 2 of this report, the pool actuaries have certified that, in their opinion, the valuation of the Miscellaneous Risk Pool has been performed in accordance with generally accepted actuarial principles consistent with standards of practice prescribed by the Actuarial Standards Board, and that the assumptions and methods are internally consistent and reasonable for the risk pool as of the date of this valuation and as prescribed by the CalPERS Board of Administration according to provisions set forth in the California Public Employees' Retirement Law.

Having relied upon the information set forth in Section 2 of this report and based on the census and benefit provision information for the rate plan, it is my opinion as the plan actuary that the Unfunded Accrued Liability amortization bases as of June 30, 2021 and employer contribution as of July 1, 2023 have been properly and accurately determined in accordance with the principles and standards stated above.

The undersigned is an actuary who satisfies the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States with regard to pensions.

KURT SCHNEIDER, MPA, ASA, EA, MAAA
Supervising Pension Actuary, CalPERS

Highlights and Executive Summary

- **Introduction**
- **Purpose of Section 1**
- **Required Contributions**
- **Additional Discretionary Employer Contributions**
- **Plan's Funded Status**
- **Projected Employer Contributions**
- **Other Pooled Miscellaneous Risk Pool Rate Plans**
- **Cost**
- **Changes Since the Prior Year's Valuation**
- **Subsequent Events**

Introduction

This report presents the results of the June 30, 2021 actuarial valuation of the PEPRA Miscellaneous Plan of the Coachella Valley Association of Governments of the California Public Employees' Retirement System (CalPERS). This actuarial valuation sets the required employer contributions for (FY) 2023-24.

Purpose of Section 1

This Section 1 report for the PEPRA Miscellaneous Plan of the Coachella Valley Association of Governments of CalPERS was prepared by the plan actuary in order to:

- Set forth the assets and accrued liabilities of this plan as of June 30, 2021;
- Determine the minimum required employer contribution for this plan for the FY July 1, 2023 through June 30, 2024; and
- Provide actuarial information as of June 30, 2021 to the CalPERS Board of Administration (board) and other interested parties.

The pension funding information presented in this report should not be used in financial reports subject to Governmental Accounting Standards Board (GASB) Statement No. 68 for a Cost Sharing Employer Defined Benefit Pension Plan. A separate accounting valuation report for such purposes is available on the CalPERS website (www.calpers.ca.gov).

The measurements shown in this actuarial valuation may not be applicable for other purposes. The agency should contact the plan actuary before disseminating any portion of this report for any reason that is not explicitly described above.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; changes in actuarial policies; changes in plan provisions or applicable law; and differences between the required contributions determined by the valuation and the actual contributions made by the agency.

Assessment and Disclosure of Risk

This report includes the following risk disclosures consistent with the recommendations of Actuarial Standards of Practice No. 51 and recommended by the California Actuarial Advisory Panel (CAAP) in the Model Disclosure Elements document:

- A "Scenario Test," projecting future results under different investment income returns.
- A "Sensitivity Analysis," showing the impact on current valuation results using alternative discount rates of 5.8% and 7.8%.
- A "Sensitivity Analysis," showing the impact on current valuation results assuming rates of mortality are 10% lower or 10% higher than our current post-retirement mortality assumptions adopted in 2021.
- Plan maturity measures indicating how sensitive a plan may be to the risks noted above.

Required Contributions

	Fiscal Year 2023-24
Required Employer Contributions	
Employer Normal Cost Rate	8.00%
<i>Plus</i>	
Required Payment on Amortization Bases ¹	\$0
<i>Paid either as</i>	
1) Monthly Payment	\$0.00
<i>Or</i>	
2) Annual Prepayment Option*	\$0
Required PEPRM Member Contribution Rate	8.25%
<i>The total minimum required employer contribution is the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll and paid as payroll is reported) plus the Employer Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly (1) or prepaid annually (2) in dollars).</i>	
<i>* Only the UAL portion of the employer contribution can be prepaid (which must be received in full no later than July 31).</i>	
<i>For additional detail regarding the determination of the required PEPRM member contribution rate see section on PEPRM Member Contribution Rates.</i>	

	Fiscal Year 2022-23	Fiscal Year 2023-24
Development of Normal Cost as a Percentage of Payroll		
Base Total Normal Cost for Formula	14.22%	15.43%
Surcharge for Class 1 Benefits ²		
a) PRSA	0.79%	0.82%
Phase out of Normal Cost Difference ³	0.00%	0.00%
Plan's Total Normal Cost	15.01%	16.25%
Plan's Employee Contribution Rate	7.25%	8.25%
Employer Normal Cost Rate	7.76%	8.00%

¹ The required payment on amortization bases does not take into account any additional discretionary payment made after April 29, 2022.

