



Regular Meeting of the Board of Directors

Tuesday, May 28, 2019

10:00 a.m.

Antelope Valley Transit Authority Community Room
42210 6th Street West, Lancaster, California
www.avta.com

AGENDA

For record keeping purposes, and if staff may need to contact you, we request that a speaker card, located at the Community Room entrance, be completed and deposited with the AVTA Clerk of the Board. This will then become public information. Please note that you do not have to complete this form or state your name to speak. A three-minute time limit will be imposed on all speakers other than staff members.

In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification or accommodation to attend or participate in this meeting, including auxiliary aids or services, please contact the Clerk of the Board at (661) 729-2206 at least 72 hours prior to the scheduled Board of Directors meeting.

Translation services for Limited English Proficiency (LEP) persons are also available by contacting the Clerk of the Board at least 72 hours prior to the meeting.

Please turn off, or set to vibrate, cell phones, pagers, and other electronic devices for the duration of this meeting.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL:

Chairman Marvin Crist, Vice Chair Dianne Knippel, Director Steve Hofbauer, Director Angela Underwood–Jacobs, Director Michelle Flanagan, Director Richard Loa

APPROVAL OF AGENDA

PUBLIC BUSINESS – AGENDIZED AND NON-AGENDIZED ITEMS:

If you would like to address the Board on any agendized or non-agendized items, you may present your comments at this time. Please complete a speaker card (available as you enter the Community Room) and provide it to the Clerk of the Board. Speaking clearly, state and spell your name for the record. **State law generally prohibits the Board of Directors from taking action on or discussing non-agenda items; therefore, your matter will be referred to the Authority's Executive Director/CEO for follow-up.** Each speaker is limited to three (3) minutes.

SPECIAL REPORTS, PRESENTATIONS, AND REQUESTS FOR DIRECTION (SRP): During this portion of the meeting, staff will present information not normally covered under regular meeting items. This information may include, but is not limited to budget presentations, staff conference presentations, or information from outside sources that relates to the transit industry. **Staff will seek direction as is necessary from the Board with regard to the following item(s).**

SRP 1 RECOGNITION OF TRANSDEV OPERATOR AND EMPLOYEE OF THE MONTH FOR APRIL 2019 – MIKE SORENSEN

SRP 2 LEGISLATIVE REPORT FOR MAY 2019 – JUDY VACCARO-FRY

SRP 3 OPERATIONS KEY PERFORMANCE INDICATORS (KPI) REPORT – MARTIN TOMPKINS

SRP 4 MAINTENANCE KPI REPORT – MARK PERRY

CONSENT CALENDAR (CC): Items 1 through 7 are consent items that may be received and filed and/or approved by the Board in a single motion. If any member of the Executive Board wishes to discuss a consent item, please request that the item be pulled for further discussion and potential action.

CC 1 BOARD OF DIRECTORS MEETING MINUTES OF APRIL 23, 2019 – KAREN DARR

Recommended Action: Approve the Board of Directors Regular Meeting Minutes of April 23, 2019.

CC 2 FINANCIAL REPORT FOR APRIL 2019 – JUDY VACCARO-FRY

Recommended Action: Receive and file the financial report for April 2019.

- CC 3 FISCAL YEAR 2018/2019 (FY 2019) THIRD QUARTER CAPITAL RESERVE REPORT (JANUARY 1 – MARCH 31, 2019) – JUDY VACCARO-FRY

Recommended Action: Receive and file the FY 2019 Third Quarter Capital Reserve Report for the period covering January 1 through March 31, 2019.

- CC 4 GRANT STATUS REPORT – JUDY VACCARO-FRY

Recommended Action: Receive and file the Grant Status Report.

- CC 5 RENEWAL OF AGREEMENT WITH LOS ANGELES COUNTY SHERIFF'S DEPARTMENT (LASD) FOR TRANSIT LAW ENFORCEMENT SERVICES – RESERVE UNIT – LYLE BLOCK

Recommended Action: Authorize the Executive Director/CEO to renew the Letter of Understanding with the LASD for transit law enforcement services covering the term July 1, 2019 through June 30, 2020.

- CC 6 FISCAL YEAR 2019/2020 (FY 2020) WORKERS' COMPENSATION, PROPERTY AND CASUALTY INSURANCE POLICIES UNDER CONTRACT #2019-35 WITH VINSA, INC. – LYLE BLOCK

Recommended Action: Authorize the Executive Director/CEO to purchase required Workers' Compensation, Property and Casualty Insurance Policies for FY 2020, for an amount not to exceed \$400,000 under Contract #2019-35 with Vinsa, Inc., Lancaster, CA. The final amount may be slightly higher than estimates, which are dependent upon amounts invoiced at the time the policies are issued.

- CC 7 FY 2020 LOCAL AGENCY INVESTMENT FUND (LAIF) INVESTMENTS – JUDY VACCARO-FRY

Recommended Action: Adopt Resolution 2019-004, a Resolution of the Board of Directors of the Antelope Valley Transit Authority appointing the Executive Director/CEO as Treasurer and the Director of Finance and Administration as Controller; delegating investment authority to the Treasurer; adopting a policy for the investment of surplus transit funds for Fiscal Year 2019/2020 beginning July 1 2019 through June 30, 2020, and rescinding Resolution No. 2018-010.

NEW BUSINESS (NB):

- NB 1 PROPOSED FY 2020 BUDGET – JUDY VACCARO-FRY

Recommended Action: Approve the Proposed FY 2020 Budget.

- NB 2 CONTRACT #2019-64 TO BROWN ARMSTRONG ACCOUNTANCY CORPORATION FOR CPA FINANCIAL AUDITING SERVICES – JUDY VACCARO-FRY

Recommended Action: Authorize the Executive Director/CEO to execute Contract #2019-64 for audit services to Brown Armstrong Accountancy Corporation, Bakersfield, CA, for a one-year period with four one-year optional renewal periods for a combined amount not to exceed \$290,000.

- NB 3 REVISED DRAFT PERSONNEL RULES AND REGULATIONS MANUAL – MACY NESHATI

Recommended Action: Receive the Revised Draft Personnel Rules and Regulations Manual and either provide input to the Executive Director/CEO or adopt the manual as submitted as Resolution No. 2019-003 at the June 25, 2019 Board meeting.

- NB 4 AMENDMENT #1 TO CONTRACT NO. 2019-28 WITH CUBIC TRANSPORTATION SYSTEMS, INC. FOR ADDITIONAL FAREBOX EQUIPMENT – MARK PERRY

Recommended Action: Authorize the Executive Director/CEO to execute Amendment #1 to Contract No. 2019-28 with Cubic Transportation Systems, Inc. to add eight (8) farebox upgrade kits to support the Farebox Equipment and TAP Validator Upgrade Project in the amount of \$65,648 plus applicable sales tax.

CLOSED SESSION (CS):

PRESENTATION BY LEGAL COUNSEL OF ITEM(S) TO BE DISCUSSED IN CLOSED SESSION:

- CS 1 Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a)
Pending Litigation: Clark v. AVTA, LASC Case No. MC026036
Pending Litigation: Sabina M. Andrade v. AVTA
Pending Litigation: Marsh v. AVTA USDC Case No. 2:16-cv-0937-PSG
- CS 2 Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(d)(2)
Significant exposure to litigation (one potential case)
- CS 3 Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(d)(4)
Consideration of whether to initiate litigation (one potential case)
- CS 4 Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(d)(4)
Consideration of initiation of litigation (one potential case)

CS 5 Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(c)
Anticipated Litigation (two potential cases)

CS 6 Public Employee Performance Evaluation – Pursuant to Government Code Sections 54954.5 (e) and 54957(b))
Title: Executive Director/CEO

RECESS TO CLOSED SESSION

RECONVENE TO PUBLIC SESSION

REPORT BY LEGAL COUNSEL OF ACTION TAKEN IN CLOSED SESSION

NB 5 AMENDED AND RESTATED EXECUTIVE DIRECTOR/CHIEF EXECUTIVE OFFICER (CEO) EMPLOYMENT AGREEMENT – ALLISON BURNS

Recommended Action: Approve the Amended and Restated Executive Director/CEO Employment Agreement.

REPORTS AND ANNOUNCEMENTS (RA):

RA 1 Report by the Executive Director/CEO

MISCELLANEOUS BUSINESS – NON-AGENDA BOARD OF DIRECTORS ITEMS:

During this portion of the meeting, Board Members may address non-agenda items by briefly responding to statements made or questions posed by the public, asking a question for clarification, making a brief announcement, or making a brief report on their own activities. **State law generally prohibits the AVTA Board of Directors from taking action on or discussing items not on the agenda.** Matters will be referred to the Executive Director/CEO for follow-up.

ADJOURNMENT:

Adjourn to the Regular Meeting of the Board of Directors on June 25, 2019 at 10:00 a.m. in the Antelope Valley Transit Authority Community Room, 42210 6th Street West, Lancaster, CA.

The agenda was posted by 5:00 p.m. on May 23, 2019 at the entrance to the Antelope Valley Transit Authority, 42210 6th Street West, Lancaster, CA 93534.

Copies of the staff reports and attachments or other written documentation relating to each proposed item of business on the agenda presented for discussion by the

Board of Directors are on file in the Office of the Executive Director/CEO. Any disclosable public records related to an open session item on a regular meeting agenda and distributed by the AVTA to the Board of Directors less than 72 hours prior to that meeting are on file in the Office of the Executive Director/CEO. These documents are available for public inspection during regular business hours at the Customer Service window of the AVTA at 42210 6th Street West, Lancaster or by contacting the Clerk of the Board at (661) 729-2206.



Regular Meeting of the Board of Directors

Tuesday, April 23, 2019

10:00 a.m.

Antelope Valley Transit Authority Community Room
42210 6th Street West, Lancaster, California
www.avta.com

UNOFFICIAL MINUTES

CALL TO ORDER:

Chairman Crist called the meeting to order at 10:01 a.m.

PLEDGE OF ALLEGIANCE:

Director Loa led the Pledge of Allegiance.

ROLL CALL:

Present

Chairman Marvin Crist, Vice Chair Dianne Knippel, Director Angela Underwood-Jacobs, Director Michelle Flanagan, Director Richard Loa

Absent

Director Steve Hofbauer

APPROVAL OF AGENDA:

Motion: Approve the agenda as comprised.

Moved by Vice Chair Knippel, seconded by Director Underwood-Jacobs

Vote: Motion Carried (5-0-0-1)

Ayes: Chairman Crist, Vice Chair Knippel, Directors Underwood-Jacobs, Flanagan, Loa

Nays: None

Abstain: None

Absent: Director Hofbauer

PUBLIC BUSINESS – AGENDIZED AND NON-AGENDIZED ITEMS:

Fran Sereseres – Stated she attended the North Los Angeles County Transportation Coalition meeting on April 22, 2019 and found it very interesting.

Michael Rives – Stated that his request for information was completely and promptly filled and found AVTA to be completely transparent. He added that he recently rode on the local electric and diesel buses and found them to be clean, on time, and pleasant to ride. He uses his Facebook page to encourage his friends and the public to discover the benefits of public transit.

Juan Blanco – Complimented staff on the Coffee4Vets outreach event to Edwards Air Force Base on March 26, 2019.

SPECIAL REPORTS, PRESENTATIONS, AND REQUESTS FOR DIRECTION (SRP):

SRP 1 RECOGNITION OF AVTA EMPLOYEE OF THE THIRD QUARTER (JANUARY 1 – MARCH 31, 2019) FOR FISCAL YEAR 2018/2019 (FY 2019)

Director of Finance and Administration Judy Vaccaro-Fry presented the Employee of the Third Quarter award to Records Management Technician Francynn Tobar.

SRP 2 RECOGNITION OF TRANSDEV OPERATOR AND EMPLOYEE OF THE MONTH FOR MARCH 2019

Transdev Operations Manager Mike Sorensen presented plaques to the Employee of the Month Hugo Argueta and the Operator of the Month Charlyne Hester.

SRP 3 LEGISLATIVE REPORT FOR APRIL 2019

Ms. Vaccaro-Fry stated the Better Utilizing Investments to Leverage Development (BUILD) Transportation Discretionary Grant was announced on April 17, 2019. She also provided an update on transit-related State bills. In reference to the BUILD grant, she clarified the cities of Lancaster and Palmdale are categorized as urbanized areas. However, the AVTA service area also has a large rural population, which will be highlighted in the grant application.

SRP 4 FY 2019 THIRD QUARTER OPERATIONS KEY PERFORMANCE INDICATORS (KPI) REPORT (JANUARY 1 – FEBRUARY 28, 2019)

Senior Director of Operations and Planning Martin Tompkins presented the Operations KPI report for January and February 2019.

The discussion included the average cost per service hour, farebox recovery, and the corrective action staff is taking to improve on-time performance, reduce the number of complaints, and address fare evasion. Mr. Tompkins responded that he is working with Stantec, the consultant developing the Regional Transit Plan, to improve on-time performance and

the Authority's transit deputy to reduce fare evasion. He will contact peer agencies regarding how they manage their customer complaints and provide the results at the next Board meeting.

Chairman Crist directed staff to notify the public regarding the crackdown on fare evasion and added the cities of Palmdale and Lancaster will make officers available to ride the buses. Director of Maintenance and Operations Mark Perry was directed to provide a report projecting key performance indicators once the fleet conversion is complete at the May 28, 2019 Board meeting.

SRP 5 FY 2019 THIRD QUARTER MAINTENANCE KPI REPORT (JANUARY 1 - MARCH 31, 2019)

Director of Operations and Maintenance Mark Perry presented the FY 2019 Third Quarter Maintenance KPI report. The Board discussed fuel costs, the delivery schedule for the electric buses, and the Antelope Valley College's WAVE charging project.

CONSENT CALENDAR (CC):

CC 1 BOARD OF DIRECTORS MEETING MINUTES OF MARCH 26, 2019

Approve the Board of Directors Regular Meeting Minutes of March 26, 2019.

CC 2 FINANCIAL REPORT FOR MARCH 2019

Receive and file the financial report for March 2019.

CC 3 FY19 THIRD QUARTER LOS ANGELES COUNTY SHERIFF'S DEPARTMENT (LASD) REPORT (JANUARY 1 - MARCH 31, 2019)

Receive and file the FY19 Third Quarter LASD report for the period covering January 1 through March 31, 2019.

Motion: Approve the Consent Calendar as comprised.

Moved by Vice Chair Knippel, seconded by Director Underwood-Jacobs

Vote: Motion Carried (5-0-0-1)

Ayes: Chairman Crist, Vice Chair Knippel, Directors Underwood-Jacobs, Flanagan, Loa

Nays: None

Abstain: None

Absent: Director Hofbauer

NEW BUSINESS (NB):

NB 1 NATIONAL GET ON BOARD DAY

Executive Director/CEO Macy Neshati presented the staff report.

