City of Madras
Work Session
City Council Chambers

January 26, 2016
6:00 p.m.

AGENDA

I Call to Order

II Citizens Interested in Serving on City Council - Discussion

Cheryl "Kris" Elliott
Bartt Brick
Larry Easter

City Administrator, Gus Burril

III Proposed Change to Employee Educational Assistance Program (EEAP) - Discussion

City Administrator, Gus Burril

IV Community Projects Grant Program Applications - Discussion

Finance Director, Brandie McNamee

V Adjourn

Pursuant to ORS 192.640, this agenda includes a list of the principal subjects anticipated to be considered at the above referenced meeting; however, the agenda does not limit the ability of the City Council to consider additional subjects. Meetings are subject to cancellation without notice.

This meeting is open to the public and interested citizens are invited to attend. This is an open meeting under Oregon Revised Statutes, not a community forum; audience participation is at the discretion of the Council. The meeting may be audio taped. Minutes of this and all public meetings are available for review at the Madras City Hall. The meeting place is handicapped accessible. Those needing assistance should contact the City Recorder two (2) days in advance of the meeting.

Executive Sessions are not open to the public; however, members of the press are invited to attend.

The City of Madras is an Equal Opportunity Provider.

RESOLUTION NO. __-2016

A RESOLUTION AMENDING AND RESTATING THE CITY OF MADRAS RESOLUTION NO. 22-2015 IN ITS ENTIRETY, WHICH RESOLUTION REPLACED AND SUPERSEDED THE MADRAS REIMBURSEMENT PROGRAM WITH THE EMPLOYEE EDUCATIONAL ASSISTANCE PROGRAM.

WHEREAS, the Madras City Council (the "Council") established a certain educational/tuition reimbursement program (the "Reimbursement Program") for qualified employees under Section 4 of the City of Madras Personnel Manual dated March 11, 2014; and

WHEREAS, on September 8, 2015, Council passed Resolution No. 22-2015, replacing and superseding the Reimbursement Program with the Employee Educational Assistance Program, which program provided City, among other things, the ability to pay an employee's qualified educational expenses directly to the subject educational institution; and

WHEREAS, Council desires to amend and restate the Resolution No. 22-2015 in its entirety in order to, among other things, further clarify that the Employee Educational Assistance Program is consistent with Internal Revenue Code (IRC) § 127 and provides for educational assistance qualifying as working condition benefits under IRC § 132.

NOW, THEREFORE, BE IT RESOLVED, by and through the Council meeting in regular session, the following:

1. The above-stated findings contained in this Resolution No. __-2016 (this "Resolution") are hereby adopted.

2. The Employer Educational Assistance Program, as established by Resolution No. 22-2015, is hereby amended, restated, and replaced in its entirety as set forth in the attached Exhibit A.

3. The provisions of this Resolution are severable. If any section, subsection, sentence, clause, and/or portion of this Resolution is for any reason held invalid, unenforceable, and/or unconstitutional, such invalid, unenforceable, and/or unconstitutional section, subsection, sentence, clause, and/or portion will (a) yield to a construction permitting enforcement to the maximum extent permitted by applicable law, and (b) not affect the validity, enforceability, and/or constitutionality of the remaining portion of this Resolution. This Resolution will be in full force and effect from and after its approval and adoption.

APPROVED, ADOPTED, AND MADE EFFECTIVE by the Council on _____ __, 2016.

_____
Royce Embanks, Mayor

ATTEST:

_____
Karen J. Coleman, City Recorder

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Exhibit A

The City of Madras Employee Educational Assistance Program

1. Employee Education Assistance Program. The City of Madras ("City") supports and encourages City employees to continue their education and pursue increased growth and responsibility within their professional careers. To this end, on September 8, 2015, the Madras City Council (the "Council") passed Resolution No. 22-2015 which established the City of Madras Employee Educational Assistance Program (the "EEAP"). The policy adopted under this Resolution No. __-2016 (this "Resolution") is intended to (a) qualify as an educational assistance program under Internal Revenue Code (IRC) § 127 and (b) establish a program that satisfies the requirements for working condition benefits under IRC § 132.