² Section 2 of this report contains a list of Class 1 benefits and corresponding surcharges for each benefit.

³ The normal cost change is phased out over a five-year period in accordance with the CalPERS contribution allocation policy.

Additional Discretionary Employer Contributions

The minimum required employer contribution towards the Unfunded Accrued Liability (UAL) for this rate plan for the 2023-24 FY is \$0. CalPERS allows agencies to make additional discretionary payments (ADPs) at any time and in any amount. These optional payments serve to reduce the UAL and future required contributions and can result in significant long-term savings. Agencies can also use ADPs to stabilize annual contributions as a fixed dollar amount, percent of payroll or percent of revenue.

Provided below are select ADP options for consideration. Making such an ADP during FY 2023-24 does not require an ADP be made in any future year, nor does it change the remaining amortization period of any portion of unfunded liability. For information on permanent changes to amortization periods, see the "Amortization Schedule and Alternatives" section of the report.

Agencies considering making an ADP should contact CalPERS for additional information.

Minimum Required Employer Contribution for Fiscal Year 2023-24

Estimated Normal Cost	Minimum UAL Payment	ADP	Total UAL Contribution	Estimated Total Contribution
\$97,773	\$0	\$0	\$0	\$97,773

Alternative Fiscal Year 2023-24 Employer Contributions for Greater UAL Reduction

Funding Target	Estimated Normal Cost	Minimum UAL Payment	ADP ¹	Total UAL Contribution	Estimated Total Contribution
N/A	N/A	N/A	N/A	N/A	N/A

¹ The ADP amounts are assumed to be made in the middle of the fiscal year. A payment made earlier or later in the fiscal year would have to be less or more than the amount shown to have the same effect on the UAL amortization.

Note that the calculations above are based on the projected Unfunded Accrued Liability as of June 30, 2023 as determined in the June 30, 2021 actuarial valuation. New unfunded liabilities can emerge in future years due to assumption or method changes, changes in plan provisions, and actuarial experience different than assumed. Making an ADP illustrated above for the indicated number of years will not result in a plan that is exactly 100% funded in the indicated number of years. Valuation results will vary from one year to the next and can diverge significantly from projections over a period of several years.

Plan's Funded Status

	June 30, 2020	June 30, 2021
1. Present Value of Projected Benefits (PVB)	\$1,789,977	\$2,810,288
2. Entry Age Accrued Liability (AL)	637,269	844,675
3. Plan's Market Value of Assets (MVA)	592,387	928,207
4. Unfunded Accrued Liability (UAL) [(2) - (3)]	44,882	(83,532)
5. Funded Ratio [(3) / (2)]	93.0%	109.9%

The UAL and funded ratio are assessments of the need for future employer contributions based on the actuarial cost method used to fund the plan. The UAL is the present value of future employer contributions for service that has already been earned and is in addition to future normal cost contributions for active members. The funded ratio, on the other hand, is a relative measure of funded status that allows for comparison between plans of different sizes. For measures of funded status that are appropriate for assessing the sufficiency of plan assets to cover estimated termination liabilities, please see "Hypothetical Termination Liability" in the "Risk Analysis" section.

Projected Employer Contributions

The table below shows the required and projected employer contributions (before cost sharing) for the next six fiscal years. The projection assumes that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period. In particular, the investment return beginning with FY 2021-22 is assumed to be 6.80% per year, net of investment and administrative expenses. Actual contribution rates during this projection period could be significantly higher or lower than the projection shown below. Future contribution requirements may differ significantly from those shown below. The actual long-term cost of the plan will depend on the actual benefits and expenses paid and the actual investment experience of the fund.

	Required Contribution	Projected Future Employer Contributions (Assumes 6.80% Return for Fiscal Year 2021-22 and Beyond)				
Fiscal Year	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
	Rate Plan 26564 Results					
Normal Cost %	8.00%	8.0%	8.0%	8.0%	8.0%	8.0%
UAL Payment	\$0	\$0	\$0	\$0	\$0	\$0

For some sources of UAL, the change in UAL is amortized using a 5-year ramp up. For more information, please see "Amortization of the Unfunded Actuarial Accrued Liability" under "Actuarial Methods" in Appendix A of the Section 2 Report. This method phases in the impact of the change in UAL over a 5-year period in order to reduce employer cost volatility from year to year. As a result of this methodology, dramatic changes in the required employer contributions in any one year are less likely. However, required contributions can change gradually and significantly over the next five years. In years when there is a large increase in UAL, the relatively small amortization payments during the ramp up period could result in a funded ratio that is projected to decrease initially while the contribution impact of the increase in the UAL is phased in.

For projected contributions under alternate investment return scenarios, please see the "Future Investment Return Scenarios" in the "Risk Analysis" section.