Motion: Adopt a Proclamation establishing National Get on Board Day in the Antelope Valley on April 25, 2019.

Moved by Vice Chair Knippel, seconded by Director Loa

Vote: Motion Carried (5-0-0-1)

Ayes: Chairman Crist, Vice Chair Knippel, Directors Underwood-Jacobs, Flanagan, Loa

Nays: None

Abstain: None

Absent: Director Hofbauer

NB 2 FISCAL YEAR 2019/2020 (FY 2020) PRELIMINARY BUDGET ASSUMPTIONS

Ms. Vaccaro-Fry presented the preliminary assumptions for the FY 2020 Budget. The Board discussed the cost of the expansion revenue vehicles for Edwards Air Force Base and Air Force Plant 42.

Motion: Approve the Preliminary FY 2020 Budget Assumptions.

Moved by Vice Chair Knippel, seconded by Director Flanagan

Vote: Motion Carried (5-0-0-1)

Ayes: Chairman Crist, Vice Chair Knippel, Directors Underwood-Jacobs, Flanagan, Loa

Nays: None

Abstain: None

Absent: Director Hofbauer

NB 3 CONTRACT AMENDMENT NO. 3 TO CONTRACT #2019-04 WITH OPSEC SPECIALIZED PROTECTION FOR ADDITIONAL SECURITY GUARD SERVICES AT PALMDALE TRANSPORTATION CENTER (PTC)

The Board waived the presentation of the staff report.

Motion: Authorize the Executive Director/CEO to execute Amendment No. 3 to Contract #2019-04 for additional security guard services at PTC by OPSEC Specialized Protection.

Moved by Vice Chair Knippel, seconded by Director Flanagan

Vote: Motion Carried (5-0-0-1)

Ayes: Chairman Crist, Vice Chair Knippel, Directors Underwood-Jacobs, Flanagan, Loa

Nays: None

Abstain: None

Absent: Director Hofbauer

NB 4 CONTRACT AMENDMENT NO. 1 TO CONTRACT #2015-03 WITH TRANSDEV SERVICES, INC. FOR DIAL-A-RIDE PARATRANSIT SERVICES

The Board waived the presentation of the staff report.

Motion: Authorize the Executive Director/CEO to execute Amendment No. 1 to Contract #2015-03 with Transdev Services, Inc. for an additional amount of \$634,755 and six-month time extension.

Moved by Vice Chair Knippel, seconded by Director Flanagan

Vote: Motion Carried (5-0-0-1)

Ayes: Chairman Crist, Vice Chair Knippel, Directors Underwood-Jacobs, Flanagan, Loa

Nays: None

Abstain: None

Absent: Director Hofbauer

NB 5 ROUTE 1 AND JETHAWKS EARLY ACTION DEMONSTRATION PROJECTS

Mr. Tompkins presented the staff report.

Motion: Authorize the Executive Director/CEO to implement the Route 1 and Jethawks Express early action demonstration projects.

Moved by Vice Chair Knippel, seconded by Director Underwood-Jacobs

Vote: Motion Carried (5-0-0-1)

Ayes: Chairman Crist, Vice Chair Knippel, Directors Underwood-Jacobs, Flanagan, Loa

Nays: None

Abstain: None

Absent: Director Hofbauer

CLOSED SESSION (CS):

PRESENTATION BY LEGAL COUNSEL OF ITEM(S) TO BE DISCUSSED IN CLOSED SESSION:

General Counsel Allison Burns presented the items to be discussed in Closed Session.

- CS 1 Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a)
Pending Litigation: Clark v. AVTA, LASC Case No. MC026036
Pending Litigation: Sabina M. Andrade v. AVTA
Pending Litigation: Marsh v. AVTA USDC Case No. 2:16-cv-0937-PSG
- CS 2 Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(d)(2)
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Consideration of initiation of litigation (one potential case)
- CS 5 Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(c)
Anticipated Litigation (two potential cases)
- CS 6 Public Employee Performance Evaluation – Pursuant to Government Code Sections 54954.5 (e) and 54957(b))
Title: Executive Director/CEO

RECESS TO CLOSED SESSION

The Board recessed to Closed Session at 11:04 a.m.

RECONVENE TO PUBLIC SESSION

The Board reconvened to Public Session at 11:16 a.m.

REPORT BY LEGAL COUNSEL OF ACTION TAKEN IN CLOSED SESSION

Ms. Burns reported the Board discussed CS 5 and 6 and provided direction to legal counsel. There was no reportable action.

REPORTS AND ANNOUNCEMENTS (RA):

RA 1 Report by the Executive Director/CEO Macy Neshati.

There was no report by Mr. Neshati.

MISCELLANEOUS BUSINESS – NON-AGENDA BOARD OF DIRECTORS ITEMS:

There were no miscellaneous business – non-agenda items presented.

ADJOURNMENT:

Chairman Crist adjourned the meeting at 11:17 a.m. to the Regular Meeting of the Board of Directors on May 28, 2019 at 10:00 a.m. in the Antelope Valley Transit Authority Community Room, 42210 6th Street West, Lancaster, CA.

PASSED, APPROVED, and ADOPTED this 28th day of MAY, 2019

Marvin Crist, Chairman of the Board

ATTEST:

Karen S. Darr, Clerk of the Board

Audio recordings of the Board of Directors Meetings are maintained in accordance with state law and AVTA's Records Retention Policy. Please contact the Clerk of the Board at (661) 729-2206 to arrange to review a recording.



DATE: May 28, 2019

TO: BOARD OF DIRECTORS

SUBJECT: Financial Report for April 2019

RECOMMENDATION

That the Board of Directors receive and file the financial report for April 2019.

FISCAL IMPACT

	APRIL
PAYROLL	\$244,991
CASH DISBURSEMENTS	\$1,939,935

BACKGROUND

To comply with the provisions required by Sections 37202, 37208 and 6505.5 of the Government Code, the Director of Finance and Administration in conjunction with the Controller, provides a monthly payroll total and cash disbursements. On a quarterly basis, a treasurer's report (Attachment A) will be included as part of the financial report. The Executive Director/CEO and Treasurer certify the availability of funds.

I, Macy Neshati, Executive Director/CEO of AVTA, declare that the above information is accurate.

Prepared by:

Submitted by:

Judy Vaccaro-Fry
Director of Finance and Administration

Macy Neshati
Executive Director/CEO

Attachment: A – Treasurer's Report

ANTELOPE VALLEY TRANSIT AUTHORITY
Treasurer's Report
For the quarter ended 3/31/19

Investment Type	Description	Beginning Balance 1/1/19	Deposits	Disbursements	Interest	Ending Balance 3/31/19
Cash and Investments Under the Direction of the Treasurer						
	Local Agency Investment Fund (LAIF) - Capital Reserve	5,208,851	889,000	(989,000)	29,277	5,138,128
	Proposition 1B Restricted Fund*	710,993			87	711,080
	Union Bank - LCTOP	224,245		-	27	224,272
	Total Capital Reserves and Restricted Funds	6,144,089	889,000	(989,000)	29,391	6,073,480
	Wells Fargo - Staging	3,725		(3,725)	-	-
	Wells Fargo - Money Market Fund	2,857,491		(2,865,534)	8,043	(0)
	Union Bank - Money Market Fund	-	2,865,636		115	2,865,751
	Total Operating Reserve	2,861,216	2,865,636	(2,869,259)	8,158	2,865,751
	General Account	11,227,634	9,493,075	(6,909,719)		13,810,990
	Petty Cash Balance	750	-	-		750
	Operating Accounts Total	11,228,384	9,493,075	(6,909,719)	-	13,811,740
	TOTAL CASH AND INVESTMENTS	20,233,689	13,247,711	(10,767,978)	37,549	22,750,971

* Deferred revenue, recorded as liability until associated expense incurred.

Note: AVTA closed accounts with Wells Fargo in during this quarter. The accounts are now with Union Bank.

I hereby certify that the investment portfolio of AVTA complies with its investment policy and the California Government Code Sections pertaining to the investment of local agency funds, Union Bank and Wells Fargo Bank. Pending any future actions by the AVTA Board or any and unforeseen occurrences, AVTA has cash flow adequate to meet its expenditure requirements for the next three months.

Prepared by:

Submitted by:

KJ Alcuran
Controller

Judy Vaccaro-Fry
Director of Finance & Administration



DATE: May 28, 2019

TO: BOARD OF DIRECTORS

SUBJECT: Fiscal Year 2018/2019 (FY 2019) Third Quarter Capital Reserve Report (January 1 – March 31, 2019)

RECOMMENDATION

That the Board of Directors receive and file the attached FY 2019 Third Quarter Capital Reserve Report for the period covering January 1 through March 31, 2019.

FISCAL IMPACT

Total Capital Reserve contributions for FY 2019 were budgeted at \$460,896; contributions for Lancaster, Palmdale and LA County for the third quarter have been received.

BACKGROUND

The Capital Reserve account was established to set aside a capital contribution from each jurisdiction in an amount sufficient to provide local match funds of 20% of the replacement cost of heavy-duty transit and commuter coaches. Current practice is to spend reserve account funds only for the matching requirements. The Capital Reserve account segregates the assets reserved for bus purchases and is used only when approved by the AVTA Board of Directors.

As of the report date, the Capital Reserve account has an accrued balance of \$5,138,128 held in an account with the Local Agency Investment Fund (LAIF).

Prepared by:

Submitted by:

KJ Alcuran
Controller

Macy Neshati
Executive Director/CEO



DATE: May 28, 2019
TO: BOARD OF DIRECTORS
SUBJECT: Grant Status Report

RECOMMENDATION

That the Board of Directors receive and file the Grant Status Report (Attachment A).

FISCAL IMPACT

Grants approved after the annual budget adoption may require reallocation of funds, which will be addressed during the mid-year budget adjustments.

BACKGROUND

The attached Grant Status Report reflects the current status of all grant applications submitted on behalf of the AVTA through May 15, 2019.

There were two grants submitted during the last quarter; an FTA discretionary grant application that includes funds from our 2015 Call for Projects award, and the FTA Low or No Emission discretionary grant application. A second federal formula grant application is pending submission and will proceed through the review process by the end of FY 2019, with final approval expected no later than September 30, 2019. This grant application contains the remaining funds necessary to complete the fleet replacement as well as operating, preventative maintenance and several small capital items included in the FY 2020 budget. There are four upcoming grant opportunities offered through FTA; FTA's BUILD, FTA's Sect. 5339 Bus and Bus Facilities, FTA's Sect. 5312 Innovative Mobility, and FTA's Sect. 5310 Enhanced Mobility of Seniors and Individuals with Disabilities administered through LA County Metropolitan Transportation Authority. AVTA continues to seek and pursue all viable grant opportunities.

Prepared by:

Submitted by:

Judy Vaccaro-Fry
Director of Finance and Administration

Macy Neshati
Executive Director/CEO

Attachment: A – Grant Status Report

GRANT STATUS REPORT

Discretionary Opportunities Submitted

Grant Program	Project	Amount Applied For	Date Submitted	Status	Amount Awarded	Next Round of Funding
Call for Projects - LACMTA	Bus Replacement + Chargers	\$2,475,103	April 10, 2019	Grant Funds awarded – pending DOL/FTA approval	\$2,475,103	TBD
Low or No Emission Vehicle Program - FTA	10 Transit Buses + 30 Circulator Buses	\$10,760,699	May 14, 2019	Pending	\$0	TBD
	TOTAL DISCRETIONARY OPPORTUNITIES APPLIED FOR:	\$13,235,802		TOTAL DISCRETIONARY GRANT AWARDS:	\$2,475,103	
	TOTAL DISCRETIONARY OPPORTUNITIES NOT AWARDED	\$0				
	TOTAL DISCRETIONARY OPPORTUNITIES PENDING:	\$10,760,699				

Annual Formula Allocations Submitted

Grant Program	Project	Amount Pending	Date Submitted	Status	Amount Awarded
Low Carbon Transit Operations Program (LCTOP) – Cap & Trade	Microtransit Demonstration	\$347,194	March 2019	Pending	\$0
Low Carbon Transit Operations Program (LCTOP) – Cap & Trade	1 Expansion Bus	\$242,199	March 2019	Pending	\$0
	TOTAL ANNUAL FORMULA ALLOCATIONS PENDING:	\$589,393		TOTAL GRANT AWARDS:	\$0



DATE: May 28, 2019

TO: BOARD OF DIRECTORS

SUBJECT: Renewal of Agreement with Los Angeles County Sheriff's Department (LASD) for Transit Law Enforcement Services – Reserve Unit

RECOMMENDATION

That the Board of Directors authorize the Executive Director/CEO to renew the Letter of Understanding with the LASD for transit law enforcement services covering the term July 1, 2019 through June 30, 2020, as outlined in the attached letter to Sheriff Alex Villanueva.

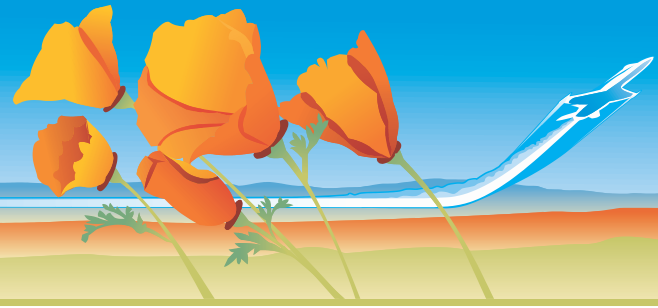
FISCAL IMPACT

Total reimbursement under this agreement will not exceed \$120,000. Funds for these services are included in the draft Fiscal Year 2019/2020 (FY 2020) Budget.

BACKGROUND

An agreement for transit law enforcement services was originally entered into between the AVTA and the Los Angeles County Sheriff's Department of Homeland Security in August 2008. The letter of agreement has been renewed annually since that time. Under the terms of the agreement, the LASD will provide the following services for the AVTA:

- Security services Monday through Friday with staggered shift times for increased presence;
- Random fare and ridership field audits of local and commuter services with two Security Assistants to assist with fare enforcement procedures;
- Random bomb and weapon checks of local and commuter services;



CC 5 – ATTACHMENT A

Board of Directors

Mailed via U.S. Postal Service and E-mail

Chairman
Marvin Crist
City of Lancaster

June 1, 2019

Vice Chair
Dianne M. Knippel
County of Los Angeles

Sheriff Alex Villanueva
Los Angeles County Sheriff's Department
Contract Law Enforcement Bureau
Attn: Unit Commander
211 W. Temple Street, 7th Floor
Los Angeles, California 90012

Director
Steven D. Hofbauer
City of Palmdale

Dear Alex Villanueva:

Director
Richard Loa
City of Palmdale

As approved by the Board of Directors on May 28, 2019, the Antelope Valley Transit Authority (AVTA) desires to continue to contract with your office for transit law enforcement services. The scope of work shall include the following activities:

Director
Angela E. Underwood-Jacobs
City of Lancaster

- Security services Monday through Friday with staggered shift times for increased presence;
- Random fare and ridership field audits of local and commuter services with two Security Assistants to assist with fare enforcement procedures;
- Random bomb and weapon checks of local and commuter services;
- Documentation of all activities, findings and actions;
- Training for both AVTA and Transdev staff regarding security issues and conflict resolution;
- Provide a presence on school trippers and other services where problematic behavior has been an issue;
- Provide training and outreach to schools regarding AVTA policies for transit riders;
- Interface with the local schools for incident follow-up;
- Provide a presence on and around the transit system to help improve quality of life issues; and
- Other duties as mutually agreed upon in writing.

