



# Fort Ord Reuse Authority

920 2<sup>nd</sup> Avenue, Ste A, Marina, CA 93933

Phone: (831) 883-3672 • Fax: (831) 883-3675 • www.fora.org

## FINANCE COMMITTEE MEETING Thursday, November 7, 2013 at 1 PM FORA Offices

### REVISED AGENDA

To: FORA FINANCE COMMITTEE  
Mayor Bill Kampe, City of Pacific Grove – Chair  
Mayor Pro Tem Ian Oglesby, City of Seaside  
Councilmember Gail Morton, City of Marina  
Graham Bice, UC Santa Cruz  
Nick Chiulos, County of Monterey – Participation via Teleconference  
241 Waddell Rd, Mooresville, NC 28117

Re: **FORA Finance Committee Meeting/Agenda**

### AGENDA

1. Roll Call
2. Acknowledgements, Announcements, and Correspondence
3. Public Comment Period  
Members of the audience wishing to address the FORA Finance Committee on matters within the jurisdiction of FORA, but not on this agenda, may do so during the Public Comment Period. Public comments are limited to a maximum of three minutes. Public comments on specific agenda items will be heard at the time the matter is under Committee consideration.
4. April 25, 2013 Minutes ACTION
5. Request to provide banking services to FORA INFORMATION/ACTION  
Presentation by 1<sup>st</sup> Capital Bank
6. FORA policies
  - a) Expense Reimbursement/Cell Phone Stipend – minor adjustments ACTION
  - b) Internet Use /Leave Donation INFORMATION
7. Annual Audit INFORMATION  
Status report
8. Next meeting date ACTION
9. Adjournment



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**Finance Committee Meeting**  
Thursday, April 25, 2013 at 2:30 pm

### ACTION MINUTES

Present: Chair Bill Kampe, Members: Ian Oglesby, Graham Bice, Gail Morton  
Absent: Nick Chiulos (excused)  
Staff: Michael A. Houlemard, Jr., Ivana Bednarik, Steve Endsley, Jonathan Garcia, Marcela Fridrich  
Guests: Scott Hilk, Bob Shaffer

### AGENDA

The Finance Committee (FC) discussed the following agenda items:

1. Roll Call  
A quorum was achieved at 2:30 PM. Member Oglesby joined meeting at 2:37 PM.
2. Acknowledgements, Announcements, and Correspondence  
Executive Officer Michael Houlemard informed FC members about the cancellation of the prevailing wage conference.
3. Public Comment Period  
None
4. April 2, 2013 Minutes  
Member Morton asked for a misspelling correction. Motion to approve Bice, Second Morton, Approved 3-0.
5. FY 13-14 CIP Budget, CFD Fee Formula Calculation  
At its April 12, 2013 meeting FORA Board reviewed financial consultant EPS's draft analysis concerning the CFD fee Formula calculation. The draft calculations were offered solely as the basis for describing how the formula is applied. FORA staff presented EPS's updated draft analysis to FC members during the meeting. Jonathan Garcia introduced the item summarizing major changes from the one offered at the April Board meeting. FC Members discussed jurisdictional estimates and their impact on the fee calculation. Member Bice suggested that FC should not evaluate jurisdictional projections but rather make suggestions to Administrative and Executive committees. Chair Kampe pointed out that FC role is to identify items for Board consideration, make suggestions and articulate decision consequences. He invited members of public to make comments. There was no motion.
6. FY 13-14 Preliminary Budget  
This item was continued from the April 2, 2013 meeting. FC members received updated tables prepared by Controller Bednarik. She pointed out that CFD and Land Sale revenues will reflect the same value based on the draft CIP budget to be approved by FORA Board in June 2013. As requested by FC members, the ending fund balance was itemized displaying the General Fund balance. Controller Bednarik continued explaining changes/updates made in the itemized expenditures table primarily due to the addition of the anticipated initiative election cost. FC Members reviewed the salary/benefits schedule outlining proposed adjustments and their fiscal impact on the FY 13-14 budget. Member Morton asked for the additional column to show the 12-month impact of a 6-month salary step increase for eligible personnel. FC unanimously decided to recommend to the Executive Committee and FORA Board adoption of the preliminary FY 13-14 budget with requested changes. Motion Oglesby, Second Morton, Approved 4-0.
7. Next meeting date  
The next regularly scheduled meeting is planned for November 7, 2013.
8. Adjournment  
Meeting adjourned at 4:15 pm.