Our online pension plan projection tool, Pension Outlook, is available in the Employers section of the CalPERS website. Pension Outlook can help plan and budget pension costs under various scenarios.

Other Pooled Miscellaneous Risk Pool Rate Plans

All of the results presented in this Section 1 report, except those shown below, correspond to rate plan 26564. In many cases, employers have additional rate plans within the same risk pool. For cost analysis and budgeting it is useful to consider contributions for these rate plans as a whole rather than individually. The estimated contribution amounts and rates for all of the employer's rate plans in the Miscellaneous Risk Pool are shown below and assume that the payroll for each rate plan will grow according to the overall payroll growth assumption of 2.80% per year for three years.

	Fiscal Year 2022-23	Fiscal Year 2023-24
Estimated Combined Employer Contributions for all Pooled Miscellaneous Rate Plans		
Projected Payroll for the Contribution Year	\$1,971,532	\$1,817,733
Estimated Employer Normal Cost	\$197,926	\$176,746
Required Payment on Amortization Bases	\$111,582	\$101,343
Estimated Total Employer Contributions	\$309,508	\$278,089
Estimated Total Employer Contribution Rate (illustrative only)	15.70%	15.30%

Cost

Actuarial Determination of Plan Cost

Contributions to fund the plan are comprised of two components:

- Normal Cost, expressed as a percentage of total active payroll
- Amortization of the Unfunded Accrued Liability (UAL), expressed as a dollar amount

For fiscal years prior to 2016-17, the Amortization of UAL component was expressed as a percentage of total active payroll. Starting with FY 2016-17, the Amortization of UAL component was expressed as a dollar amount and invoiced on a monthly basis. There continues to be an option to prepay this amount during July of each fiscal year.

The Normal Cost component is expressed as a percentage of active payroll with employer and employee contributions payable as part of the regular payroll reporting process.

The determination of both components requires complex actuarial calculations. The calculations are based on a set of actuarial assumptions which can be divided into two categories:

- Demographic assumptions (e.g., mortality rates, retirement rates, employment termination rates, disability rates)
- Economic assumptions (e.g., future investment earnings, inflation, salary growth rates)

These assumptions reflect CalPERS' best estimate of future experience of the plan and are long term in nature. We recognize that all assumptions will not be realized in any given year. For example, the investment earnings at CalPERS have averaged 6.9% over the 20 years ending June 30, 2021, yet individual fiscal year returns have ranged from -23.6% to +21.3%. In addition, CalPERS reviews all actuarial assumptions by conducting in-depth experience studies every four years, with the most recent experience study completed in 2021.

Changes Since the Prior Year's Valuation

Benefits

The standard actuarial practice at CalPERS is to recognize mandated legislative benefit changes in the first annual valuation following the effective date of the legislation. Voluntary benefit changes by plan amendment are generally included in the first valuation that is prepared after the amendment becomes effective, even if the valuation date is prior to the effective date of the amendment.

This valuation generally reflects plan changes by amendments effective before the date of the report. Please refer to the "Plan's Major Benefit Options" and Appendix B of the Section 2 Report for a summary of the plan provisions used in this valuation.

Actuarial Methods and Assumptions

On November 17, 2021, the board adopted new actuarial assumptions based on the recommendations in the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study reviewed the retirement rates, termination rates, mortality rates, rates of salary increases, and inflation assumption for Public Agencies. These new assumptions are incorporated in this actuarial valuation and will impact the required contribution for FY 2023-24. In addition, the board adopted a new asset portfolio as part of its Asset Liability Management process. The new asset mix supports a 6.80% discount rate, which reflects a change in the price inflation assumption to 2.30%.

Subsequent Events

The contribution requirements determined in this actuarial valuation report are based on demographic and financial information as of June 30, 2021. Changes subsequent to that date are not reflected. Investment returns below the assumed rate of return may increase future required contributions while investment returns above the assumed rate of return may decrease future required contributions.

The projected employer contributions on Page 6 are calculated under the assumption that the discount rate remains at 6.8% going forward and that the realized rate of return on assets for FY 2021-22 is 6.8%.

This actuarial valuation report reflects statutory changes, regulatory changes and board actions through January 2022. Any subsequent changes or actions are not reflected.