Director
Michelle Flanagan
County of Los Angeles

Executive Director/CEO
Macy Neshati

AVTA is authorized to spend up to \$120,000 in FY 2020, beginning July 1, 2019 and ending June 30, 2020, unless superseded by a new

contract. It is anticipated that this effort would entail work being performed, Monday through Friday, depending on the specific tasks.

We appreciate the opportunity to work with your staff and look forward to continuing our contractual relationship for transit law enforcement services in the Antelope Valley. Should you have any questions, please feel free to contact me at (661) 729-2229.

Best Regards

Macy Neshati
Executive Director/CEO



PUBLIC ENTITY CONTRACT-HOURLY OVERTIME RATES			
LOS ANGELES COUNTY SHERIFF'S DEPARTMENT			
Fiscal Year 2019-20	Hourly Rate	Liability 3%	Total
Deputy Sheriff - Generalist	\$79.90	\$2.40	\$82.30
Deputy Sheriff - Bonus I	\$86.99	\$2.61	\$89.60
Deputy Sheriff - Bonus II	\$104.91	\$3.15	\$108.06
Deputy Sheriff - Bonus II Pilot	\$110.68	\$3.32	\$114.00
Deputy Sheriff - Bonus II SEB/ESD	\$110.68	\$3.32	\$114.00
Deputy Sheriff - Reserve	\$41.83	\$1.25	\$43.08
Sergeant	\$105.36	\$3.16	\$108.52
Sergeant Pilot	\$122.74	\$3.68	\$126.42
Sergeant SEB/ESD	\$111.15	\$3.33	\$114.48
Lieutenant	\$126.66	\$3.80	\$130.46
Security Assistant	\$24.69	\$2.59	\$27.28
Security Officer	\$39.11	\$4.11	\$43.22
Custody Assistant	\$51.80	\$1.55	\$53.35
Custody Assistant, Patrol	\$54.65	\$1.64	\$56.29
Community Services Assistant	\$31.25	\$0.94	\$32.19
Parking Control Officer	\$42.01	\$4.41	\$46.42
Parking Control Officer, Supervising	\$48.59	\$1.46	\$50.05
Criminalist	\$67.77	\$2.03	\$69.80
Criminalist, Senior	\$91.33	\$2.74	\$94.07
Criminalist, Supervising	\$98.34	\$2.95	\$101.29
Criminalistics Lab Technician	\$45.57	\$1.37	\$46.94
Digital Communications Systems Technician	\$68.75	\$2.06	\$70.81
Helicopter Maintenance Inspector	\$80.74	\$2.42	\$83.16
Helicopter Mechanic	\$72.88	\$2.19	\$75.07



DATE: May 28, 2019

TO: BOARD OF DIRECTORS

SUBJECT: Fiscal Year 2019/2020 (FY 2020) Workers' Compensation, Property and Casualty Insurance Policies under Contract #2019-35 with Vinsa, Inc.

RECOMMENDATION

That the Board of Directors authorize the Executive Director/CEO to purchase required Workers' Compensation, Property and Casualty Insurance Policies for FY 2020, for an amount not to exceed \$400,000 under Contract #2019-35 with Vinsa, Inc., Lancaster, CA. Final amount may be slightly higher than estimates, which are dependent upon amounts invoiced at the time the policies are issued.

FISCAL IMPACT

Sufficient funds for this project have been included in the FY 2020 Budget services.

BACKGROUND

In accordance with AVTA's Procurement Policies, staff released a Request for Proposals (RFP) in 2018 seeking proposals from experienced and qualified insurance brokerage firms to provide risk management and insurance procurement services for the Authority's workers' compensation, property and casualty insurance for a possible five-year combined term.

Vinsa, Inc. of Lancaster, CA was selected as the Authority's Insurance Broker of Record to provide professional consulting services regarding insurance issues arising

during the contract term. AVTA's insurance policies have been aligned to renew each fiscal year to simplify administration.

Attachment A compares current year policies and final costs to the proposed policies and estimated costs for FY 2020. Depending upon final invoices for various required coverage amounts, Vinsa estimates a premium increase of \$6,000 over FY19.

Coverage for FY 2020 includes values for newly constructed electric bus charging stations and bus stop shelters and amenities, with reasonable policy increases. AVTA received a significant reduction in its Worker's Compensation Insurance Rating Bureau Experience Modification. The 2018/2019 modification was 144% compared to the new modification of 111% for 2019/2020.

Prepared by:

Submitted by:

Lyle A. Block, CPPB
Procurement and Contracts Officer

Macy Neshati
Executive Director/CEO

Attachment: A – Policy Comparison FY19 to FY20



940 WEST AVENUE J
P.O. BOX 4550
LANCASTER, CA 93539-4550
(661) 948-5041
FAX: (661) 948-9744
LIC. #0366679

May 8, 2019

Antelope Valley Transit Authority
42210 6th Street East
Lancaster, California 93534

Attention: Lyle Block

RE: AVTA Insurance program 2019-2020

Dear Lyle,

Attached you will find the overview and projection for AVTA's insurance program for the upcoming year.

As part of the summary, we have compared the current program year to the projections for the 2019-2020 year.

Coverage	2018-2019	2019-2020	Percentage Change
General Liability	\$ 14,814	\$ 17,256	16.5%
Employee Benefits Liability	300	300	0.0%
Automobile	19,720	21,274	7.9%
Excess Liability	71,233	74,722	4.9%
D&O/EPLI-Public Entity	18,177	23,287	18.0%
Cyber Liability	1,430	1,870	13.0%
Property & Inland Marine	74,498	80,167	7.6%
Crime coverage	6,594	6,594	0.0%
DIC/Earthquake	54,093	62,979	11.7%
Workers' Compensation	110,189	88,351	-20.0%
Pollution	1,508	1,508	0.0%
Total:	\$372,688	\$378,358	1.5%

These are projected figures. The final figures may be slightly different, upward or downward.

While we are pleased with the overall premium showing an increase of only 1.5%, there are a couple of areas that are experiencing changes in projected premiums that warrant further discussion. General Liability continues to trend upward throughout the marketplace. We believe that this trend will continue. The same can be said in regards to Automobile coverage,

primarily the Liability portion of the coverage. The D&O/EPLI-Public Entity area of coverage increase reflects both the trend in the California marketplace and claims experience for AVTA. The Employment Practice Liability litigation in California is on a significant upward trend that we don't see leveling off anytime soon. AVTA's increase in premium cost for DIC/Earthquake coverage is due to an increase Total Insurable Values(TIV). The property limit increased by 16.5% while the premium increased by 11.7%. The property value increased primarily due to the addition of all bus stops and wave chargers.

The Property and Inland Marine coverage had an increase of 7.6%. While there was a slight increase in the overall property limits being covered, the reason for the increase is due to the trend in the California marketplace. The trend is primarily a reflection of the claims experience throughout California due to the significant fire losses over the last several years.

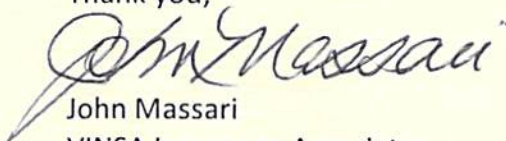
AVTA's Workers' Compensation is experiencing a significant reduction in premium. While the California Workers' Compensation market is relatively flat for the current year, AVTA received an significant reduction in their Workers' Compensation Insurance Rating Bureau(WCIRB) Experience Modification. The 2018-2019 modification is 144%. The new modification for 2019-2020 is 111%. The modification is a factor that reflects the trend in claims activity over the recent past four years. With such a positive reduction, AVTA's Workers' Compensation premium is seeing a reduction in cost of approximately 20%. Hopefully, this trend will continue for the foreseeable future.

While we are pleased with the Travelers Insurance renewal proposal, we have been exploring other options on behalf of AVTA. At this time, we are waiting for a proposal from CSAC EIA. CSAC EIA is a public entity JPA pool that provides coverage for more public entities in the State of California than any other program. Currently, the AVTA pollution program is part of CSAC EIA. At this time, the City of Lancaster and City of Palmdale both participate in many of the CSAC EIA programs. Once we have received formal terms from CSAC EIA we will present them to AVTA. We believe we will have their proposal within the next two to three weeks.

As we have recommended in the past, we do believe AVTA should consider requiring higher liability limits from your sub-contractor that operates the buses. The higher limits would provide a greater layer of protection for AVTA due to litigation caused by the sub-contractor's negligence.

We would like to thank you for your continued relationship with our firm. If management and/or the Board would like to meet and further discuss AVTA's insurance program, please let us know.

Thank you,

A handwritten signature in black ink that reads "John Massari". The signature is written in a cursive style with a large, sweeping initial "J".

John Massari

VINSA Insurance Associates

**ANTELOPE VALLEY TRANSIT AUTHORITY
RENEWAL PROPOSAL
7/1/2019-7/1/2020**

EXPIRING POLICIES 7/1/2018-7/1/2019	<u>GENERAL LIABILITY</u>	RENEWAL QUOTES 7/1/2019-7/1/2020
TRAVELERS INSURANCE COMPANY	INSURANCE COMPANY	TRAVELERS INSURANCE COMPANY
OCCURRENCE	FORM	OCCURRENCE
GENERAL AGGREGATE \$2,000,000 PRODUCTS/COMPLETED OPERATIONS AGGREGATE \$2,000,000 EACH OCCURRENCE \$1,000,000 PERS. & ADVERTISING INJURY \$1,000,000 DAMAGE TO PREMISES RENTED TO YOU \$300,000 MEDICAL PAYMENTS \$5,000 ABUSE OR MOLESTATION AGGREGATE \$2,000,000 EACH 23OFFENSE \$1,000,0000 DEDUCTIBLE: \$0	LIMITS	GENERAL AGGREGATE \$2,000,000 PRODUCTS/COMPLETED OPERATIONS AGGREGATE \$2,000,000 EACH OCCURRENCE \$1,000,000 PERS. & ADVERTISING INJURY \$1,000,000 DAMAGE TO PREMISES RENTED TO YOU \$300,000 MEDICAL PAYMENTS \$5,000 ABUSE OR MOLESTATION AGGREGATE \$2,000,000 EACH OFFENSE \$1,000,0000 DEDUCTIBLE: \$0
\$14,814.00	PREMIUM	\$17,256.00
7/1/2018-7/1/2019	<u>EMPLOYEE BENEFITS LIABILITY</u>	7/1/2019-7/1/2020
TRAVELERS INSURANCE COMPANY	INSURANCE COMPANY	TRAVELERS INSURANCE COMPANY
CLAIMS MADE AGGREGATE \$3,000,000 EACH OCCURRENCE \$1,000,000 RETRO DATE: 7/1/2013	LIMIT	CLAIMS MADE AGGREGATE \$3,000,000 EACH OCCURRENCE \$1,000,000 RETRO DATE: 7/1/2013
\$300.00	PREMIUM	\$300.00

7/1/2018-7/1/2019	<u>AUTOMOBILE</u>	7/1/2019-7/1/2020
TRAVELERS INSURANCE COMPANY	INSURANCE COMPANY	TRAVELERS INSURANCE COMPANY
COMBINED SINGLE LIMIT: \$1,000,000 UNINSURED MOTORIST: \$1,000,000 COMPREHENSIVE DEDUCTIBLE \$1,000 COLLISION DEDUCTIBLE \$1,000 HIRED/NONOWNED AUTO \$1,000,000 VEHICLES: 14 UNITS (SEE SCHEDULE IN QUOTE)	LIMIT	COMBINED SINGLE LIMIT: \$1,000,000 UNINSURED MOTORIST: \$1,000,000 COMPREHENSIVE DEDUCTIBLE \$1,000 COLLISION DEDUCTIBLE \$1,000 HIRED/NONOWNED AUTO \$1,000,000 VEHICLES: 13 UNITS (SEE SCHEDULE IN QUOTE)
\$19,720.00	PREMIUM	\$21,274.00
7/1/2018-7/1/2019	<u>UMBRELLA</u>	7/1/2019-7/1/2020
TRAVELERS INSURANCE COMPANY	INSURANCE COMPANY	TRAVELERS INSURANCE COMPANY
OCCURENCE	FORM	OCCURENCE
AGGREGATE LIMIT \$14,000,000 EACH OCCURENCE \$14,000,000 RETENTION: \$10,000	LIMIT	AGGREGATE LIMIT \$14,000,000 EACH OCCURENCE \$14,000,000 RETENTION: \$10,000
\$71,233	PREMIUM	\$74,772.00

7/1/2018-7/1/2019	<u>DIRECTORS & OFFICERS</u> <u>EMPLOYMENT PRACTICES</u>	7/1/2019-7/1/2020
TRAVELERS INSURANCE COMPANY	INSURANCE COMPANY	TRAVELERS INSURANCE COMPANY
CLAIMS MADE	FORM	CLAIMS MADE
PUBLIC OFFICIALS MANAGEMENT \$1,000,000 EMPLOYMENT PRACTICES LIABILITY \$1,000,000 POLICY AGGREGATE \$2,000,000 RETRO DATE 7/1/2013	LIMIT	PUBLIC OFFICIALS MANAGEMENT \$1,000,000 EMPLOYMENT PRACTICES LIABILITY \$1,000,000 POLICY AGGREGATE \$2,000,000 RETRO DATE 7/1/2013
\$10,000 FOR PUBLIC OFFICIALS MANAGEMENT \$15,000 FOR EMPLOYMENT PRACTICES	RETENTION	\$10,000 FOR PUBLIC OFFICIALS MANAGEMENT \$15,000 FOR EMPLOYMENT PRACTICES
\$18,177.00	PREMIUM	\$23,287.00
7/1/2018-7/1/2019	<u>CYBER LIABILITY</u>	7/1/2019-7/1/2020
CSAC EIA LLOYD'S OF LONDON	INSURANCE COMPANY	CSAC EIA LLOYD'S OF LONDON
POLICY AGGREGATE LIMIT PER MEMBER - \$2,000,000 PRIVACY NOTIFICATION COSTS -- \$250,000 REGULATORY DEFENSE & PENALTIES - \$2,000,000 WEBSITE MEDIA CONTENT LIABILITY - \$2,000,000 CYBER EXTORTION - \$2,000,000 PAYMENT CARD INDUSTRY FINES - \$100,000 FIRST PARTY -- DATA PROTECTION - \$2,000,000 FIRST PART -- DATA PROTECTION BUSINESS INTERRUPTION - \$2,000,000 TOTAL MEMBER AGGREGATE \$20,000,000 RATING BASIS - TIV	LIMIT	POLICY AGGREGATE LIMIT PER MEMBER - \$2,000,000 PRIVACY NOTIFICATION COSTS -- \$250,000 REGULATORY DEFENSE & PENALTIES - \$2,000,000 WEBSITE MEDIA CONTENT LIABILITY - \$2,000,000 CYBER EXTORTION - \$2,000,000 PAYMENT CARD INDUSTRY FINES - \$100,000 FIRST PARTY -- DATA PROTECTION - \$2,000,000 FIRST PART -- DATA PROTECTION BUSINESS INTERRUPTION - \$2,000,000 TOTAL MEMBER AGGREGATE \$20,000,000 RATING BASIS - TIV
\$50,000 FOR ALL PARTS	RETENTION	\$50,000 FOR ALL PARTS
\$1,430.00	PREMIUM/TAXES	\$1,870.00 (PENDING FINAL PREMIUM)