**Request to provide banking services to FORA**

Presentation by 1<sup>st</sup> Capital Bank

Any handouts will be distributed at the meeting

**FORA Policies**

- a) Approve adjustments in Expense Reimbursement and Cell Phone policies (red-line versions attached)
- b) Review Internet Use and Leave Donation policies (draft policies attached)

## Business Expense and Reimbursement Policy

The Fort Ord Reuse Authority (FORA) is authorized to pay actual and necessary expenses of FORA employees and FORA Board members provided those expenses are incurred in the performance of their official duties. The purpose of this policy is to define the types of occurrences that qualify for payment or reimbursement.

1. The expenses must be actual, necessary, and reasonable and incurred while performing services as an employee or a Board member and on behalf of FORA.
2. **Out of town lodging and meal** reimbursement are governed by the current IRS per-diem rates unless specifically approved by the Executive Committee on case-by-case basis. This is included and is matter of FORA Travel Policy.
3. **Local lodging and meal** reimbursement is not allowed, unless specifically approved by the Executive Committee. The local commuting area is defined as a 50 mile radius of the FORA office or the employee's residence.
4. **Local mileage** reimbursement is allowed for use of a personal car when used for FORA business at the currently approved IRS rate per mile.
5. **Business meals/meetings (local or out-of-town).** FORA funds may not be expended to purchase meals for third parties, such as consultants, constituents, legislators and private business owners. The Executive Officer (for staff)/Executive Committee (for Executive Officer, Authority Counsel and Board members) is authorized to approve exceptions to this general rule on a case-by-case basis for meals associated with an official FORA-sponsored event or official FORA business.
6. **Light refreshments** may be occasionally served at the FORA sponsored meetings and other official functions. "Light refreshment" means snacks and beverages consumed outside a regular meal and may include pastries, cookies, fruit, vegetables, coffee and water.
7. **Annual subscriptions and individual professional dues/memberships** must be directly related to FORA business and should be paid only if approved by the Executive Committee.
8. One **Award /Recognition event** where FORA employees are recognized for their contributions to the organization is permitted. The amount spent on the function is limited to \$500.00 unless otherwise determined by the Executive Committee.
9. **Cost sharing arrangements** with other jurisdictions/organizations must be by written agreement.

### AUTHORIZATION AND REIMBURSEMENT PROCESSING

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All expenses must always be preapproved using the Purchase Authorization (PA) form, substantiated by business purpose and itemized receipts must be provided. If an employee incurs an unplanned business expense without the prior authorization, the employee should provide reason for not obtaining prior approval on the PA form when requesting approval.

- PA requests at the staff level are approved by Executive Officer, Assistant Executive Officer, or Controller;
- PA requests for the Executive Officer, Authority Counsel, and Board members are approved by the Executive Committee; PA requests for minor allowable expenses less than \$100 may be approved by: a) Assistant Executive Officer or Controller for the Executive Officer and b) Executive Officer, Assistant Executive Officer, or Controller for Authority Counsel and Board members. A monthly register of such expenses will be provided to the Executive Committee and included in their meeting packets.
- Expenditures exceeding \$25,000 and/or expenditures not included in the approved budget must be approved by the FORA Board; and
- An individual may not approve his or her own purchase requisition and/or expense reimbursement request.
- If an expense is to be reimbursed to Executive Officer, Authority Counsel or Board members then a designated member of the Executive Committee should be one of the check signers.

Employees/Board members seeking reimbursement must complete the Expense reimbursement (ER) form. Claims shall be submitted within 30 days of incurring an expense to the Accounting office for processing.