2. EEAP Purpose. The EEAP provides employees, identified by their supervisors as in need of professional development and growth within their position, an opportunity to pursue education to further the employee's professional development and growth through higher education. The EEAP furthers City's commitment to support employees whom desire to continue their education to secure increased growth within their professional careers through the payment or reimbursement of qualified educational expenses for coursework completed at accredited colleges and universities. City desires that the EEAP will offer City employees the ability to (a) increase their technical, supervisory, and professional knowledge, (b) improve their ability to satisfactorily perform their job duties and responsibilities, and (c) improve City's quality of leadership and productivity. In addition, City desires that the adoption of the EEAP will assist in City's attraction and retention of qualified persons for City service. To this end, City established the EEAP with the expectation that any employee receiving financial assistance under the EEAP is committed to continuing employment with City.

3. Program Administrator. City's city administrator (or his or her designee) is designated as the EEAP administrator (the "Administrator"). The Administrator has the authority to control and manage the operation, management, and administration of the EEAP, including the authority to interpret the EEAP and any EEAP governing documents and to decide all questions concerning the EEAP and the eligibility of any employee desiring to participate in the EEAP. The decision of the Administrator will be final and binding. The decision of the Administrator on any given matter will not set any precedent nor bind future decisions of the Administrator. If a request is made by the city administrator for educational financial assistance under the EEAP, the Council will be designated as the Administrator and will assess and review the city administrator's request.

4. Annual Appropriation. Available educational financial assistance will be determined and subject to appropriation by resolution of the Council. The amount of financial assistance may be increased or decreased at any time by Council resolution. If the Council chooses not to provide funding for educational assistance under the EEAP in any particular fiscal year, City will not be obligated to provide any payment or reimbursement for qualified educational expenses. If requests for educational assistance exceed funding provided by the Council, the Administrator will determine EEAP participation based upon a determination of the greatest benefit to City. City's financial assistance will be based on availability of funds in City's EEAP budget at the time of application.

5. Educational Assistance Programs. The EEAP regulates reimbursement of employees for educational expenses. An eligible employee may request that City pay (directly) or reimburse the employee for up to one hundred percent (100%) of certain educational expenses per the approved budget and as authorized by the Administrator. If financial assistance is provided directly to the educational institution, City may pay the financial assistance in installments as billed by the educational institution for the qualifying educational expenses. City maintains two separate subprograms under which employees may apply for EEAP financial assistance. An eligible employee may request financial

assistance pursuant to IRC § 127 and/or IRC § 132. To qualify for financial assistance under the EEAP, an employee must satisfy all of the conditions of Section 5.1 below as well as the conditions of Section 5.2 and/or Section 5.3.

5.1 General EEAP Eligibility. Requests for educational financial assistance under the EEAP will be assessed and reviewed by the Administrator on an individual basis. To qualify for financial assistance under the EEAP, an employee must satisfy the following conditions in addition to any other conditions that the Administrator may reasonably impose:

(a) The employee must have completed his or her probationary employment period. The employee must be an active, regular full-time employee. The employee must be in good standing with City prior to enrollment. An employee that has been subject to written disciplinary action is ineligible to apply for financial assistance within one year from receipt of the most recent written disciplinary action. To retain eligibility, an employee must remain an active, regular full-time employee in good standing from the time of application until completion of the coursework.

(b) The employee must apply for financial assistance on City's then current EEAP application and in such manner as the Administrator may prescribe. The application must include all information and documentation requested, including, without limitation, a description of all courses included in the program and proposed educational expenses. The application must be approved by the employee's department head and the Administrator. If the employee's application is approved, the employee must sign the then current EEAP employee agreement.

(c) Coursework may not interfere with the performance of the employee's job duties and responsibilities. An employee must make arrangements to attend his or her coursework primarily outside the employee's regularly scheduled work hours. "Primarily outside the employee's regularly scheduled work hours" means ninety percent (90%) or more of the instructional coursework must be conducted outside the employee's regularly scheduled work hours; provided, however, an eligible employee may use no more than five normal work days per fiscal year without requiring leave time to be used.