As of May 8, 2019

7/1/2018-7/1/2019	<u>PROPERTY & INLAND MARINE</u>	7/1/2019-7/1/2020
TRAVELERS	INSURANCE COMPANY	TRAVELERS
TOTAL INSURABLE VALUE \$38,679,407	LIMIT	TOTAL INSURABLE VALUE \$39,515,798
BUSINESS INCOME \$1,000,000		BUSINESS INCOME \$1,000,000
SCHEDULED EQUIPMENT \$121,575		SCHEDULED EQUIPMENT \$121,575
UNLISTED EQUIPMENT (NOT TO EXCEED \$5,000) \$70,000		UNLISTED EQUIPMENT (NOT TO EXCEED \$5,000) \$70,000
INCLUDING EQUIPMENT BREAKDOWN		INCLUDING EQUIPMENT BREAKDOWN
\$5,000.00	DEDUCTIBLE	\$5,000.00
\$74,498.00	PREMIUM	\$80,167.00
7/1/2018-7/1/2019	<u>CRIME</u>	7/1/2019-7/1/2020
TRAVELERS INSURANCE COMPANY	INSURANCE COMPANY	TRAVELERS INSURANCE COMPANY
\$500,000 EACH INSURING AGREEMENT \$25,000 RETENTION \$275,000 EXCESS LIMIT COVERING LISTED INDIVIDUALS/POSITIONS	LIMIT	\$500,000 EACH INSURING AGREEMENT \$25,000 RETENTION \$275,000 EXCESS LIMIT COVERING LISTED INDIVIDUALS/POSITIONS
\$6,594.00	PREMIUM	\$6,594.00
7/1/2018-7/1/2019	<u>DIFFERENCE IN CONDITIONS</u>	7/1/2019-7/1/2020
QBE SPECIALTY INSURANCE COMPANY GENERAL SECURITY INDEMNITY	INSURANCE COMPANY	QBE SPECIALTY INSURANCE COMPANY GENERAL SECURITY INDEMNITY
TOTAL INSURABLE VALUE \$34,761,074	LIMIT	TOTAL INSURABLE VALUE \$40,515,978 (INCLUDES ALL BUS STOPS AND WAVE CHARGERS)
7.5%	DEDUCTIBLE	7.5%
\$42,015.00 <u>\$ 2,077.28</u> \$54,092.28*	PREMIUM COMPANY BROKER FEE/TAXES TOTAL PREMIUM	\$60,626.00 <u>\$ 2,352.84</u> \$62,978.84*
*Premium for separate Terrorism policy is included		*Premium for separate Terrorism policy is included

7/1/2018-7/1/2019	<u>WORKERS COMPENSATION</u>	7/1/2019-7/1/2020
TRAVELERS INSURANCE COMPANY	INSURANCE COMPANY	TRAVELERS INSURANCE COMPANY
\$1,000,000	LIMIT	\$1,000,000
\$2,905,440	TOTAL ESTIMATED PAYROLL	\$2,822,108
144%	EXPERIENCE MODIFICATION	111%
\$110,189.00	TOTAL PREMIUM	\$88,351.00
7/1/2018-7/1/2021	<u>POLLUTION</u>	7/1/2018-7/1/2021
CSA7C-EIA	INSURANCE COMPANY	CSA7C-EIA
\$10,000,000 LIMIT \$100,000 S.I.R.	LIMIT	\$10,000,000 LIMIT \$100,000 S.I.R.
\$4,113.00	PREMIUM	\$1,371.00
\$ 543.30	VINSA BROKER FEE	\$ 137.10
\$4,656.30/**	TOTAL PREMIUM	\$1,508.10*
*TO BE PAID IN THREE ANNUAL INSTALLMENTS		*SECOND INSTALLMENT
**TOTAL BELOW INCLUDES ONLY FIRST INSTALLMENT OF \$1,640.40		
\$372,687.68	TOTAL PROGRAM PREMIUM	\$378,357.94

NOTE: DIFFERENCE IN CONDITIONS (EARTHQUAKE/FLOOD) POLICY INCLUDES THE BUS STOPS, WAVE CHARGERS, OR INLAND MARINE. IF THOSE ARE REMOVED THE TOTAL PREMIUM WOULD BE \$55,744.51

THIS COMPARISON IS DESIGNED TO GIVE YOU AN OVERVIEW OF THE INSURANCE COVERAGES PROPOSED BY THE COMPANIES SHOWN. IT IS MEANT ONLY TO BE A SNAPSHOT OF THE QUOTES AND SHOULD NOT BE CONSTRUED AS A LEGAL INTERPRETATION OF THE ACTUAL INSURANCE POLICIES. ALL POLICIES MUST BE CONSULTED FOR COMPLETE DETAILS OF EXCLUSIONS, LIMITATIONS, WARRANTIES AND SPECIAL CONDITIONS.



DATE: May 28, 2019

TO: BOARD OF DIRECTORS

SUBJECT: Fiscal Year 2019/2020 (FY 2020) Local Agency Investment Fund (LAIF) Investments

RECOMMENDATION

That the AVTA Board of Directors adopt Resolution 2019-004 (Attachment A), a Resolution of the Board of Directors of the Antelope Valley Transit Authority appointing the Executive Director/CEO as Treasurer and the Director of Finance and Administration as Controller; delegating investment authority to the Treasurer; adopting a policy for the investment of surplus transit funds for Fiscal Year 2020 beginning July 1, 2019 through June 30, 2020, and rescinding Resolution No. 2018-010.

FISCAL IMPACT

The proposed changes are administrative in nature and therefore have no financial impact.

BACKGROUND

Prior to the commencement of each fiscal year, the Board of Directors authorizes the deposit and withdrawal of the Authority's Local Agency Investment Fund (LAIF) investments in the State Treasury in accordance with the provisions of Government Code Section 16429. The Investment Policy Statement for FY 2020 (Attachment A.1) fulfills the California Government Code Section 53646 requirement that each legislative body review and adopt an Investment Policy Statement on an annual basis.

During the current fiscal year, AVTA continues to employ the services of Union Bank for its general banking needs. Only the projected minimum amount is maintained in the general operating account. All other available cash funds are invested in the Authority's LAIF investment account, Union Bank's Money Market, and Union Bank's Operating Reserve account in accordance with the Investment Policy Statement.

The Procedure (Attachment B) establishes the steps necessary to use the LAIF for investment purposes, to reconcile monthly activity to the general ledger, and to reconcile cash on the books with the cash in LAIF.

On an annual basis, the LAIF administration requests each member agency update their deposit/withdrawal authorization list. The purpose of the update is to ensure only duly authorized persons have access to the Authority's LAIF investments.

Prepared by:

Submitted by:

Judy Vaccaro-Fry
Finance and Administration

Macy Neshati
Executive Director/CEO

Attachments: A – Resolution No. 2019-004
 A.1 – Investment Policy Statement
 (Exhibit A to Resolution No. 2019-004)
 B – LAIF Procedure

BOARD OF DIRECTORS

ANTELOPE VALLEY TRANSIT AUTHORITY

RESOLUTION NO. 2019-004

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ANTELOPE VALLEY TRANSIT AUTHORITY APPOINTING THE EXECUTIVE DIRECTOR/CEO AS TREASURER AND THE DIRECTOR OF FINANCE AND ADMINISTRATION AS CONTROLLER, DELEGATING INVESTMENT AUTHORITY TO THE TREASURER, ADOPTING A POLICY FOR THE INVESTMENT OF SURPLUS TRANSIT FUNDS FOR FISCAL YEAR 2019/2020, AND RESCINDING RESOLUTION NO. 2018-010

WHEREAS, pursuant to the Joint Exercise of Powers Agreement between the County of Los Angeles, the City of Palmdale and the City of Lancaster, the Antelope Valley Transit Authority (AVTA) is authorized under Section 6(i) to invest money that is not needed for immediate use, as the Board determines advisable, in the same manner and upon the same conditions as other local agencies in accordance with Section 53601 of the Government Code; and

WHEREAS, pursuant to Government Code Section 6505.6, AVTA may appoint one of its officers or employees to either or both of the positions of Treasurer or of Controller, and such person or persons shall comply with the duties and responsibilities of the office or offices as set forth in subdivisions (a) to (d), inclusive, of Government Code Section 6505.5; and

WHEREAS, pursuant to Government Code Section 53607, the Board of Directors of AVTA may delegate its investment authority to the Treasurer for a one-year period; and

WHEREAS, pursuant to Government Code Section 53646, the Board of Directors of AVTA have publicly considered a proposed annual statement of investment policy and desires to adopt that policy to guide the investments of the Treasurer;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE ANTELOPE VALLEY TRANSIT AUTHORITY HEREBY RESOLVES, DECLARES, DETERMINES, AND ORDERS AS FOLLOWS:

Section 1. As authorized by Government Code Section 6505.6, the Board of Directors appoints the Executive Director/CEO as Treasurer.

Section 2. As authorized by Government Code Section 6505.6, the Board of Directors appoints the Director of Finance and Administration as the Controller.

Section 3. As authorized by Government Code Section 53607, the Board of Directors delegates its investment authority to the Treasurer for FY 2020, who shall thereafter assume full responsibility for those investment transactions until the delegation of authority is revoked or expires, and shall make a quarterly report of those transactions, in accordance with Government Code Section 53646, to the Board of Directors.

Section 4. As required by Government Code Section 53646, the Board of Directors has considered at a public meeting a statement of investment policy, and the Board of Directors hereby adopts that policy, in the form attached as Exhibit "A" to this resolution, to guide the investments of the Treasurer for FY 2020.

Section 5. Resolution No. 2018-010 is rescinded in its entirety.

Section 6. The Secretary of the Board shall certify to the adoption of this resolution.

PASSED, APPROVED and ADOPTED this 28th day of May, 2019 by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____ ABSENT: _____

Marvin Crist, Chairman


ATTEST:

Karen S. Darr, Clerk of the Board

APPROVED AS TO FORM:

Allison E. Burns, General Counsel

Exhibit A

	Local Agency Investment Fund (LAIF) Policy Statement	
	Policy Effective Date: 7/1/2019 – 6/30/2020	Revised on: 5/28/19
	Approved by: Board of Directors	
	Date Approved: 5/28/19	Page 1 of 14

1. POLICY

It is the policy of AVTA to invest public funds in a manner which will provide maximum security with the highest investment return while meeting the daily cash flow demands of AVTA and conforming to all state and local statutes governing the investment of public funds.

2. SCOPE

This investment policy applies to the cash funds of AVTA, except for its employees retirement system fund, which is administered separately by the California Public Employees' Retirement System ("CalPERS") and financial assets governed by bond indentures or bond resolutions.

These funds include Operating and Capital Funds.

3. OBJECTIVE

Investable funds shall be invested to the maximum extent feasible. The primary goal of the investment program is to maintain safety and liquidity of principal and interest while maximizing returns, minimizing risks and ensuring that funds are available to meet anticipated cash flow requirements.

In the investment of its funds, AVTA will be guided by the following principles in order of importance:

3(A) the primary objective is to safeguard investment principal.

- Safety

Safety and the minimizing of risk associated with investing refer to attempts to reduce the potential for loss of principal, interest or a combination of the two. The first level of risk control is found in state law which restricts the particular type of investments permissible for governmental entities. The second level of risk control is reduction of default risk by investing in instruments that appear upon examination to be the most credit worthy. The third level of risk control is reduction of market risk by investing in instruments that have maturities coinciding with planned dates of disbursement, thereby eliminating risk of loss from a forced sale.

3(B) the secondary objective is to maintain sufficient liquidity to ensure that funds are available to meet daily cash flow requirements.

- Liquidity

Liquidity refers to the ability to easily sell at any time with a minimal risk of losing some portion of principal or interest. Liquidity is an important quality for an investment to have, for at any time AVTA may have unexpected or unusual circumstances that result in larger disbursements than expected, and some investments may need to be sold to meet the contingency. The AVTA's investment portfolio shall remain sufficiently liquid to enable the AVTA to meet all operating requirements, which might be reasonably anticipated. Most investments of AVTA are highly liquid.

3(C) the third and last consideration is to achieve a reasonable rate of return or yield consistent with these objectives.

- Yield

Yield is the potential dollar earnings an investment can provide, and also is sometimes described as the rate of return. AVTA attempts to obtain the highest yield possible when selecting an investment, provided that the criteria stated in the Investment Policy for safety and liquidity are met. The AVTA's investment portfolio shall be designed with the objective of achieving a return on the funds under its control throughout budgetary and economic cycles, taking into account the AVTA's investment risk constraints and the cash flow characteristics of the portfolio.

4. DELEGATION OF AUTHORITY

The Board of Directors of the AVTA holds the authority to invest or reinvest funds of the AVTA or to sell or exchange securities so purchased. Pursuant to the California Government Code Section 53607, the Board of Directors may delegate this authority on a yearly basis to the Executive Director/CEO, as the Treasurer of AVTA, who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires.

The Director of Finance and Administration shall serve as the designated Investment Officer of the Authority and is responsible for investment decisions and activities, under the direction of the Executive Director/CEO. In the absence of the Director of Finance and Administration, the Executive Director/CEO will designate a temporary Investment Officer.

5. RESPONSIBILITY OF INVESTMENT OFFICERS

Cash management and investment transactions are the responsibility of the Investment Officer. The Investment Officer, acting in accordance with written procedures and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes,

provided that these deviations are reported immediately and that appropriate action is taken to control adverse developments.