Employees may claim local travel (mileage) limited to \$25 per request on their bi-weekly time sheets/project sheets; such reimbursement will be paid via payroll check. Minor purchases limited to \$25 may be paid by petty cash. All other reimbursements will be paid by FORA check.

Reimbursed business expenses are not wages and are not subject to payroll tax and income tax withholdings.

**Persons Covered by This Policy/Approving Authority**

This policy applies to FORA employees, Authority Counsel, and FORA Board members, including members of FORA committees.

## Cell Phone Policy

Certain Fort Ord Reuse Authority (FORA) job performance may require or be enhanced by cellular phone or a Smart phone ("cell phone") support. Effective April 1, 2013, FORA will issue stipends designed to offset the cost to the employee for using his/her personal cell phone for FORA business according to this policy and will phase out the past provision of FORA owned cell phones.

### Monthly Service Stipend

Based on job responsibilities, eligible employees may qualify for a stipend of up to \$50.00 to cover the business use of personal cell phones. Pursuant to the IRS Notice 2011-72 and memorandum to its field examination agents of September 14, 2011 a stipend is considered non-taxable if all three of the following requirements are met:

1. FORA must require the employee to use the employee's cell phone in connection with FORA's business;
2. The employee must maintain the type of a cell phone and service reasonably related to the needs of FORA's business; and
3. The reimbursement must be reasonably calculated and not exceed expenses the employee actually incurs in maintaining the cell phone.

The stipend will be paid as a flat rate added to the employee's regular semi-monthly payroll check. The stipend does not increase the employee's base salary and will not be included in the calculation of any FORA benefits.

The amount of the stipend (not to exceed \$50.00) will be a) determined based on the business use required for the employee to perform his or her job responsibilities. A tiered model based on the current market rates (*2013 AT&T rates are attached*):

Cellular Service	Usage/Need		
	<i>Light</i>	<i>Regular</i>	<i>Extensive</i>
Voice	10	20	25
Data	13	16	20
Text	2	4	5

### Eligibility

An employee is eligible for a stipend if at least one of the following criteria is met:

- The job requires considerable time outside the office during working hours and it is significantly beneficial to FORA operations that the employee be immediately accessible to receive and/or make frequent business calls during those times;
- The job function of the employee requires him/her to be accessible outside of scheduled normal working hours; or
- The job function of the employee requires him/her to have wireless data and internet access outside of scheduled normal working hours or when away from the office.

Employees who are not eligible for a cell phone stipend may be reimbursed for business calls on their personal cell phones with supervisor's approval.

### Oversight and Approvals

The Executive Officer confirms employees who may require cell phone/data access and for annually assessing each employee's ongoing demand for a cell phone stipend.

The FORA Executive Committee will review/approve the Executive Officer's use/ stipend.

### Employees Rights and Responsibilities

- The employee is responsible for establishing a service contract with the cell phone service provider of his/her choice. The cell phone contract is in the name of the employee, who is solely responsible for all payments to the service provider and securing the phone/equipment.
- The employee may use the cell phone for both business and personal purposes, as needed.
- Support from the FORA's Information Technology (IT) Department is limited to connecting a personally-owned PDA/Smartphone to FORA IT-provided services, including email, calendar, and contacts.
- The employee must demonstrate to the Executive Officer and/or FORA Controller, upon request but not less than semi-annually, that their monthly service charges (including taxes and fees), are equal to or greater than the stipend amount. If the monthly bills, on average, fall short of the stipend amount, the Executive Officer must adjust the stipend to a lower level, or may opt to discontinue the stipend provision for that employee.
- FORA does not accept liability for claims, charges or disputes between the service provider and the employee. Use of the phone in a manner contrary to local, state, or federal laws will constitute misuse, and will result in immediate termination of the stipend.
- Any cell phone that has data capabilities must be secured based on current security standards including password protection and encryption. If a cell phone with data capabilities is stolen or missing, it must be reported to the employee's supervisor, the wireless device service provider, and to FORA IT as soon as possible.
- Employees must delete FORA data from the cell phone upon employment severance, except when required to maintain that data to comply with litigation hold notice(s).