Assets and Liabilities

- **Breakdown of Entry Age Accrued Liability**
- **Allocation of Plan's Share of Pool's Experience/Assumption Change**
- **Development of Plan's Share of Pool's Market Value of Assets**
- **Schedule of Plan's Amortization Bases**
- **Amortization Schedule and Alternatives**
- **Employer Contribution History**
- **Funding History**

Breakdown of Entry Age Accrued Liability

Active Members	\$669,170
Transferred Members	85,400
Terminated Members	90,105
Members and Beneficiaries Receiving Payments	0
Total	\$844,675

Allocation of Plan's Share of Pool's Experience/Assumption Change

It is the policy of CalPERS to ensure equity within the risk pools by allocating the pool's experience gains/losses and assumption changes in a manner that treats each employer equitably and maintains benefit security for the members of the System while minimizing substantial variations in employer contributions. The Pool's experience gains/losses and impact of assumption/method changes is allocated to the plan as follows:

1. Plan's Accrued Liability	\$844,675
2. Projected UAL balance at 6/30/2021	16,824
3. Pool's Accrued Liability ¹	20,794,529,023
4. Sum of Pool's Individual Plan UAL Balances at 6/30/2021 ¹	4,597,734,264
5. Pool's 2020/21 Investment (Gain)/Loss ¹	(2,338,185,055)
6. Pool's 2020/21 Non-Investment (Gain)/Loss ¹	(84,077,623)
7. Plan's Share of Pool's Investment (Gain)/Loss: $[(1) - (2)] \div [(3) - (4)] \times (5)$	(119,509)
8. Plan's Share of Pool's Non-Investment (Gain)/Loss: $(1) \div (3) \times (6)$	(3,415)
9. Plan's New (Gain)/Loss as of 6/30/2021: $(7) + (8)$	(122,924)
10. Increase in Pool's Accrued Liability due to Change in Assumptions ¹	60,407,898
11. Plan's Share of Pool's Change in Assumptions: $(1) \div (3) \times (10)$	2,454
12. Increase in Pool's Accrued Liability due to Funding Risk Mitigation ¹	495,172,731
13. Plan's Share of Pool's Change due to Funding Risk Mitigation: $(1) \div (3) \times (12)$	20,114
14. Offset due to Funding Risk Mitigation	(36,593)
15. Plan's Net Investment (Gain): $(7) - (14)$	(82,916)

¹ Does not include plans that transferred to Pool on the valuation date.

Development of the Plan's Share of Pool's Market Value of Assets

16. Plan's UAL: $(2) + (9) + (11) + (13)$	(\$83,532)
17. Plan's Share of Pool's MVA: $(1) - (16)$	\$928,207

Schedule of Plan's Amortization Bases

Note that there is a two-year lag between the valuation date and the start of the contribution fiscal year.

- The assets, liabilities, and funded status of the plan are measured as of the valuation date: June 30, 2021.
- The required employer contributions determined by the valuation are for the fiscal year beginning two years after the valuation date: FY 2023-24.

This two-year lag is necessary due to the amount of time needed to extract and test the membership and financial data, and the need to provide public agencies with their required employer contribution well in advance of the start of the fiscal year.

The Unfunded Accrued Liability (UAL) is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The UAL is rolled forward each year by subtracting the expected payment on the UAL for the fiscal year and adjusting for interest. The expected payment for the first fiscal year is determined by the actuarial valuation two years ago and the contribution for the second year is from the actuarial valuation one year ago. Additional discretionary payments are reflected in the Expected Payments column in the fiscal year they were made by the agency.

Reason for Base	Date Est.	Ramp Level 2023-24	Ramp Shape	Escalation Rate	Amort. Period	Balance 6/30/21	Expected Payment 2021-22	Balance 6/30/22	Expected Payment 2022-23	Balance 6/30/23	Minimum Required Payment 2023-24
Fresh Start	6/30/21				N/A	(83,532)	(17,218)	(71,418)	(17,306)	(58,390)	0
Total						(83,532)	(17,218)	(71,418)	(17,306)	(58,390)	0

The (gain)/loss bases are the plan's allocated share of the risk pool's (gain)/loss for the fiscal year as disclosed in "Allocation of Plan's Share of Pool's Experience/Assumption Change" earlier in this section. These (gain)/loss bases will be amortized in accordance with the CalPERS amortization policy in effect at the time the base was established.

Amortization Schedule and Alternatives

The amortization schedule on the previous page(s) shows the minimum contributions required according to the CalPERS amortization policy. Many agencies have expressed a desire for a more stable pattern of payments or have indicated interest in paying off the unfunded accrued liabilities more quickly than required. As such, we have provided alternative amortization schedules to help analyze the current amortization schedule and illustrate the potential savings of accelerating unfunded liability payments.

Shown on the following page are future year amortization payments based on 1) the current amortization schedule reflecting the individual bases and remaining periods shown on the previous page, and 2) alternative "fresh start" amortization schedules using two sample periods that would both result in interest savings relative to the current amortization schedule. To initiate a Fresh Start, please contact the plan actuary.