6. INDIVIDUALS AUTHORIZED TO UNDERTAKE INVESTMENT TRANSACTIONS

The following officials are authorized to implement the cash management and investment transactions decisions of the Investment Officer by undertaking investment transactions on behalf of AVTA:

- Executive Director/CEO
- Director of Finance and Administration

7. PRUDENCE

AVTA operates its cash investments subject to the “Prudent Investor Standard” which obligates a fiduciary to ensure that:

When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the Agency, that a prudent person acting in the like capacity and familiarity with those matters would use in the conduct of funds of the like character and with like aims, to safeguard the principal and maintain the liquidity needs of the Agency.

Within the limitations of this standard and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

8. SAFEKEEPING

The investment securities purchased by the Authority shall be held in safekeeping by designated financial institutions. Accounts are currently housed at the following recognized financial institutions:

- Union Bank
- California State Investment Pool (Local Agency Investment Fund or “LAIF”).

These institutions shall issue safekeeping receipts to the Agency listing the specific instrument, rate, maturity and other pertinent information.

Safekeeping procedures shall be reviewed annually by the independent auditor. The independent auditor shall conduct random audits of safekeeping and custodial systems.

9. ETHICS AND CONFLICTS

Officers and employees who are directly involved in the investment program shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair the ability to make impartial investment decisions.

10. MONITORING AND ADJUSTING THE PORTFOLIO

The Investment Officer will routinely monitor the contents of the portfolio, the available markets and the relative values of competing instruments, and will adjust the portfolio accordingly.

11. INTERNAL CONTROLS

Internal controls shall be reviewed annually by the independent auditor. The Investment Officer shall establish an annual process of independent review by the independent auditor. The controls shall be designed to prevent loss of public funds due to fraud, error, misrepresentation, unanticipated market changes or imprudent actions.

12. INVESTMENT PROCEDURES

The Finance Department is responsible for establishing separate investment procedures which adhere to and implement this Statement of Investment Policy.

13. REPORTING REQUIREMENTS

Under the direction of the Executive Director/CEO, the Investment Officer shall where applicable, generate a monthly report for management purposes which will include, but not be limited to:

- Type of investment
- Institution
- Date of maturity
- Amount of deposit or cost of security
- Rate of interest
- Statement relating the report to the Statement of Investment Policy
- Statement that there are sufficient funds to meet the next 30 days' obligations

14. SHORT-TERM VERSUS LONG-TERM PORTFOLIO

All funds invested for one day to six months shall be considered short-term. Funds invested for a period in excess of six months shall be considered long-term.

15. SHORT-TERM PORTFOLIO DIVERSIFICATION

The Agency will diversify use of investment instruments to avoid incurring unreasonable risk inherent in overinvesting in specific instruments, individual financial institutions or maturities.

Diversification by Instrument:

- U.S. Government Securities, or affiliates
- Small Business Administration Loans
- Bankers Acceptance
- Commercial Paper
- Negotiable Certificates of Deposits
- Medium Term Notes
- Repurchase Agreements
- Local Agency Investment Fund (LAIF)
- California Asset Management Program (CAMP)
- California Local Agency Securities System (CLASS)

16. MATURITY SCHEDULING:

Investment maturities of operating funds shall be scheduled to coincide with projected cash flow needs, taking into account large routine expenditures (e.g. payroll, contractor's payments, lease payments, etc.) and considering sizeable blocks of anticipated revenue (e.g. LTF and Federal operating funds).

17. LONG-TERM PORTFOLIO DIVERSIFICATION

Instruments and diversification for the long-term portfolio shall be the same type as for the short-term portfolio, but with longer investment periods (over six months).

Maturity scheduling shall be timed according to anticipated needs.

18. AUTHORIZED INVESTMENTS (G.C. 53601)

The average maturity of AVTA's investments should not exceed two-and-one-half years, with no single investment being made for over five years, except with legislative approval as authorized under Section 53601 of the California Government Code. At no time should current cash flow requirements be jeopardized.

AVTA may invest in the following legal investments as defined in Section 53601 of the California Government Code: 53601. This section shall apply to a local agency that is a city, a district, or other local agency that does not pool money in deposits or investments with other local agencies, other than local agencies that have the same governing body. However, Section 53635 shall apply to all local agencies that pool money in deposits or investments with other local agencies that have separate governing bodies. The legislative body of a local

agency having money in a sinking fund or money in its treasury not required for the immediate needs of the local agency may invest any portion of the money that it deems wise or expedient in those investments set forth below. A local agency purchasing or obtaining any securities prescribed in this section, in a negotiable, bearer, registered, or nonregistered format, shall require delivery of the securities to the local agency, including those purchased for the agency by financial advisers, consultants, or managers using the agency's funds, by book entry, physical delivery, or by third-party custodial agreement. The transfer of securities to the counterparty bank's customer book entry account may be used for book entry delivery. For purposes of this section, "counterparty" means the other party to the transaction. A counterparty bank's trust department or separate safekeeping department may be used for the physical delivery of the security if the security is held in the name of the local agency. Where this section specifies a percentage limitation for a particular category of investment, that percentage is applicable only at the date of purchase. Where this section does not specify a limitation on the term or remaining maturity at the time of the investment, no investment shall be made in any security, other than a security underlying a repurchase or reverse repurchase agreement or securities lending agreement authorized by this section, that at the time of the investment has a term remaining to maturity in excess of five years, unless the legislative body has granted express authority to make that investment either specifically or as a part of an investment program approved by the legislative body no less than three months prior to the investment:

- (a) Bonds issued by the local agency, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency, or authority of the local agency.
- (b) United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.
- (c) Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.
- (d) Bonds, notes, warrants, or other evidences of indebtedness of any local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.
- (e) Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

- (f) Bankers acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchases of bankers acceptances may not exceed 180 days' maturity or 40 percent of the Authority's money that may be invested pursuant to this section. However, no more than 30 percent of the Authority's money may be invested in the bankers acceptances of any one commercial bank pursuant to this section.

This subdivision does not preclude a municipal utility district from investing any money in its treasury in any manner authorized by the Municipal Utility District Act (Division 6 (commencing with Section 11501) of the Public Utilities Code).

- (g) Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization (NRSRO). The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):

(1) The entity meets the following criteria:

- (A) Is organized and operating in the United States as a general corporation.
- (B) Has total assets in excess of five hundred million dollars (\$500,000,000).
- (C) Has debt other than commercial paper, if any, that is rated "A" or higher by a nationally recognized statistical-rating organization (NRSRO).

(2) The entity meets the following criteria:

- (A) Is organized within the United States as a special purpose corporation, trust, or limited liability company.
- (B) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond.
- (C) Has commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical-rating organization (NRSRO).

Eligible commercial paper shall have a maximum maturity of 270 days or less. Local agencies, other than counties or a city and county, may invest no more than 25 percent of their money in eligible commercial paper. Local agencies, other than counties or a city and county, may purchase no more than 10 percent of the outstanding commercial paper of any single issuer. Counties or a city and county may invest in commercial paper pursuant to the concentration limits in subdivision (a) of Section 53635.

- (h) Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit may not exceed 30 percent of the agency's money which may be invested pursuant to this section. For purposes of this section, negotiable certificates of deposit do not come within Article 2 (commencing with Section 53630), except that the amount so invested shall be subject to the limitations of Section 53638. The legislative body of a local agency and the treasurer or other official of the local agency having legal custody of the money are prohibited from investing local agency funds, or funds in the custody of the local agency, in negotiable certificates of deposit issued by a state or federal credit union if a member of the legislative body of the local agency, or any person with investment decision-making authority in the budget office, director of finance and administration's office, or treasurer's office of the local agency also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.
- (i) (1) Investments in repurchase agreements or reverse repurchase agreements or securities lending agreements of any securities authorized by this section, as long as the agreements are subject to this subdivision, including the delivery requirements specified in this section.
- (2) Investments in repurchase agreements may be made, on any investment authorized in this section, when the term of the agreement does not exceed one year. The market value of securities that underlay a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against those securities and the value shall be adjusted no less than quarterly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day.
- (3) Reverse repurchase agreements or securities lending agreements may be utilized only when all of the following conditions are met:
- (A) The security to be sold on reverse repurchase agreement or securities lending agreement has been owned and fully paid for by the local agency for a minimum of 30 days prior to sale.
- (B) The total of all reverse repurchase agreements and securities lending agreements on investments owned by the local agency does not exceed 20 percent of the base value of the portfolio.

- (C) The agreement does not exceed a term of 92 days, unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.
 - (D) Funds obtained or funds within the pool of an equivalent amount to that obtained from selling a security to a counterparty by way of a reverse repurchase agreement or securities lending agreement shall not be used to purchase another security with a maturity longer than 92 days from the initial settlement date of the reverse repurchase agreement or securities lending agreement, unless the reverse repurchase agreement or securities lending agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.
- (4) (A) Investments in reverse repurchase agreements, securities lending agreements, or similar investments in which the local agency sells securities prior to purchase with a simultaneous agreement to repurchase the security may only be made upon prior approval of the governing body of the local agency and shall only be made with primary dealers of the Federal Reserve Bank of New York or with a nationally or state-chartered bank that has or has had a significant banking relationship with a local agency.
- (B) For purposes of this chapter, "significant banking relationship" means any of the following activities of a bank:
- (i) Involvement in the creation, sale, purchase, or retirement of a local agency's bonds, warrants, notes, or other evidence of indebtedness.
 - (ii) Financing of a local agency's activities.
 - (iii) Acceptance of a local agency's securities or funds as deposits.
- (5) (A) "Repurchase agreement" means a purchase of securities by the local agency pursuant to an agreement by which the counterparty seller will repurchase the securities on or before a specified date and for a specified amount and the counterparty will deliver the underlying securities to the local agency by book entry, physical delivery, or by third-party custodial agreement. The transfer of underlying securities to the counterparty bank's customer book-entry account may be used for book-entry delivery.

- (B) "Securities," for purpose of repurchase under this subdivision, means securities of the same issuer, description, issue date, and maturity.
- (C) "Reverse repurchase agreement" means a sale of securities by the local agency pursuant to an agreement by which the local agency will repurchase the securities on or before a specified date and includes other comparable agreements.
- (D) "Securities lending agreement" means an agreement under which a local agency agrees to transfer securities to a borrower who, in turn, agrees to provide collateral to the local agency. During the term of the agreement, both the securities and the collateral are held by a third party. At the conclusion of the agreement, the securities are transferred back to the local agency in return for the collateral.
- (E) For purposes of this section, the base value of the local agency's pool portfolio shall be that dollar amount obtained by totaling all cash balances placed in the pool by all pool participants, excluding any amounts obtained through selling securities by way of reverse repurchase agreements, securities lending agreements, or other similar borrowing methods.
- (F) For purposes of this section, the spread is the difference between the cost of funds obtained using the reverse repurchase agreement and the earnings obtained on the reinvestment of the funds.
- (j) Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated "A" or better by a nationally recognized rating service. Purchases of medium-term notes shall not include other instruments authorized by this section and may not exceed 30 percent of the agency's money that may be invested pursuant to this section.
- (k) (1) Shares of beneficial interest issued by diversified management companies that invest in the securities and obligations as authorized by subdivisions (a) to (j), inclusive, or subdivisions (m) or (n) and that comply with the investment restrictions of this article and Article 2 (commencing with Section 53630). However, notwithstanding these restrictions, a counterparty to a reverse repurchase agreement or securities lending agreement is not required to be a primary dealer of the Federal Reserve Bank of New York if the company's board of directors finds that the counterparty presents a minimal risk of

default, and the value of the securities underlying a repurchase agreement or securities lending agreement may be 100 percent of the sales price if the securities are marked to market daily.

- (2) Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.).
 - (3) If investment is in shares issued pursuant to paragraph (1), the company shall have met either of the following criteria:
 - (A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations.
 - (B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by subdivisions (a) to (j), inclusive, or subdivisions (m) or (n) and with assets under management in excess of five hundred million dollars (\$500,000,000).
 - (4) If investment is in shares issued pursuant to paragraph (2), the company shall have met either of the following criteria:
 - (A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations.
 - (B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000).
 - (5) The purchase price of shares of beneficial interest purchased pursuant to this subdivision shall not include any commission that the companies may charge and shall not exceed 20 percent of the agency's money that may be invested pursuant to this section. However, no more than 10 percent of the agency's funds may be invested in shares of beneficial interest of any one mutual fund pursuant to paragraph (1).
- (l) Moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory

provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.

- (m) Notes, bonds, or other obligations that are at all times secured by a valid first priority security interest in securities of the types listed by Section 53651 as eligible securities for the purpose of securing local agency deposits having a market value at least equal to that required by Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted.
- (n) Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond of a maximum of five years' maturity. Securities eligible for investment under this subdivision shall be issued by an issuer having an "A" or higher rating for the issuer's debt as provided by a nationally recognized rating service and rated in a rating category of "AA" or its equivalent or better by a nationally recognized rating service. Purchase of securities authorized by this subdivision may not exceed 20 percent of the agency's surplus money that may be invested pursuant to this section.

53601.1. The authority of a local agency to invest funds pursuant to Section 53601 includes, in addition thereto, authority to invest in financial futures or financial option contracts in any of the investment categories enumerated in that section.

53601.5. The purchase by a local agency of any investment authorized pursuant to Section 53601 or 53601.1, not purchased directly from the issuer, shall be purchased either from an institution licensed by the state as a broker-dealer, as defined in Section 25004 of the Corporations Code, or from a member of a federally regulated securities exchange, from a national or state-chartered bank, from a savings association or federal association (as defined by Section 5102 of the Financial Code) or from a brokerage firm designated as a primary government dealer by the Federal Reserve bank.

- 53601.6. (a) A local agency shall not invest any funds pursuant to this article or pursuant to Article 2 (commencing with Section 53630) in inverse floaters, range notes, or mortgage-derived, interest-only strips.
- (b) A local agency shall not invest any funds pursuant to this article or pursuant to Article 2 (commencing with Section 53630) in any security

that could result in zero interest accrual if held to maturity. However, a local agency may hold prohibited instruments until their maturity dates. The limitation in this subdivision shall not apply to local agency investments in shares of beneficial interest issued by diversified management companies registered under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.) that are authorized for investment pursuant to subdivision (k) of Section 53601.

19. DESIGNATED AUTHORIZED INVESTMENTS

The listing shall be formally designated by AVTA and only investments from this designated list will be authorized.

California State Investment Pool (Local Agency Investment Fund or LAIF {Government Code Section 16429.1 – 16429.3}).

California Asset Management Program (CAMP {Government Code Section 6502; Section 53630; Section 53601 and/or 53635}).

California Local Agency Securities System (CLASS {Government Code Section 6502; Section 53630; Section 53601 and/or 53635}).