### Current Contracts Transition

In order to avoid cancellation fees and to allow for an orderly transition, employees currently using a FORA-owned cell phone can make alternative arrangements to comply with the new policy.

FORA employees who currently use FORA issued cell phones and who qualify for the stipend may keep their existing cellular number and transfer it to a personal account with AT&T or a different carrier. The IT coordinator will initiate the process for "transfer of billing responsibility" and release of the cell phone number to the employee through AT&T's business services. The employee will continue and finalize the transition. Since FORA will no longer issue phone devices to employees, the employee may choose to keep the existing FORA owned cell phone and FORA no longer holds liability for the condition of the equipment or return it as spare cellular equipment.



### Cancellation

A stipend agreement will be cancelled when/if:

- An employee terminates FORA employment.
- A management decision results in a change in the employee's duties that eliminates the need/benefit of the support.
- The employee terminates his/her cell phone service.
  - Employee must notify his/her supervisor within 5 business days to terminate the stipend if services are discontinued.

## Information Technology/Communications Equipment and Internet Use

### "Internet Use Policy"

#### Internet Use Policy Purpose

The use of FORA automation systems and equipment, including computers, copy machines, phone system and all forms of Internet/intranet access, is for FORA business use and for authorized purposes only. Brief and occasional personal use of the electronic mail system or the Internet is acceptable as long as it is not excessive or inappropriate, occurs during personal time (lunch or other breaks), and does not result in expense or harm to the Company or otherwise violate this policy. Use is defined as "excessive" if it interferes with normal job functions, responsiveness, or the ability to perform daily job activities. Electronic communication should not be used to solicit or sell products or services that are unrelated to the FORA business; distract, intimidate, or harass coworkers or third parties; or disrupt the workplace.

#### Property of FORA

Internet access, information technology/computer and other office equipment are owned by FORA. FORA reserves the right to control and monitor internet usage and to ensure that FORA's Internet Use Policy is being adhered to. Users should be aware that monitoring Internet use, can be accomplished without user consent, and may occur without prior notice.

#### Examples of Unacceptable Use

It is unacceptable for an Internet user to view, download, submit, publish, display, or transmit on the network, or any FORA computer system, any information that:

- Causes harm to others and/or damages FORA property, such as: Damaging computer equipment, files, data or the FORA's Network Systems in any way, including spreading computer viruses, vandalizing data, software or equipment.
- Violates or infringes on the rights of any other person.
- Contains defamatory, false, abusive, obscene, pornographic, profane, sexually explicit, threatening, racially offensive, or otherwise biased, discriminatory, or illegal material.
- Violates any regulation prohibiting sexual harassment.
- Uses of the system for any other illegal purpose.
- Conduct personal or unapproved business.
- Solicit any activity prohibited by law.
- Transmit material, information, or software in violation of any local, state or federal law.
- Conduct any political activity.
- Excessive personal communications/usage.

#### FORA E-Mail

E-Mail is intended to be used for FORA business. Users should not consider e-mail to be either private or secure.

#### Downloading

Downloading information from the Internet is restricted. All downloads/installations must be reviewed and/or approved by the Communications Coordinator/IT Technician.

Printing

All printed materials and the use of printers are intended for official FORA business. Excessive use for personal purposes is prohibited.

Bring Your Own Device (BYOD)

The use of a personal device (mobile phone, device or tablet) to access the FORA internet is granted in order to provide employees additional tools to access information with the implicit agreement that employees will not abuse the privilege by adhering to the policy item stated above "Examples of Unacceptable Use."