The Current Amortization Schedule typically contains both positive and negative bases. Positive bases result from plan changes, assumption changes, method changes or plan experience that increase unfunded liability. Negative bases result from plan changes, assumption changes, method changes, or plan experience that decrease unfunded liability. The combination of positive and negative bases within an amortization schedule can result in unusual or problematic circumstances in future years, such as:

- When a negative payment would be required on a positive unfunded actuarial liability; or
- When the payment would completely amortize the total unfunded liability in a very short time period, and results in a large change in the employer contribution requirement.

In any year when one of the above scenarios occurs, the actuary will consider corrective action such as replacing the existing unfunded liability bases with a single "fresh start" base and amortizing it over an appropriate period.

The Current Amortization Schedule on the following page may appear to show that, based on the current amortization bases, one of the above scenarios will occur at some point in the future. It is impossible to know today whether such a scenario will in fact arise since there will be additional bases added to the amortization schedule in each future year. Should such a scenario arise in any future year, the actuary will take appropriate action based on guidelines in the CalPERS amortization policy.

Amortization Schedule and Alternatives (continued)

Date	<u>Current Amortization Schedule</u>		<u>Alternate Schedules</u>			
	Balance	Payment	N/A Year Amortization		N/A Year Amortization	
			Balance	Payment	Balance	Payment
6/30/2023	N/A	N/A	N/A	N/A	N/A	N/A
6/30/2024						
6/30/2025						
6/30/2026						
6/30/2027						
6/30/2028						
6/30/2029						
6/30/2030						
6/30/2031						
6/30/2032						
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6/30/2044						
6/30/2045						
6/30/2046						
6/30/2047						
6/30/2048						
6/30/2049						
6/30/2050						
6/30/2051						
6/30/2052						
Total		N/A		N/A		N/A
Interest Paid		N/A		N/A		N/A
Estimated Savings				N/A		N/A

Employer Contribution History

The table below provides a recent history of the required employer contributions for the plan. The amounts are based on the actuarial valuation from two years prior and does not account for prepayments or benefit changes made during a fiscal year. Additional discretionary payments before July 1, 2019 or after June 30, 2021 are not included.

Fiscal Year	Employer Normal Cost	Unfunded Liability Payment (\$)	Additional Discretionary Payments
2016 - 17	6.930%	\$29	N/A
2017 - 18	6.908%	114	N/A
2018 - 19	7.266%	6,086	N/A
2019 - 20	7.072%	5,710	16,741
2020 - 21	7.874%	9,398	24,076
2021 - 22	7.73%	5,977	
2022 - 23	7.76%	394	
2023 - 24	8.00%	0	

Funding History

The table below shows the recent history of the actuarial accrued liability, share of the pool's market value of assets, unfunded accrued liability, funded ratio, and annual covered payroll.

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Unfunded Accrued Liability (UAL)	Funded Ratio	Annual Covered Payroll
06/30/2014	\$13,945	\$14,565	(\$620)	104.5%	\$175,312
06/30/2015	68,628	65,086	3,542	94.8%	458,528
06/30/2016	170,628	153,552	17,076	90.0%	774,862
06/30/2017	298,630	281,889	16,741	94.4%	532,037
06/30/2018	386,504	350,062	36,442	90.6%	512,409
06/30/2019	539,996	494,580	45,416	91.6%	624,435
06/30/2020	637,269	592,387	44,882	93.0%	741,522
06/30/2021	844,675	928,207	(83,532)	109.9%	1,124,991

Risk Analysis

- **Future Investment Return Scenarios**
- **Discount Rate Sensitivity**
- **Mortality Rate Sensitivity**
- **Maturity Measures**
- **Maturity Measures History**
- **Hypothetical Termination Liability**

Future Investment Return Scenarios

Analysis using the investment return scenarios from the Asset Liability Management process completed in 2021 was performed to determine the effects of various future investment returns on required employer contributions. The projections below reflect the impact of the CalPERS Funding Risk Mitigation policy. The projections also assume that all other actuarial assumptions will be realized and that no further changes in assumptions, contributions, benefits, or funding will occur.

The first table shows projected contribution requirements if the fund were to earn either 3.0% or 10.8% annually. These alternate investment returns were chosen because 90% of long-term average returns are expected to fall between them over the 20-year period ending June 30, 2041.

Assumed Annual Return FY 2021-22 through 2040-41	Projected Employer Contributions				
	2024-25	2025-26	2026-27	2027-28	2028-29
3.0% (5th percentile)					
Normal Cost Rate	8.0%	8.0%	8.0%	8.0%	8.0%
UAL Contribution	\$0	\$390	\$1,700	\$3,900	\$7,100
10.8% (95th percentile)					
Normal Cost Rate	8.2%	8.4%	8.6%	8.8%	8.5%
UAL Contribution	\$0	\$0	\$0	\$0	\$0

Required contributions outside of this range are also possible. In particular, whereas it is unlikely that investment returns will average less than 3.0% or greater than 10.8% over a 20-year period, the likelihood of a single investment return less than 3.0% or greater than 10.8% in any given year is much greater. The following analysis illustrates the effect of an extreme, single year investment return.