Whenever possible, bids and offers for any investment security shall be taken from a minimum of two security dealers/brokers, banks, and/or savings and loans. Awards shall be made to the highest responsible bidder or best offer.

All securities purchased must be held in safekeeping by AVTA's safekeeping agent, currently Union Bank. The securities shall not be held by the dealer or broker from whom they are purchased. Confirmations for all investments will be reviewed for conformity with the actual transactions. All financial institutions, whether investment banks, dealers, commercial banks or savings and loan institutions must be licensed by the National Association of Security Dealers (NASD) and be approved by the Treasurer before they receive AVTA funds or are able to conduct business with AVTA. Prior to approval, each financial institution will be physically visited by the Treasurer and/or his/her designee to meet with the principals of the firm and to inspect their offices for stability and financial capabilities. Further, these visitations will continue periodically, preferably annually, on an ongoing basis to ensure eligibility (due diligence). All firms with whom AVTA does business will have a strong capital base and be deemed creditworthy before conducting business with such firms. The Treasurer or his/her designee will prescribe minimum standards by which these firms can be judged creditworthy.

Generally, losses are acceptable on a sale of securities prior to maturity and should be taken if (a) the sale proceeds will enhance the overall yield over the life of the new security, or (b) there is a potential imminent risk of principal due to a change in the creditworthiness of the issuer or other factors jeopardizing the propriety or safety and liquidity of public funds.


Where possible, AVTA investments shall be placed, confirmed, held, accounted for,

and/or audited by different people.

The Director of Finance and Administration/Investment Officer shall be individually responsible for a monthly review of the investment function. This review will consist of:

- Comparison of the investment records to the independent statements and confirmation notices received from brokers, dealers, banks and other financial institutions.
- Review of the contents of the investment portfolio to assure that it conforms to the provisions of this Statement of Investment Policy and the laws of the State of California.
- Review of the financial institutions with whom investments have been made to assure that they have been approved by the Treasurer.

DRAFT

	Local Agency Investment Fund (LAIF) Procedures	
	Policy Effective Date: 7/1/2019	Revised on: 5/28/19
	Approved by: Board of Directors	
	Date Approved: 5/28/19	Page 1 of 3

PURPOSE

This procedure establishes the steps to use the Local Agency Investment Fund for investment purposes, to reconcile monthly activity to the General Ledger and to verify cash on the books with the cash invested with California State Investment Pool (Local Agency Investment Fund or "LAIF").

BACKGROUND

The Finance Department is responsible for maintaining proper accounting records in regards to all AVTA accounts.

AVTA deposits funds with LAIF as an investment instrument.

This procedure provides appropriate documentation relating to the investment of funds in LAIF.

EXECUTIVE DIRECTOR/CEO AND DIRECTOR OF FINANCE AND ADMINISTRATION

The Executive Director/CEO, Director of Finance and Administration, Board Chair, and Board Vice Chair may approve the investment, withdrawal or transfer of funds to/from LAIF. Financial institutions will be notified by phone and in writing immediately regarding the separation of employees formerly authorized.

In the absence of the Executive Director/CEO, the Director of Finance and Administration will approve the investment or withdrawal of funds from LAIF and can make transfers to or from the LAIF account.

Accounting staff prepares a Funds Transfer Memo and provides it to the Director of Finance and Administration for completion.

PROCEDURE

The institutions involved in inter-bank transfers are to be notified the day prior to the date of a request of a transfer of funds. The following procedures guarantee same day credit to LAIF or the appropriate AVTA account at Union Bank.

Funds Transfer from LAIF to Union Bank

1. The accounting staff prepares a Funds Transfer Memo and gives to the Director of Finance and Administration by 9:30 am.
2. For a LAIF withdrawal, LAIF is notified and the information is recorded. **THE DEADLINE TO CALL LAIF IS 10:00 AM.**

Funds Transfer from Union Bank to LAIF

1. The accounting staff prepares a Funds Transfer Memo and gives it to the Director of Finance and Administration by 9:30 am.
2. LAIF is contacted at (916) 653-3001 advising them of the deposit and the source account it is coming from. Provide the PIN #. AVTA will receive a confirmation number and the daily percentage yield. **THE DEADLINE TO CALL LAIF IS 10:00 AM.**
3. Contact Union Bank Wires Services at (800) 922-9473, Option 1, to arrange the transfer to LAIF. The AVTA bank account number, LAIF confirmation number and date of deposit are provided to Union Bank as part of the transfer process. **THE DEADLINE TO CALL UNION BANK TO INITIATE A WIRE IS 2:00 PM.**
4. Union Bank will give a verbal verification of transaction; written notes regarding the verbal verification should be included with the transfer documents to complete the transaction audit process.

Reconciliation

The accounting staff posts deposits and withdrawals to the LAIF Account (10161) and verifies that the LAIF statement and the General Ledger account reconcile properly.

ATTACHMENT: A – Sample LAIF Statement

ATTACHMENT A

4/18/2017

Untitled Page



BETTY T. YEE

California State Controller

LOCAL AGENCY INVESTMENT FUND
REMITTANCE ADVICE

Agency Name

ANTELOPE VALLEY TRANS AUTH

Account Number

40-19-036

As of 04/14/2017, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 03/31/2017.

Earnings Ratio		.00002126194403179
Interest Rate		0.78%
Dollar Day Total	\$	488,285,172.72
Quarter End Principal Balance	\$	5,426,621.16
Quarterly Interest Earned	\$	10,381.89



DATE: May 28, 2019
TO: BOARD OF DIRECTORS
SUBJECT: Proposed Fiscal Year 2019/2020 (FY 2020) Budget

RECOMMENDATION

That the Board of Directors adopt the Proposed AVTA FY 2020 Budget

FISCAL IMPACT

The proposed FY 2020 Operating Plan reflects a balanced budget of \$29.1 Million.

Preliminary Operating Expenses (Attachment B) reflect an increase of approximately 7% from the FY 2019 Budget, or a total of \$1,863,566. This budget includes service improvements such as increasing to 15 minute headways on Route 1, new routes to Edwards Air Force Base, Mojave Air and Space Port, Jethawks, Plant 42, with an additional allowance for charging time, totaling 12,507 new service hours.

The proposed FY 2020 Capital Spending Budget (Attachment A) is \$95.2 million, of which \$49.4 million is for 53 remaining electric bus replacements. Additional projects are planned for FY 2020 such as expansion vehicles, electric bus infrastructure, facility upgrade/expansion, facility equipment, regional partnership projects, support vehicles, support equipment, major bus components, farebox upgrade project, and other grant funded operating projects and expenses.

Capital spending is made possible by local, state and federal funding which is restricted in purpose and can be used solely to maintain and improve the Authority's bus fleet, infrastructure, facilities and equipment.

BACKGROUND

The Proposed FY 2020 Budget complies with the requirements of the Bylaws of the Jurisdictional Agreement and ensures the best practices and fiduciary responsibilities of the Authority's budgeting function.

The proposed FY 2020 Business Plan features the following key elements:

- A balanced operating budget of \$29.1 million
- No increases in Jurisdictional Operating or Capital Support
- The Transdev fixed route service contract increases by 3% effective January 1, 2020, and the IntelliRide contract for Dial-A-Ride Service increases by 1.5% effective July 1, 2019.

Adoption of Proposed FY20 Business Plan

May 28, 2019

Page 2

- Fixed Route Revenue Hours
 - Local transit service – 173,475 hours
 - Commuter service – 33,660 hours
 - Additional charging time + 1% Contingency – 5,335 hours
 - Dial-A-Ride Trips – 33,000 maximum per contract
- Personnel: 45 employees = 42 full time and 3 part time. Total of four unfilled positions; two are slated for a Buyer and Senior Planner + two unassigned.
- The following Operational categories showed increases/decreases compared to FY19:
 - 77% decrease in website maintenance = \$28k total reduction
 - 76% decrease in Consulting = \$242k total reduction
 - 50% decrease in Advocacy - \$121k total reduction
 - 20% increase for Liability Insurance (estimated) = \$60k total increase
 - 83% increase in IT Maintenance & Support = \$10k total increase
 - 47% increase to Software Agreements & Licenses = \$93k total increase
- A capital plan of \$95.2 million of restricted funding is as follows:

• Replacement Vehicles	\$49,530,943
• Expansion Vehicles	\$20,126,575
• Support Vehicles/Equipment	\$1,291,000
• ZEB Infrastructure	\$3,761,430
• Regional Partnership Projects	\$12,165,000
• Facility Improvements	\$1,680,000
• Facility Equipment	\$573,000
• Data & Communications	\$704,100
• Security	\$5,555,000
• Planning & Operating	\$102,066

Prepared by:

Submitted by:

Judy Vaccaro-Fry
Director of Finance and Administration

Macy Neshati
Executive Director/CEO

KJ Alcuran, Controller

Attachments: A - FY 2020 Capital Budget
 B – FY 2020 Operating Budget



APPENDIX B: FY20 DETAILED CAPITAL PROJECTS / SOURCES

CAPITAL PROJECTS		FY20 Capital/Grantable Budget Items	State Annual Allocation	State Discretionary Grant Award	State Incentive Credits	FTA Annual Allocation	FTA Discretionary Grant Award	Local Grant Award	Jurisdictional Capital Reserve	Local Allocations + Internal Reserve	Future Grant / Allocation
VEHICLES & ZEB INFRASTRUCTURE											
Replacement Vehicles											
60-foot Articulated Transit Bus	13 - 60ft ZEB	\$ 14,898,000	\$ 1,617,291	\$ 4,988,600	\$ 2,743,000	\$ 3,725,859			\$ 1,823,250		
45-foot Commuter Coach	30 - 45ft ZEB	\$ 26,160,000	\$ 224,053	\$ 6,760,396	\$ 5,796,000	\$ 10,494,173			\$ 2,885,378		
40-foot Local Transit Bus	10 - 40ft ZEB	\$ 8,352,943	\$ 932,056	\$ 903,279	\$ 1,760,000	\$ 1,869,944	\$ 705,347	\$ 1,733,898	\$ 448,419		
Driver Relief Vehicles (4)	4 vehicles	\$ 120,000				\$ 120,000					
Replacement Vehicles Total		\$ 49,530,943	\$ 2,773,400	\$ 12,652,275	\$ 10,299,000	\$ 16,209,976	\$ 705,347	\$ 1,733,898	\$ 5,157,047	\$ -	\$ -
Expansion Revenue Vehicles											
Edwards Air Force Base	2 - 40ft ZEB	\$ 1,670,588									\$ 1,670,588
Mojave Air & Space Port	2 - 40ft ZEB	\$ 1,670,588									\$ 1,670,588
Plant 42	4 - 40ft ZEB	\$ 4,172,925									\$ 4,172,925
Expand Existing Routes	5 - 40ft ZEB	\$ 4,176,472		\$ 2,179,635	\$ 880,000	\$ -	\$ -	\$ 242,199	\$ 494,470	\$ 380,168	\$ -
30-foot Circulator Bus (10)	10 total: 5: EAFB + 5: Plant 42	\$ 6,110,000									\$ 6,110,000
Micro Transit	6 vehicles - TBD	\$ 375,000			\$ -	\$ -	\$ -	\$ 375,000	\$ -	\$ -	\$ -
Santa Clarita Business Park	2 - 45ft ZEB	\$ 1,751,002									\$ 1,751,002
Lease Vehicles - Edwards Air Force Base & Mojave Air and Space Port	Year 1 of 2: 4 40 foot ZEB	\$ 200,000		\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expansion Vehicles Total		\$ 20,126,575	\$ -	\$ 2,379,635	\$ 880,000	\$ -	\$ -	\$ 617,199	\$ 494,470	\$ 380,168	\$ 15,375,103

Support Vehicles/Equipment																							
Bus Stop Maintenance Trucks	2 vehicles	\$	190,000							\$	190,000												
Driver Barriers		\$	125,000	\$	125,000																		
Major Bus Components		\$	150,000			\$	150,000																
Farebox Upgrade	95 fareboxes	\$	826,000					\$	766,000	\$	60,000												
Support Vehicles/Equipment Total		\$	1,291,000	\$	125,000	\$	-	\$	-	\$	150,000	\$	-	\$	766,000	\$	190,000	\$	60,000	\$	-		
ZEB Infrastructure																							
Primary WAVE Charger	7 @ 313k	\$	2,192,225																		\$	2,192,225	
Secondary WAVE Chargers	13 chargers	\$	1,466,205	\$	1,466,205																		
WAVE Install K9	Bus (14)	\$	103,000																			\$	103,000
ZEB Infrastructure Total		\$	3,761,430	\$	-	\$	1,466,205	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	103,000	\$	2,192,225
VEHICLES + ZEB INFRASTRUCTURE PROJECTS TOTAL		\$	74,709,948	\$	2,898,400	\$	16,498,115	\$	11,179,000	\$	16,359,976	\$	705,347	\$	3,117,097	\$	5,841,517	\$	543,168	\$	17,567,328		

APPENDIX B: FY20 DETAILED CAPITAL PROJECTS / SOURCES

CAPITAL PROJECTS		Capital/Grantable	Allocation	Grant Award	Credits	Allocation	Grant Award	Award	Capital Reserve	+ Internal	Allocation								
INFRASTRUCTURE IMPROVEMENTS																			
Regional Partnership Projects																			
Lancaster Metrolink Transit Center Expansion		\$	1,300,000			\$	1,300,000												
South Valley Healthcare Clinic Transit Center		\$	1,200,000			\$	1,200,000												
Antelope Valley College Transit Center		\$	500,000						\$	500,000									
Regional Partnership Projects - TBD											\$	2,400,000							
	Shelters & Lighting	\$	2,400,000																
	Transfer Center Cameras	\$	265,000			\$	265,000												
Administration Facility Expansion											\$	3,000,000							
	Land	\$	3,000,000									\$	3,000,000						
	Facility Construction	\$	3,500,000									\$	3,500,000						
Regional Partnership Projects Total		\$	12,165,000	\$	-	\$	2,500,000	\$	-	\$	265,000	\$	-	\$	-	\$	500,000	\$	8,900,000

Facility Improvements											
Electric Vehicle Chargers	10 - facility	\$ 40,000								\$ 40,000	
Lobby Security Desk Redesign		\$ 10,000	\$ 10,000								
Bus Wash		\$ 500,000			\$ 500,000						
Rollup Shop Doors (16" wide)		\$ 10,000			\$ 10,000						
Server Room Renovation	verify #'s with Steve	\$ 350,000						\$ 350,000			
Fire Alarm System		\$ 100,000	\$ 62,000					\$ 38,000			
Parking Lot Striping	Employee parking lots	\$ 10,000			\$ 10,000						
Bus Yard Ballards		\$ 80,000						\$ 80,000			
Fall Protection System		\$ 30,000	\$ 30,000								
Dispatch Redesign		\$ 50,000						\$ 50,000			
Facility Improvements	HVAC System Repair - Administration	\$ 500,000						\$ 500,000			
Facilities Improvements Total		\$ 1,680,000	\$ 102,000	\$ -	\$ -	\$ 520,000	\$ -	\$ -	\$ -	\$ 1,018,000	\$ 40,000
INFRASTRUCTURE IMPROVEMENTS TOTAL		\$ 13,845,000	\$ 102,000	\$ 2,500,000	\$ -	\$ 785,000	\$ -	\$ -	\$ -	\$ 1,518,000	\$ 8,940,000