(d) No reimbursement will be made if the employee is eligible for or receiving educational benefits under any governmental or private scholarship, fellowship, and/or grant program unless it is inadequate to pay for the employee's qualified educational expenses. If the employee is eligible for outside funding, but such funding does not cover all the employee's qualified educational expenses, the employee may seek financial assistance through the EEAP. In these cases, financial assistance will be limited to the difference between the qualified educational expenses of the coursework and any financial assistance provided from the outside funding sources.

(e) An employee must submit evidence of satisfactory completion of the coursework. An employee must receive a passing grade of "B" or its equivalent to receive any financial assistance under the EEAP. If payment for coursework is made in advance and the employee fails to receive a passing grade of "B" or its equivalent, the employee must immediately reimburse City for any educational assistance provided by City unless otherwise approved by the Administrator in writing.

(f) To qualify for financial assistance under the EEAP, an employee must satisfy the conditions of Section 5.2 and/or Section 5.2.

5.2 Eligibility under IRC § 127 Educational Assistance Subprogram. Under the IRC § 127 Educational Assistance Subprogram (the "127 Subprogram"), City does not discriminate between employee classifications, favor higher compensated employees over other employees, or favor one type of qualified educational pursuit over another. An employee may apply for financial assistance up to the

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maximum dollar amount permitted under IRC § 127. To qualify for financial assistance under the 127 Subprogram, an employee must satisfy the conditions of this Section in addition to any other conditions that the Administrator may reasonably impose. The benefits provided pursuant to the 127 Plan must consist solely of qualifying educational assistance. Qualifying educational expenses generally include the cost of tuition, books, fees, and supplies. Qualifying educational expenses do not include, among other things, the cost of lodging, meals, transportation, parking, and/or tools or supplies (other than textbooks) the employee is permitted to keep at the end of the employee's coursework. Education includes any form of instruction or training that improves or develops the capabilities of the individual. Education is not limited to courses that are job related or part of a degree program.

5.3 Eligibility under IRC § 132 Educational Assistance Plan. To qualify for financial assistance under IRC § 132, an employee must satisfy the following conditions in addition to any other conditions that the Administrator may reasonably impose:

(a) The benefits provided pursuant to this Section 5.3 must qualify as a working condition benefit under IRC § 132. Coursework must be job-related and relate to the employee's present position or toward a degree which relates to the employee's present position. The employee's job description must support the coursework. Without otherwise limiting the generality of the immediately preceding sentence, coursework ineligible for reimbursement includes any coursework or education needed to the meet the minimum education requirements of the employee's current position or that may qualify the employee for a new trade or business. Educational expenses that may qualify include, without limitation, tuition, books, supplies, lab fees, and certain transportation and/or travel costs.

(b) Each course in a degree program will be evaluated individually for qualification under IRC § 132. Each course must directly relate to the employee's position and be reasonably expected to increase the employee's knowledge within the duties of his or her current position or qualify the employee for advancement. To this end, each course must meet at least one of the following tests: (a) the course maintains or improves skills required by the employee in his or her employment; and/or (b) the course is required by City or by law for the employee to keep his or her present salary, status, or job and the required education must serve a bona fide business purpose of City.

6. Participation Procedure. An employee interested in receiving financial assistance under the EEAP must adhere to the following procedures:

6.1 The employee's supervisor must identify a need for the employee's professional growth and development that can be achieved through specific training, certification, or a degree program. Once the supervisor and employee mutually agree on a specific training, certification, or degree program, the employee must properly complete the EEAP application for financial assistance. The application must be submitted to the employee's department head at least three (3) months prior to course commencement. The application will be accompanied by the employee's job description and course descriptions for each course the employee intends to complete.

6.2 Within thirty (30) days after the department head's receipt of a properly and timely completed application, the department head will provide his or her recommendations for approval or denial of the application to the Administrator for review and consideration. The Administrator will review the application and the recommendation of the employee's department head. Within thirty (30) days after the Administrator's receipt of the application, the Administrator will approve or deny the employee's application. Unless otherwise approved by the Administrator, financial assistance will not be provided for any coursework that has been commenced prior to the Administrator's approval of the subject application.

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6.3 If an application is approved by the Administrator, the employee must sign and enter into City's then current EEAP employee agreement as a condition to receiving financial assistance under the EEAP.