The portfolio has an expected volatility (or standard deviation) of 12.0% per year. Accordingly, in any given year there is a 16% probability that the annual return will be -5.2% or less and a 2.5% probability that the annual return will be -17.2% or less. These returns represent one and two standard deviations below the expected return of 6.8%.

The following table shows the effect of a one or two standard deviation investment loss in FY 2021-22 on the FY 2024-25 contribution requirements. Note that a single-year investment gain or loss decreases or increases the required UAL contribution amount incrementally for each of the next five years, not just one, due to the 5-year ramp in the amortization policy. However, the contribution requirements beyond the first year are also impacted by investment returns beyond the first year. Historically, significant downturns in the market are often followed by higher than average returns. Such investment gains would offset the impact of these single year negative returns in years beyond FY 2024-25.

Assumed Annual Return for Fiscal Year 2021-22	Required Employer Contributions	Projected Employer Contributions
	2023-24	2024-25
(17.2)% (2 standard deviation loss)		
Normal Cost Rate	8.00%	8.0%
UAL Contribution	\$0	\$4,100
(5.2)% (1 standard deviation loss)		
Normal Cost Rate	8.00%	8.0%
UAL Contribution	\$0	\$1,400

- Without investment gains (returns higher than 6.8%) in year FY 2022-23 or later, projected contributions rates would continue to rise over the next four years due to the continued phase-in of the impact of the illustrated investment loss in FY 2021-22.
- The Pension Outlook Tool can be used to model projected contributions for these scenarios beyond FY 2024-25 as well as to model other investment return scenarios.

Discount Rate Sensitivity

The discount rate assumption is calculated as the sum of the assumed real rate of return and the assumed annual price inflation, currently 4.5% and 2.3%, respectively. Changing either the price inflation assumption or the real rate of return assumption will change the discount rate. The sensitivity of the valuation results to the discount rate assumption depends on which component of the discount rate is changed. Shown below are various valuation results as of June 30, 2021 assuming alternate discount rates by changing the two components independently. Results are shown using the current discount rate of 6.8% as well as alternate discount rates of 5.8% and 7.8%. The rates of 5.8% and 7.8% were selected since they illustrate the impact of a 1.0% increase or decrease to the 6.8% assumption.

Sensitivity to the Real Rate of Return Assumption

As of June 30, 2021	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	5.8%	6.8%	7.8%
Inflation	2.3%	2.3%	2.3%
Real Rate of Return	3.5%	4.5%	5.5%
a) Total Normal Cost	20.35%	16.25%	13.13%
b) Accrued Liability	\$1,011,673	\$844,675	\$714,555
c) Market Value of Assets	\$928,207	\$928,207	\$928,207
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$83,466	(\$83,532)	(\$213,652)
e) Funded Ratio	91.7%	109.9%	129.9%

Sensitivity to the Price Inflation Assumption

As of June 30, 2021	1% Lower Inflation Rate	Current Assumptions	1% Higher Inflation Rate
Discount Rate	5.8%	6.8%	7.8%
Inflation	1.3%	2.3%	3.3%
Real Rate of Return	4.5%	4.5%	4.5%
a) Total Normal Cost	17.13%	16.25%	14.77%
b) Accrued Liability	\$889,411	\$844,675	\$769,201
c) Market Value of Assets	\$928,207	\$928,207	\$928,207
d) Unfunded Liability/(Surplus) [(b) - (c)]	(\$38,796)	(\$83,532)	(\$159,006)
e) Funded Ratio	104.4%	109.9%	120.7%

Mortality Rate Sensitivity

The following table looks at the change in the June 30, 2021 plan costs and funded status under two different longevity scenarios, namely assuming post-retirement rates of mortality are 10% lower or 10% higher than our current mortality assumptions adopted in 2021. This type of analysis highlights the impact on the plan of improving or worsening mortality over the long-term.

As of June 30, 2021	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost	16.54%	16.25%	15.98%
b) Accrued Liability	\$859,913	\$844,675	\$830,904
c) Market Value of Assets	\$928,207	\$928,207	\$928,207
d) Unfunded Liability/(Surplus) [(b) - (c)]	(\$68,294)	(\$83,532)	(\$97,303)
e) Funded Ratio	107.9%	109.9%	111.7%

Maturity Measures

As pension plans mature they become more sensitive to risks. Understanding plan maturity and how it affects the ability of a pension plan sponsor to tolerate risk is important in understanding how the pension plan is impacted by investment return volatility, other economic variables and changes in longevity or other demographic assumptions. Since it is the employer that bears the risk, it is appropriate to perform this analysis on a pension plan level considering all rate plans. The following measures are for one rate plan only.