APPENDIX B: FY20 DETAILED CAPITAL PROJECTS / SOURCES

CAPITAL PROJECTS		FY20 Capital/Grantable Budget Items	State Annual Allocation	State Discretionary Grant Award	State Incentive Credits	FTA Annual Allocation	FTA Discretionary Grant Award	Local Grant Award	Jurisdictional Capital Reserve	Local Allocations + Internal Reserve	Future Grant / Allocation
OTHER PROJECTS											
Facility Equipment											
Customer Service / Maintenance / Admin Equipment		\$ 100,000				\$ 100,000					
Firesafe Cabinet		\$ 2,000							\$ 2,000		
Major Facility / Shop Equipment		\$ 100,000				\$ 100,000					
Swamp Coolers (5)		\$ 35,000							\$ 35,000		
Cordless Bus Lifts (3)		\$ 240,000							\$ 240,000		
Shop Battery Chargers		\$ 1,000									
Avail Training Board		\$ 35,000				\$ 1,000			\$ 35,000		
Dynex Training Board		\$ 15,000							\$ 15,000		
Axle Lift System		\$ 45,000				\$ 45,000					
Facility Equipment Total		\$ 573,000	\$ -	\$ -	\$ -	\$ 246,000	\$ -	\$ -	\$ -	\$ 327,000	\$ -

DATA AND COMMUNICATIONS												
Annual Workstation Replacement Plan	\$	50,000					\$	50,000				
ADP Software Upgrade	\$	50,000					\$	50,000				
Power Distribution Unit	\$	6,000					\$	6,000				
Vinyl Graphics Printer	\$	10,000					\$	10,000				
Photocopy Machines												
Copy Room	\$	25,000					\$	25,000				
Customer Service	\$	10,000					\$	10,000				
Board Room	\$	500					\$	500				
Avail Modem Upgrade	\$	214,000					\$	214,000				
Brightside Lobby Displays	\$	3,600					\$	3,600				
Network Switch Upgrades	\$	80,000					\$	80,000				
Firewall Upgrade	\$	5,000					\$	5,000				
Predictive Maintenance Software	\$	250,000					\$	250,000				
Data and Communications Total	\$	704,100	\$	-	\$	-	\$	704,100	\$	-		
SECURITY												
Lobby Security Upgrade	\$	75,000										
Visitor Management System			\$	50,000								
Barrier Window Upgrade			\$	25,000								
Secured Facility Access	\$	5,555,000							\$	550,000		
Lenel Security Card Reader									\$	5,000		
Peepholes / Intercom / Video @ Doors (Back, Community Room)												
Bus Gate: Access Arms / Video										\$	5,000,000	
Facility Cameras - Digital Upgrade	\$	142,500										
			\$	142,500								
North Gate Upgrade	\$	70,000										
			\$	70,000								
Security Total	\$	5,842,500	\$	287,500	\$	-	\$	-	\$	-		
OTHER PROJECTS TOTAL	\$	6,546,600	\$	287,500	\$	-	\$	704,100	\$	-		
FY20 Capital Projects Total	\$	95,101,548	\$	3,287,900	\$	18,998,115	\$	11,179,000	\$	17,849,076		
								\$	705,347	\$	3,117,097	
									\$	5,841,517	\$	2,616,168
										\$	31,507,328	

APPENDIX B: FY20 DETAILED CAPITAL PROJECTS / SOURCES											
OPERATING PROJECTS		FY20 Capital/Grantable Budget Items	State Annual Allocation	State Discretionary Grant Award	State Incentive Credits	FTA Annual Allocation	FTA Discretionary Grant Award	Local Grant Award	Jurisdictional Capital Reserve	Local Allocations + Internal Reserve	Future Grant / Allocation
Planning & Operating Projects - Grantable											
Sustainable Communities RTP	Tasks 3.5-3.8	\$ 42,066		\$ 42,066							
Medical Microtransit		\$ 60,000						\$ 60,000			
Planning & Operating Projects Total		\$ 102,066	\$ -	\$ 42,066	\$ -	\$ -	\$ -	\$ 60,000	\$ -	\$ -	\$ -
PLANNING & OPERATING PROJECTS TOTAL		\$ 102,066	\$ -	\$ 42,066	\$ -	\$ -	\$ -	\$ 60,000	\$ -	\$ -	\$ -
FY20 Operating Projects		\$ 102,066	\$ -	\$ 42,066	\$ -	\$ -	\$ -	\$ 60,000	\$ -	\$ -	\$ -
FY20 BUDGET SUMMARY											
		FY20 Capital/Grantable Budget Items	State Annual Allocation	State Discretionary Grant Award	State Incentive Credits	FTA Annual Allocation	FTA Discretionary Grant Award	Local Grant Award	Jurisdictional Capital Reserve	Local Allocations + Internal Reserve	Future Grant / Allocation
FY20 Capital Projects Total		\$ 95,101,548	\$ 3,287,900	\$ 18,998,115	\$ 11,179,000	\$ 17,849,076	\$ 705,347	\$ 3,117,097	\$ 5,841,517	\$ 2,616,168	\$ 31,507,328
FY20 Operating Projects		\$ 102,066	\$ -	\$ 42,066	\$ -	\$ -	\$ -	\$ 60,000	\$ -	\$ -	\$ -
TOTAL FY20 CAPITAL BUDGET		\$ 95,203,614	\$ 3,287,900	\$ 19,040,181	\$ 11,179,000	\$ 17,849,076	\$ 705,347	\$ 3,177,097	\$ 5,841,517	\$ 2,616,168	\$ 31,507,328

2020 Budgeted amounts	
Expense	
100-000-5-J1-9909900	
Grant--Local Match	\$180,000
100-1EX-5-G1-9501001	
Publications	\$330
100-1EX-5-G1-9501003	
Marketing	\$140,000
100-1EX-5-G1-9501005	
Legal Services	\$200,000
100-1EX-5-G1-9501006	
Memberships	\$37,000
100-1EX-5-G1-9501013	
Consulting Fees	\$75,000
100-1EX-5-G1-9501014	
Administrative Costs	\$1,500
100-1EX-5-G1-9501015	
Advocacy Fees	\$120,000
100-1EX-5-G1-9501018	
Printing Services	\$95,000
100-1EX-5-G1-9501019	
Travel and meetings	\$40,000
100-1EX-5-G1-9501028	
Temporary Staffing	\$3,000
100-1EX-5-G1-9501029	
Miscellaneous Special Events	\$10,000
100-1EX-5-G1-9501031	
Website Maintenance	\$8,400
100-1EX-5-G1-9501034	
Other General & Administration Expense	\$4,525
100-1EX-5-G1-9501035	
Development and Training	\$80,000
100-1EX-5-G1-9701002	
Over Time- Company-wide	\$18,748
100-1EX-5-G1-9701003	
Double Time Pay Holiday/Company-Wide	\$4,868
100-1EX-5-G1-9701415	
Additional Compensation	\$20,200
100-1ZZ-5-G1-9701212	
Medicare ER	\$51,000
100-1ZZ-5-G1-9701217	
State UI - ER	\$20,398
100-1ZZ-5-G1-9701411	
CalPERS - GASB 68 Catch Up	\$69,277
100-1ZZ-5-G1-9701413	
CALPERS	\$372,220
100-1ZZ-5-G1-9701610	
Wage Expense - Company-wide	\$3,476,373
100-1ZZ-5-G1-9701612	
Medical - ER	\$503,726
100-1ZZ-5-G1-9701614	
Dental - ER	\$42,294
100-1ZZ-5-G1-9701616	

2020 Operating Budget Detail

Vision - ER	\$6,692
100-1ZZ-5-G1-9701811	
Group Life - FT	\$5,621
100-1ZZ-5-G1-9701812	
Short-term Disability - FT	\$17,543
100-1ZZ-5-G1-9701813	
Long-term Disability	\$10,885
100-1ZZ-5-G1-9701814	
AD & D	\$1,031
100-1ZZ-5-G1-9701915	
Workers' Compensation	\$91,860
100-1ZZ-5-G1-9702618	
Long-term Care - ER	\$6,123
100-2FF-5-G1-9001013	
Contract Services- Local & Commuter	\$16,837,448
100-2FF-5-G1-9001014	
Contract Services- DAR	\$1,259,147
100-2FF-5-G1-9001016	
Contract Services- E- Bus	\$300,000
100-2FF-5-G1-9001018	
BYD Bus switch outs	\$108,000
100-2FF-5-G1-9001021	
Operator incentive program	\$15,000
100-2FF-5-G1-9201003	
Fuel & Lubricants	\$2,100,000
100-2FF-5-G1-9201005	
Fuel - Use Tax	\$11,500
100-2FF-5-G1-9201006	
E-bus electricity- Metrolink station	\$100,000
100-2FF-5-G1-9201007	
E-bus electricity- SSOMP	\$100,000
100-2FF-5-G1-9201008	
E-bus electricity- PTC	\$100,000
100-2FF-5-G1-9201009	
E-bus electricity- South Valley	\$100,000
100-2FF-5-G1-9201010	
E-bus electricity- AVTA depot charging	\$600,000
100-2FF-5-G1-9201012	
SCE Rental Expense	\$67,840
100-2FF-5-G1-9401002	
Tow Services	\$5,000
100-2FF-5-G1-9401004	
Facility Maintenance- Supplies	\$200,000
100-2FF-5-G1-9401005	
Maintenance - Outside Services	\$12,000
100-2FF-5-G1-9401009	
I.T.--Maintenance - Parts & Supplies	\$22,000
100-2FF-5-G1-9401010	
Operating Permits	\$10,100
100-2FF-5-G1-9401012	

2020 Operating Budget Detail

I.T.--Software Agreements/Licenses	\$300,000
100-2FF-5-G1-9401013	
Rental / Lease Expense	\$5,000
100-2FF-5-G1-9401021	
Utilities - Electricity	\$105,000
100-2FF-5-G1-9401022	
Utilities - Gas	\$35,000
100-2FF-5-G1-9401023	
Utilities - Waste	\$15,000
100-2FF-5-G1-9401024	
Utilities - Water	\$10,000
100-2FF-5-G1-9401025	
Utilities - Telephone & Fax	\$50,000
100-2FF-5-G1-9401031	
37-X171/JARC-DAR/Voucher Program	\$120,000
100-3FS-5-G1-9401019	
Liability, Fire & Other Insurance	\$360,130
100-3FS-5-G1-9501002	
Classified Advertising	\$18,000
100-3FS-5-G1-9501009	
Office Supplies	\$21,000
100-3FS-5-G1-9501010	
Postage and delivery services	\$9,000
100-3FS-5-G1-9501018	
Printing Services	\$2,000
100-3FS-5-G1-9501019	
Un-reconciled Items/Cash short/Over	\$2,000
100-3FS-5-G1-9501020	
Audit Fees	\$70,000
100-3FS-5-G1-9501022	
Bad Debt Expense/Miscellaneous Expenses	\$2,000
100-3FS-5-G1-9501024	
Bank Fees	\$22,000
100-3FS-5-G1-9501026	
Employee Advertising & Recruitment	\$2,400
100-3FS-5-G1-9501027	
Employment Screening/ Audits	\$10,000
100-3FS-5-G1-9501037	
Sales Expense for CPOS	\$6,000
100-5CS-5-G1-9401020	
Uniform Upkeep-AVTA (Non-Grantable)	\$3,500
100-5CS-5-G1-9501029	
Outreach events	\$42,000
100-5CS-5-G1-9501030	
Tap card fee	\$5,200
100-5CS-5-G1-9501034	
Security	\$202,892
100-5CS-5-G1-9501039	
Sponsorships	\$45,000
100-5CS-5-G1-9501041	
Stuff-A-Bus	\$42,000
TBD	
Employee Wellness Program	\$4,000

2020 Operating Budget Detail

Revenue	
100-000-4-D1-6001001	
Fare Revenues - Local Monthly FF	\$405,000
100-000-4-D1-6001003	
Fare Revenues - Local Weekly FF	\$70,069
100-000-4-D1-6001004	
Fare Revenues - Local Day FF	\$1,360,848
100-000-4-D1-6001006	
Fare Revenues - Local 4-Hr FF	\$21,498
100-000-4-D1-6001007	
Fare Revenues - Local 4-Hr Rf	\$2,867
100-000-4-D1-6001008	
S/D One Way Trip	\$342,188
100-000-4-D1-6001009	
S/D 4 Hour Pass	\$212
100-000-4-D1-6001010	
S/D Day Pass	\$145
100-000-4-D1-6001011	
S/D Weekly Pass	\$954
100-000-4-D1-6001012	
S/D Monthly Pass	\$27,187
100-000-4-D1-6001013	
S/D Annual Pass	\$125,735
100-000-4-D1-6001100	
Fare Revenues - Comm - 785 Mo FF	\$206,174
100-000-4-D1-6001101	
Fare Revenues - Com - 785 Mo RF	\$106,569
100-000-4-D1-6001102	
Fare Revenues - Com - 785 10-R FF	\$141,626
100-000-4-D1-6001103	
Fare Revenues - Com - 785 10-R RF	\$13,274
100-000-4-D1-6001106	
Fare Revenues - Comm - 785 EZ FF	\$31,013
100-000-4-D1-6001107	
Fare Revenues - Com - 785 -EZ RF	\$22,561
100-000-4-D1-6001108	
Stored Value	\$246,003
100-000-4-D1-6001109	
Commuter One Way Fare	\$465,826
100-000-4-D1-6001200	
Fare Revenues - Com - 786 Mo FF	\$352,298
100-000-4-D1-6001201	
Fare Revenues - Com - 786 Mo RF	\$37,938
100-000-4-D1-6001202	
Fare Revenues - Com - 786 10-R FF	\$72,011
100-000-4-D1-6001203	
Fare Revenues - Com - 786 10-R RF	\$7,269
100-000-4-D1-6001206	
Fare Revenues - Com - 786 -EZ FF	\$13,450
100-000-4-D1-6001207	
Fare Revenues - Com - 786 -EZ RF	\$7,410
100-000-4-D1-6001300	
Fare Revenues - Com - 787 Mo FF	\$188,628