6.4 Within six (6) months after completion of the coursework, the employee must submit to the Administrator a copy of an official grade transcript and receipts for all qualified educational assistance expenses, if applicable. The closing date of the quarter or semester will be used to determine the course completion dated.

6.5 Upon approval and successful completion of the coursework, the employee will be reimbursed for the amount of the qualified educational expenses. The employee must return or reimburse City for any excess payments or reimbursements. The final official grade report must demonstrate successful completion of the coursework with a grade of "B" or above (3.0 or equivalent).

6.6 The Administrator is authorized to waive certain procedural formalities if doing so is in City's best interest.

7. Employee Termination. If an employee voluntarily terminates his or her employment with City or is terminated for cause prior to completing two years of service following City's final payment of the qualified educational expenses or completion of the coursework, whichever is later, the employee will reimburse City all amounts City paid under the EEAP to or on the employee's behalf. Notwithstanding the immediately preceding sentence, the employee will have no reimbursement obligation to City if the employee's termination was due to a reduction in force, the employee's retirement, and/or extenuating circumstances preventing the employee from fulfilling the continued employment service requirement provided under this Section 7 (e.g., the employee endures a hardship or health-related situation preventing the employee from being able to continue performing his or her regular job duties); provided, however, the Administrator must agree in writing that due to the particular extenuating circumstances, the employee should have no reimbursement obligations under this Section 7.

8. Tax Implications.

8.1 EEAP under IRC § 127. Notwithstanding Section 5.3, City establishes the EEAP under the educational assistance program guidelines provided under Internal Revenue Code (IRC) § 127 and applicable regulations promulgated thereunder. Under IRC § 127, an employer may exclude certain qualified educational assistance expenses from an employee's gross income.

8.2 Working Condition Benefits under IRC § 132. Any financial assistance exceeding the maximum dollar amount permitted under IRC § 127, or otherwise not qualifying under IRC § 127, must be included in the employee's wages unless the benefits qualify as working condition benefits under IRC § 132. Under IRC § 132, an employer may exclude certain job-related educational expenses from an employee's gross income.

9. No Employment Guaranty. This Resolution, the EEAP, and/or the provision of any financial assistance to an employee under the EEAP does not constitute a commitment or guaranty of employment for any specific period of time or duration. Unless otherwise agreed by City in writing, all City employees are employed on an at-will basis. Subject to applicable law, an employee may be terminated or voluntarily resign at any time, for any reason or no reason, with or without cause or prior notice.

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CITY OF MADRAS
Information Only

Date Submitted: January 19, 2016

Agenda Date Requested: January 26, 2016

To: Mayor and City Council Members

Through: Gus Burril, City Administrator

From: Brandie McNamee, Finance Director

Subject: **Community Grant Applications**
- **Annual Funding Application**
- **Un-programmed Funding Application**

TYPE OF ACTION REQUESTED:
[X] Information Only and request for feedback

DESCRIPTION: Due to the increased awareness of Community Grant funds from the transient room tax funds, a formal process to apply is needed to ensure disbursements are done accordingly to City Council requests.

STAFF ANALYSIS: This past year the City received a multitude of applications from different events and areas of interest. Per the TRT ordinance, these funds are restricted to be disbursed by the City in a manner that is consistent with economic development, education, or community outreach. By establishing a formal application process it will increase awareness of what these funds are intended for.

SUMMARY: See attached applications.

RECOMMENDATION: No recommendation at this time. At a later date potentially these applications could be approved by motion at a formal City Council meeting.

Community Project Grant

Annual Funding Application

Fiscal Year 2016-2017

City of Madras - 125 SW E Street, Madras, OR 97741

541-325-0307, bmcnamee@ci.madras.or.us

Instructions: This funding application is two pages and only the application will be accepted, no attachments or additional information are permitted upon submission. Due date of application is March 23, 2016 by 3:00 p.m. to Finance Director submitted via mail, email, or hand delivery. Attendance is required to be eligible for funding at the first budget committee meeting scheduled for April 14, 2016 at 5:30 p.m. at City Hall Council Chambers, 125 SW E Street, Madras. Presentations have generally been restricted to 3-5 minutes per application. Available funding is limited. The intended use of these funds is to adhere to the original ballot measure and City Ordinance #694 as described below. It is also the intent of the City Council to use these funds within Jefferson County to ensure dollars are being spent local, or are promoting a local event that benefits the local population. Disbursement of funds is not permitted until July 1, 2016, contingent upon adoption of the annual budget. Funds awarded are required to be expended between July 1, 2016 through June 30, 2017. In the event funds are not expended during the timeframe, the City would encourage the grant recipient to refund unused dollars to assist with future community projects.