One way to look at the maturity level of CalPERS and its plans is to look at the ratio of a plan's retiree liability to its total liability. A pension plan in its infancy will have a very low ratio of retiree liability to total liability. As the plan matures, the ratio starts increasing. A mature plan will often have a ratio above 60%-65%.

Ratio of Retiree Accrued Liability to Total Accrued Liability	June 30, 2020	June 30, 2021
1. Retired Accrued Liability	\$0	\$0
2. Total Accrued Liability	637,269	844,675
3. Ratio of Retiree AL to Total AL [(1) / (2)]	0.00	0.00

Another measure of maturity level of CalPERS and its plans is to look at the ratio of actives to retirees, also called the support ratio. A pension plan in its infancy will have a very high ratio of active to retired members. As the plan matures and members retire, the ratio declines. A mature plan will often have a ratio near or below one.

To calculate the support ratio for the rate plan, retirees and beneficiaries receiving a continuance are each counted as one, even though they may have only worked a portion of their careers as an active member of this rate plan. For this reason, the support ratio, while intuitive, may be less informative than the ratio of retiree liability to total accrued liability above. For comparison, the support ratio for all CalPERS public agency plans is 0.82 and is calculated consistently with how it is for the individual rate plan. Note that to calculate the support ratio for all public agency plans, a retiree with service from more than one CalPERS agency is counted as a retiree more than once.

Support Ratio	June 30, 2020	June 30, 2021
1. Number of Actives	11	17
2. Number of Retirees	0	0
3. Support Ratio [(1) / (2)]	N/A	N/A

Maturity Measures (Continued)

The actuarial calculations supplied in this communication are based on various assumptions about long-term demographic and economic behavior. Unless these assumptions (e.g., terminations, deaths, disabilities, retirements, salary growth, investment return) are exactly realized each year, there will be differences on a year-to-year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise required employer contributions from one year to the next. Therefore, employer contributions will inevitably fluctuate, especially due to the ups and downs of investment returns.

Asset Volatility Ratio

Shown in the table below is the asset volatility ratio (AVR), which is the ratio of market value of assets to payroll. Plans that have higher AVR experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with an asset-to-payroll ratio of 8 may experience twice the contribution volatility due to investment return volatility than a plan with an asset-to-payroll ratio of 4. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as the plan matures.

Liability Volatility Ratio

Also shown in the table below is the liability volatility ratio (LVR), which is the ratio of accrued liability to payroll. Plans that have a higher LVR experience more volatile employer contributions (as a percentage of payroll) due to changes in liability. For example, a plan with LVR ratio of 8 is expected to have twice the contribution volatility of a plan with LVR of 4. It should be noted that this ratio indicates a longer-term potential for contribution volatility, since the AVR, described above, will tend to move closer to the LVR as the funded ratio approaches 100%.

Contribution Volatility	June 30, 2020	June 30, 2021
1. Market Value of Assets	\$592,387	\$928,207
2. Payroll	741,522	1,124,991
3. Asset Volatility Ratio (AVR) [(1) / (2)]	0.8	0.8
4. Accrued Liability	\$637,269	\$844,675
5. Liability Volatility Ratio (LVR) [(4) / (2)]	0.9	0.8

Maturity Measures History

Valuation Date	Ratio of Retiree Accrued Liability to Total Accrued Liability	Support Ratio	Asset Volatility Ratio	Liability Volatility Ratio
06/30/2017	0.00	N/A	0.5	0.6
06/30/2018	0.00	N/A	0.7	0.8
06/30/2019	0.00	N/A	0.8	0.9
06/30/2020	0.00	N/A	0.8	0.9
06/30/2021	0.00	N/A	0.8	0.8

Hypothetical Termination Liability

The hypothetical termination liability is an estimate of the financial position of the plan had the contract with CalPERS been terminated as of June 30, 2021. The plan liability on a termination basis is calculated differently compared to the plan's ongoing funding liability. For the hypothetical termination liability calculation, both compensation and service are frozen as of the valuation date and no future pay increases or service accruals are assumed. This measure of funded status is not appropriate for assessing the need for future employer contributions in the case of an ongoing plan, that is, for an employer that continues to provide CalPERS retirement benefits to active employees.

A more conservative investment policy and asset allocation strategy was adopted by the board for the Terminated Agency Pool. The Terminated Agency Pool has limited funding sources since no future employer contributions will be made. Therefore, expected benefit payments are secured by risk-free assets and benefit security for members is increased while limiting the funding risk. However, this asset allocation has a lower expected rate of return than the PERF and consequently, a lower discount rate is assumed. The lower discount rate for the Terminated Agency Pool results in higher liabilities for terminated plans.