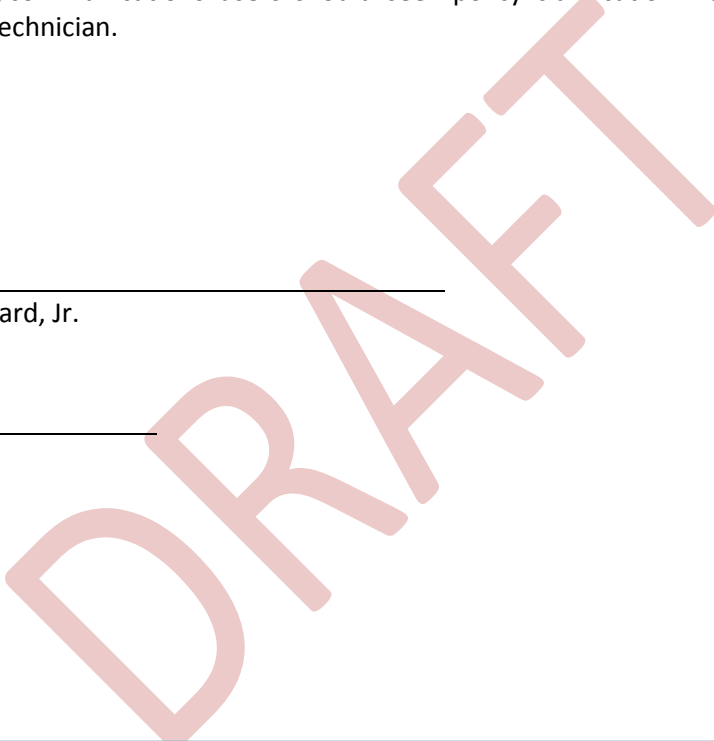
Regulation & Enforcement

The Communications Coordinator/IT Technician shall be responsible for compliance with the provisions of this policy and for investigating suspected non-compliance. If in doubt, internet/computer/communications users should seek policy clarification from the Human Resource Coordinator or IT Technician.

Approved by:

\_\_\_\_\_  
Michael A. Houlemard, Jr.  
Executive Officer

\_\_\_\_\_  
Date



User compliance

I understand and will abide by this Internet Use Policy. I further understand that should I commit any violation of this policy, my access privileges may be revoked, disciplinary action and/or appropriate legal action may be taken, including termination of my employment. I may be held personally liable for damages caused by any violations of this policy.

\_\_\_\_\_  
Employee Name and Signature

\_\_\_\_\_  
Date

## Leave Donation Policy

FORA recognizes that employees may on occasion have a medical or family emergency or personal crisis that prevents the employee from working, resulting in the need for additional time off in excess of the employee's available vacation/sick time. This Leave Donation Policy allows FORA employees to join together and help co-workers faced with this situation.

### **Eligibility**

#### **Leave Recipients**

Regular employees who: 1) accrue vacation and sick leave, 2) have been employed by FORA for at least six months, and 3) have exhausted all available leave balances (including sick leave, vacation, floating holidays, compensatory time off, and management leave) due to a medical or family emergency or personal crisis are eligible to receive leave donations.

#### **Leave Donors**

Regular employees who: 1) have been employed by FORA for six months, and 2) have more than 40 hours of accrued eligible leave may donate vacation or management leave to a Leave Donation Bank for an employee whose request for establishment of a Leave Donation Bank has been approved by the Executive Officer or designee.

### **Leave Donation Guidelines**

Employees who would like to make a request to receive donated vacation or management leave must have exhausted their appropriate leave balances and have a situation that meets the following criteria:

- **Health Related Emergency:** critical or catastrophic illness or injury of the employee or an immediate family member (spouse, registered domestic partner, child, mother, father, grandparent).
- **Other Personal Crisis:** a crisis of a severe nature that directly impacts the employee (examples include a natural disaster or fire that has impacted the employee's primary residence).

All available leave balances of the recipient employee must be used prior to the use of any donated leave time. Donated leave time may only be used for time off associated with the approved request. Employees who receive donated leave time may not receive more than 12 weeks of leave donations within a rolling 12-month period. If the leave is for the employee's own serious health condition, the employee may receive donations only until the employee becomes eligible for FORA's long-term disability program.