History/Background of Funding: The City of Madras established a 6% transient occupancy fee in 1982. The ballot measure read, "Funds collected pursuant to this tax will be used for economic development of the Community." Jefferson County's enabling ordinance 34-82 reads:

> *"Funds collected pursuant to this ordinance will be distributed to the general fund of the City...Taxes will be used by the respective jurisdiction to encourage economic growth, but is not limited to being spent within said jurisdiction. Economic growth means, but is not limited to promotion of Fair Board, airport, Industrial Site, Chamber of Commerce, parks, libraries, schools and like entries." (sic)*

In August 21, 2001 the City Council adopted Ordinance #694 that initiated an additional 3% of transient occupancy room tax to be collected for a total 9% assessment. Section 20 of Ordinance #694 reads, "Funds collected pursuant this ordinance will be distributed to the General Fund of the City." The record and minutes clearly show that the City wanted to retain its authority and discretion for use of funds to not bind future Councils, and to use the budget process for annual allocation.

CONTACT INFORMATION

Organization: _____

Primary Contact: _____ Phone: _____

Address: _____

Email: _____

REQUEST DETAILS

Project Title: _____

Project Priority (check all that apply): ☐ Education ☐ Economic Development ☐ Community Outreach/Event

Project Description and intended use of the funds:

How many individuals do you anticipate will be impacted by the use of these funds: _____

How many children (18 years and younger) will be impacted by the use of these funds: _____

How do you intend spending these funds (list budget details, or include other partners if needed):

Date funds are needed: _____ Date Project is anticipated to be completed: _____

Disclaimer: Upon project completion, it is expected that a notice to the City Council submitted in writing via mail, email, or hand delivery will be made to confirm that the project was funded and carried out as awarded. Maintaining communication to the status of how funds are expended will impact potential future grant awards if dollars are not spent on intended purposes. If the organization submitting this Community Grant application understands and agrees to this disclaimer, please check the box and sign/type below:

☐ Agree

_____

Agreed by (sign or type name): Date:

Amount Requested: _____

Any additional details please include in the space below:

For Office Use Only:
Date Application Received: _____
Date Application Awarded: _____
Amount Awarded:

_____

____ Programmed: 207-207-520-1217
____ Un-programmed: 207-207-520-1218

Community Project Grant

Un-programmed Funding Application

Fiscal Year 2016-2017

City of Madras - 125 SW E Street, Madras, OR 97741

541-325-0307, bmcnamee@ci.madras.or.us

Deadline: 3 weeks prior to funding needs

Instructions: This funding application is two pages and only the application will be accepted, no attachments or additional information are permitted upon submission. Due date of application is three weeks prior to funding needs, submitted to Finance Director via mail, email, or hand delivery. Attendance is required to be eligible for funding at the first City Council meeting following application submission. Presentations have generally been restricted to 3-5 minutes per application. Available funding is limited. The intended use of these funds is to adhere to the original ballot measure and City Ordinance #694 as described below. It is also the intent of the City Council to use these funds within Jefferson County to ensure dollars are being spent local, or are promoting a local event that benefits the local population. Disbursement of funds is not permitted until July 1, 2016, contingent upon adoption of the annual budget. Funds awarded are required to be expended between July 1, 2016 through June 30, 2017. In the event funds are not expended during the timeframe, the City would encourage the grant recipient to refund unused dollars to assist with future community projects.

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☐ Agree

_____

Agreed by (sign or type name): Date:

Amount Requested: _____

Any additional details please include in the space below:

For Office Use Only:
Date Application Received: _____
Date Application Awarded: _____
Amount Awarded:

_____

____ Programmed: 207-207-520-1217
____ Un-programmed: 207-207-520-1218