The effective termination discount rate will depend on actual market rates of return for risk-free securities on the date of termination. As market discount rates are variable, the table below shows a range for the hypothetical termination liability based on the lowest and highest interest rates observed during an approximate 19-month period from 12 months before the valuation date to seven months after.

Market Value of Assets (MVA)	Hypothetical Termination Liability^{1,2} at 1.00%	Funded Ratio	Unfunded Termination Liability at 1.00%	Hypothetical Termination Liability^{1,2} at 2.25%	Funded Ratio	Unfunded Termination Liability at 2.25%
\$928,207	\$2,427,359	38.2%	\$1,499,152	\$1,822,202	50.9%	\$893,995

¹ The hypothetical liabilities calculated above include a 5% contingency load. The contingency load and other actuarial assumptions can be found in Appendix A.

² The discount rate used for termination valuations is a weighted average of the 10-year and 30-year U.S. Treasury yields where the weights are based on matching asset and liability durations as of the termination date. The discount rates used in the table are based on 20-year Treasury bonds, rounded to the nearest quarter percentage point, which is a good proxy for most plans. The 20-year Treasury yield was 2.00% on June 30, 2021, the valuation date.

In order to terminate the plan, first contact our Pension Contract Services unit to initiate a Resolution of Intent to Terminate. The completed Resolution will allow the plan actuary to provide a preliminary termination valuation with a more up-to-date estimate of the plan liabilities. Before beginning this process, please consult with the plan actuary.

Participant Data

The table below shows a summary of the plan's member data upon which this valuation is based:

	June 30, 2020	June 30, 2021
Active Members		
Counts	11	17
Average Attained Age	53.67	45.65
Average Entry Age to Rate Plan	50.93	43.10
Average Years of Credited Service	2.41	2.30
Average Annual Covered Pay	\$67,411	\$66,176
Annual Covered Payroll	\$741,522	\$1,124,991
Present Value of Future Payroll	\$6,375,649	\$11,514,676
Transferred Members	1	2
Separated Members	9	8
Retired Members and Beneficiaries		
Counts*	0	0
Average Annual Benefits*	\$0	\$0

Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

* Values include community property settlements.

List of Class 1 Benefit Provisions

This plan has the additional Class 1 Benefit Provisions:

- Post-Retirement Survivor Allowance (PRSA)

Plan's Major Benefit Options

Shown below is a summary of the major optional benefits for which the agency has contracted. A description of principal standard and optional plan provisions is in Section 2.

	Benefit Group	
Member Category	Misc	
Demographics		
Actives	Yes	
Transfers/Separated	Yes	
Receiving	No	
Benefit Provision		
Benefit Formula	2% @ 62	
Social Security Coverage	No	
Full/Modified	Full	
Employee Contribution Rate	7.25%	
Final Average Compensation Period	Three Year	
Sick Leave Credit	Yes	
Non-Industrial Disability	Standard	
Industrial Disability	No	
Pre-Retirement Death Benefits		
Optional Settlement 2	Yes	
1959 Survivor Benefit Level	Level 3	
Special	No	
Alternate (firefighters)	No	
Post-Retirement Death Benefits		
Lump Sum	\$500	
Survivor Allowance (PRSA)	Yes	
COLA	2%	

PEPRA Member Contribution Rates

The California Public Employees' Pension Reform Act of 2013 (PEPRA) established new benefit formulas, final compensation period, and contribution requirements for "new" employees (generally those first hired into a CalPERS-covered position on or after January 1, 2013). In accordance with Government Code Section 7522.30(b), "new members ... shall have an initial contribution rate of at least 50% of the normal cost rate." The normal cost rate is dependent on the plan of retirement benefits, actuarial assumptions, and demographics of the risk pool, particularly members' entry age. Should the total normal cost rate change by more than 1% from the base total normal cost rate, the new member rate shall be 50% of the new normal cost rate rounded to the nearest quarter percent.

The table below shows the determination of the PEPRA member contribution rates effective July 1, 2023, based on 50% of the total normal cost rate as of the June 30, 2021 valuation.

Rate Plan Identifier	Benefit Group Name	<u>Basis for Current Rate</u>		<u>Rates Effective July 1, 2023</u>			
		Total Normal Cost	Member Rate	Total Normal Cost	Change	Change Needed	Member Rate
26564	Miscellaneous PEPRA Level	14.322%	7.25%	16.25%	1.928%	Yes	8.25%

Section 2

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Risk Pool Actuarial Valuation Information

**Section 2 may be found on the CalPERS website
(www.calpers.ca.gov) in the Forms and
Publications section**