The recipient of the Leave Donation Bank shall provide verification of his/her or family member's illness or injury to the Human Resources Coordinator by a physician's statement or other means as deemed acceptable by FORA. Verification of the circumstances associated with a Personal Crisis leave donation request may also be required.

Employees who donate leave must maintain a 40-hour vacation/management leave balance after making the donation. Employees cannot borrow against future leave time to donate. Employees who are currently on an approved leave of absence may not donate leave.

Donations must be in increments of two hours or more. Donated leave will be credited to the recipient on an hour-for-hour basis, regardless of the donor or recipient's rate of pay.

Leave donations are irrevocable; however, FORA may return donations on a pro-rata basis if adequate donations to cover the affected employee's absence have been collected.

Donated leave shall never be **converted** into a **cash** benefit.

Because leave donation is considered confidential, the recipient is not told who has donated leave time to the Leave Donation Bank.

### **Procedures**

1. The employee completes a Request for Leave Donation Bank form and submits that request to the Human Resources Coordinator.
2. The Human Resources Administrator will verify that the employee's leave balances have been exhausted and that the situation meets the Leave Donation Guidelines.
3. The Human Resources Coordinator will inform the employee's manager of the Request for Leave Donation Bank and will forward the request to the Executive Officer or Designee for review.
4. If the employee's request is denied, the Human Resources Coordinator will notify the employee.
5. Upon approval of the establishment of a Leave Donation Bank, the Human Resources Coordinator will inform the employee and will inform FORA staff of the opportunity to donate leave to the affected employee.
6. Employees choosing to donate leave will complete a Leave Donation Form and submit that form to the Human Resources Coordinator.

**REQUEST FOR LEAVE DONATION BANK**

**Employee's Name:** \_\_\_\_\_

**Job Title:** \_\_\_\_\_

**Reason for request:**

**Health Related Emergency:** critical or catastrophic illness or injury of the employee or an immediate family member (spouse, registered domestic partner, child, mother, father, grandparent). **(Attach physician's statement).**

**Other Personal Crisis:** a crisis of a severe nature that directly impacts the employee (examples include a natural disaster or fire that has impacted the employee's primary residence).

Description of circumstances related to personal crisis (attach additional page, if necessary):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Amount of leave requested:** \_\_\_\_\_ hours

I have received a copy of FORA's Leave Donation Policy.

**Employee's Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

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***To be completed by Human Resources Coordinator/Executive Officer or Designee***

Reviewed by Human Resources Coordinator: \_\_\_\_\_  
*Initials* *Date*

Approved  Not approved

Executive Officer/Designee: \_\_\_\_\_  
*Initials* *Date*

Copy provided to employee by Human Resources Coordinator:  
\_\_\_\_\_  
*Initials* *Date*

## LEAVE DONATION FORM

**Employee's Name:** \_\_\_\_\_

**Job Title:** \_\_\_\_\_

I am requesting approval to donate \_\_\_\_\_ hours of leave to \_\_\_\_\_.  
*Recipient's Name*

Type of leave donated:

Vacation leave

Management leave

I understand the following provisions of FORA's Leave Donation Policy:

*Employees who donate leave must maintain a 40-hour vacation/management leave balance and will not be allowed to exhaust their leave balance(s). Employees cannot borrow against future leave time to donate. Employees who are currently on an approved leave of absence may not donate leave.*

*Donations must be in increments of two hours or more. Donated leave will be credited to the recipient on an hour-for-hour basis, regardless of the donor or recipient's rate of pay. Leave donations are irrevocable; however, FORA may return donations if adequate donations to cover the affected employee's absence have been collected.*

*Because leave donation is considered confidential, the recipient is not told who has donated leave time to the Leave Donation Bank.*

**Employee's Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

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***To be completed by Human Resources Coordinator/Executive Officer or Designee***

Leave donation conversion reviewed and completed by Human Resources Coordinator and copy of this form provided to donating employee.

\_\_\_\_\_  
*Initials*

\_\_\_\_\_  
*Date*

**Annual Audit**

Status report, oral presentation by staff