2020 Operating Budget Detail

100-000-4-D1-6001301	
Fare Revenues - Com - 787 Mo RF	\$66,326
100-000-4-D1-6001302	
Fare Revenues - Com - 787 10-R FF	\$177,958
100-000-4-D1-6001303	
Fare Revenues - Com - 787 10-R RF	\$12,269
100-000-4-D1-6001306	
Fare Revenues - Com - 787 -EZ FF	\$10,497
100-000-4-D1-6001307	
Fare Revenues - Com - 787 -EZ RF	\$4,833
100-000-4-D1-6001308	
Fare Revenues- 790 Transporter	\$66,545
100-000-4-D1-6001309	
Fare Revenue - Metrolink/EZ Reimbursement	\$263,584
100-000-4-D1-6001310	
Fare Revenues- Com- 747 Mo FF	\$2,169
100-000-4-D1-6001311	
Fare Revenues- Com- 747 Mo RF	\$302
100-000-4-D1-6001312	
Fare Revenues- Com- 747 10-R FF	\$511
100-000-4-D1-6001313	
Fare Revenues- Com- 747 10-R RF	\$186
100-000-4-D1-6001400	
Fare Revenues - DAR - Urban	\$126,068
100-000-4-D1-6001401	
Tap card sale	
100-000-4-D1-6101001	
Operating Contributions - Lancaster	\$1,307,151
100-000-4-D1-6101002	
Operating Contributions - Palmdale	\$1,184,832
100-000-4-D1-6101003	
Operating Contributions - LA County	\$657,708
100-000-4-D1-6201001	
Other Operating Revenues -	\$56,287
100-000-4-D1-6201003	
Advertising Revenue	\$141,752
100-000-4-D1-6201004	
Other Non-Transportation Revenues	\$3,000
100-000-4-D1-6201005	
Investment Income	\$60,000
100-000-4-E1-6201006	
Gain on Sale of Disposal of Assets	\$5,000
100-000-4-E1-7001001	
FTA:5307 Operating Subsidy	\$6,500,000
100-000-4-E1-7001002	
FTA:5307 Prev Maint	\$0
100-000-4-E1-7201001	
MTA:Prop A 95%/40% Discretionary	\$5,640,301
100-000-4-E1-7201002	
MTA:PROP C 40%-FOOTHILL MITIG	\$46,261
100-000-4-E1-7201003	
MTA:PROP C 40%-TRANSIT SRVC EX	\$396,211
100-000-4-E1-7201004	
MTA:PROP C 40%-BUS SRVC IMPRV	\$50,287

2020 Operating Budget Detail

100-000-4-E1-7201005	
MTA:PROP C 5%-BUS SECURITY ENH	\$202,892
100-000-4-E1-7201006	
MTA:PROP C 40%-MOSIP	\$1,302,315
100-000-4-E1-7201009	
MTA-MEASURE R	\$3,035,273
100-000-4-E1-7201012	
MTA Prop A DAR	\$337,251
100-000-4-E1-7201015	
MTA-Measure M	\$2,949,781
100-000-4-E1-7401001	
State Grant	\$10,000
100-000-4-E1-7601000	
JARC - Commuter Expansion	\$0
100-000-4-E1-7601003	
JARC Voucher Program	\$0
100-000-4-E1-7901007	
Contributions for Charity (Stuff-A-Bus)	\$20,000
100-000-4-F1-8001001	
Bus Stop Maintenance Palmdale	\$85,290
100-000-4-F1-8001002	
Bus Stop Maintenance Lancaster	\$81,180
TBD	
Fuel offset for Commuter Runs (no parking lot)	\$48,000
LCFS Credits	\$50,000



DATE: May 28, 2019

TO: BOARD OF DIRECTORS

SUBJECT: Contract #2019-64 to Brown Armstrong Accountancy Corporation, for CPA Financial Auditing Services

RECOMMENDATION

That the Board of Directors authorize the Executive Director/CEO to execute Contract #2019-64 for audit services to Brown Armstrong Accountancy Corporation, Bakersfield, CA for a one-year period with four one-year optional renewal periods for a combined amount not to exceed \$290,000.

FISCAL IMPACT

The cost of the project is \$58,000 for FY 2019, \$58,000 for FY 2020, \$58,000 for FY 2021, \$58,000 for FY 2022 and \$58,000 for FY 2023. Sufficient funds have been included in the FY 2020 Budget and will be included in future year budgets to cover contract costs.

BACKGROUND

California Government Code Section 6500 requires that every general-purpose local government publish a complete set of audited financial statements within twelve months of the close of each fiscal year. Additionally, the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Government, and Non-Profit Organizations*, requires non-federal entities that expend \$500,000 or more in federal awards within a fiscal year to have an audit performed on federal award activity, and that financial audits must be completed by an independent auditor/Certified Public Accounting (CPA) firm. The Authority's audit contract expires at the end of this fiscal year. To this end, staff developed and circulated a Request for Proposals (RFP).

AVTA released a Request for Proposals (RFP) on March 1, 2019. The solicitation documents were posted to AVTA's website and advertisements were placed in the *Antelope Valley Press* and *Our Weekly Lancaster* newsletter. The local Chambers of Commerce were also notified via their respective newsletters and email lists; a total of seventeen firms were notified via email with the RFP attached. Eight additional firms registered and downloaded the RFP. Two addenda were issued on March 14, 2019 and April 3, 2019, respectively.

Four proposals were submitted on April 25, 2019 in response to the RFP. Two staff members and three Joint Powers Authority representatives evaluated and ranked each submitted proposal on the following criteria: proposer's solution (30%), project budget (20%), relevant business experience (15%), proposer's information (15%), project schedule (10%) and personnel (10%).

Submitted proposals were received from the following firms:

Firm	Location	Total Score (500 Max)	Five-Year Estimated Contract Amount
Brown Armstrong Accountancy Corporation	Bakersfield, CA	427	\$290,000
The Pun Group	Santa Anna, CA	377	\$312,242
Davis Farr, LLP	Irvine, CA	355	\$304,424
Windes, Inc.	Long Beach, CA	355	\$290,000

The evaluation panel found Brown Armstrong Accountancy Corporation's pricing to be fair and reasonable and their response were superior to all proposers in three key areas, proposer's solution, budget and relevant business experience, which carried more weighting than the remaining criteria. Brown Armstrong Accountancy Corporation displayed their understanding of AVTA's established processes, procedures, and practices, which will be beneficial next year as the FTA will be conducting its fourth Triennial Review.

Prepared by:

Submitted by:

Lyle A. Block, CPPB
Procurement and Contracts Officer

Macy Neshati
Executive Director/CEO



DATE: May 28, 2019
TO: BOARD OF DIRECTORS
SUBJECT: Revised Personnel Rules and Regulations Manual

RECOMMENDATION

That the Board of Directors receive the revised Draft Personnel Rules and Regulations Manual (Attachment B) and either provide input to the Executive Director/CEO or adopt the manual as submitted as Resolution No. 2019-003 (Attachment A) at the June 25, 2019 Board meeting.

FISCAL IMPACT

The revisions do not result in any financial impact to the Authority.

BACKGROUND

The existing Personnel Rules and Regulations Manual has not been formally updated since 2012. The attached revised Draft Personnel Rules and Regulations Manual was developed through collaboration of the Executive Director/CEO, the Director of Finance and Administration, Human Resource and Benefits Coordinator, and the Authority's Labor Attorney Atkinson-Andelson-Loya-Rudd-Romo.

As requested, this revision updates the request by the Board regarding Attendance and Punctuality, and Progressive Discipline, as well as clarifying language to the following sections: 106 –Recruitment/Applications for Employment/Hiring, 202-Overtime, 215 – Travel and Training Reimbursement Policy, 217 – Merit Increase.

In addition to the above, the revised Draft Personnel Rules and Regulations Manual has been updated to comply with federal and state laws. Each employee will be required to sign an acknowledgment of receipt of the revised Personnel Rules and Regulations Manual.

Prepared by:

Submitted by:

Judy Vaccaro-Fry
Director of Finance and Administration

Macy Neshati
Executive Director/CEO

Attachment: A – Resolution No. 2019-003
B – Revised DRAFT AVTA Personnel Rules and Regulations Manual

**BOARD OF DIRECTORS
RESOLUTION NO. 2019-003**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ANTELOPE VALLEY
TRANSIT AUTHORITY ADOPTING THE AUTHORITY’S REVISED PERSONNEL
RULES AND REGULATIONS MANUAL**

WHEREAS the Antelope Valley Transit Authority wishes to accurately describe the regulations, standards and expectations applicable to Antelope Valley Transit Authority employees, and to outline the policies, programs, and benefits available to eligible employees;

WHEREAS the Antelope Valley Transit Authority’s personnel rules and regulations provide the regulations, standards and expectations applicable to Antelope Valley Transit Authority;

WHEREAS the Antelope Valley Transit Authority Revised Personnel Rules and Regulation Manual must reflect current laws, provide effective means by which to operate Antelope Valley Transit Authority and must be updated accordingly;

WHEREAS the Antelope Valley Transit Authority has not revised its Revised Personnel Rules and Regulation Manual since 2012; and

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE ANTELOPE
VALLEY TRANSIT AUTHORITY DOES HEREBY RESOLVE** as follows:

Section 1. Adopt Revised Personnel Rules and Regulations

This resolution adopts the attached Revised Personnel Rules and Regulation Manual for the Antelope Valley Transit Authority dated May 28, 2019. Nothing here in shall be construed to restrict any legal or inherent inclusive authority rights with respect to matters of general legislative or managerial policy.

PASSED, APPROVED an ADOPTED this 25th day of JUNE 2019 by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____ ABSENT: _____

Marvin Crist, Chairman

ATTEST:

Karen S. Darr
Clerk of the Board

Allison E. Burns
General Counsel

MESSAGE FROM THE EXECUTIVE DIRECTOR

Valued Team Member,

Welcome aboard! We would like to take this opportunity to welcome you to the AVTA family. We look forward to working with you as we continue to provide safe, reliable and efficient transportation to the Antelope Valley, while also providing a rewarding and supportive environment to our employees. As part of our team, we encourage all employees to embrace our goals of excellence and integrity.

You should read, understand, and comply with all provisions of these Personnel Rules and Regulations. It describes many of your responsibilities as an employee, and outlines the programs developed by AVTA to benefit our employees.

No Personnel Rules and Regulations can anticipate every circumstance or question about the policy. As the AVTA continues to grow, the need may arise to change policies. From time to time, the AVTA Board of Directors may revise, supplement, amend, modify, eliminate or rescind any policies. You will be advised in writing of changes that occur.

The Personnel Rules and Regulations should not be interpreted, and are not intended, as a written employment contract between AVTA and any of its employees or a guarantee of continued employment. The Personnel Rules and Regulations are not an expressed or implied contract of employment between AVTA and you. Neither the employee nor AVTA is bound to continue the employment relationship if either chooses at-will to end the relationship at any time and nothing in the Rules and Regulations should be construed as a contract or guarantee of continued employment.

The only recognized deviations from the stated policies are those authorized in writing and signed by the Executive Director/CEO (or designee) with the approval of AVTA's Board of Directors.

After reading the following material, we urge you to discuss any questions and comments you may have with your immediate supervisor.

Again, congratulations on becoming a member of our team. We look forward to a long and productive time together.

Best Regards,

Macy Neshati
Executive Director/CEO

100 - DEFINITIONS

Applicant: An individual participating in the recruitment and/or interview process for appointment to a position with AVTA.

Appointing Authority: The Board of Directors shall be the appointing authority for the position of Executive Director. The Executive Director is the appointing authority for all other positions with AVTA.

Appointment: The employment of an individual in a position. Appointment requires that the applicant report for work on the designated date and time and actually commence work.

AVTA: The Antelope Valley Transit is a public authority, formed as a joint power authority composed of the City of Lancaster, the City of Palmdale, and the County of Los Angeles pursuant to California Government Code Sections 6500 et seq.

Board or Board of Directors: The Board of Directors of AVTA.

Day: A calendar day unless otherwise specified. When any action to be taken or deadline falls on a Saturday, Sunday or any other day the office of the Executive Director is not open to transact normal business, the deadline will be extended to the next weekday during which the Executive Director's office is open to transact normal business.

Domestic Partner: Another adult with whom the employee has chosen to share their life in a relationship of mutual caring, who is at least 18 years of age, is competent to contract at the time the domestic partnership is registered, is not legally married to anyone, and has registered the partnership with the Secretary of the State (or other appropriate governing body) that the employee resides in.

The "domestic partner's child" is considered the biological, foster, or adopted child, stepchild, or legal ward of the registered domestic partner. A "domestic partner's child" also may be someone for whom the domestic partner has accepted the duties and responsibilities of raising.

Executive Director: The Executive Director of AVTA, appointed by the Board of Directors.

Exempt Employee: An employee who holds a position exempt from payment of overtime compensation under applicable provisions of the Fair Labor Standards Act.

Non-Exempt Employee: An employee who holds a position covered under the Fair Labor Standards Act and is eligible to receive overtime pay.

Regular Full-Time Employee: An employee who holds a position in which he/she works a full work week (whether under a 5/40 schedule or an authorized alternative schedule).

Regular Part-Time Employee: An employee who holds a position in which he /she works a fixed number of hours per week, but who is scheduled to work less than 40 hours per week. There are two types of regular part- time employees:

- Half-time employee: An employee who is regularly scheduled to work at least 20 hours but less than 32 hours per week.
- Four-fifths employee: An employee who is regularly scheduled to work at least 32 hours but less than 40 hours per week.

Safety Sensitive: In accordance with FTA (655.4), Safety Sensitive means any of the following:

- Anyone who operates a revenue vehicle including when not in revenue service.
- Anyone operating a nonrevenue service vehicle that requires drivers to hold CDL's (commercial driver's license).
- Anyone who maintains revenue service vehicles or equipment.
- Anyone controlling dispatch or movement of a revenue service vehicle.
- Supervisors of employees in these categories, who do not themselves perform these functions, are excluded. Only supervisors who perform one of the safety-sensitive functions are covered.

Temporary Employee: An individual who works through an employment agency or directly for AVTA and fills a position authorized by the Board to meet a special temporary need and/or on a prescribed limited time basis. Temporary service shall not be counted in determining the anniversary date of any regular appointment.

101 - EQUAL OPPORTUNITY POLICY

AVTA believes that all persons are entitled to equal employment opportunity. This means that we are committed to nondiscrimination in all aspects of our personnel actions such as employment, compensation, benefits, promotional opportunities and terminations. These transactions will be administered without regard to race, color, religion, creed, sex, gender identity, pregnancy, national origin, ancestry, citizenship, age, marital status, physical and mental disability, medical condition, sexual orientation, veteran status, genetic information, or any other characteristics protected by state and federal law.

102 - NONDISCRIMINATION ON BASIS OF DISABILITIES

In furtherance of our nation and state's commitment to end discrimination against qualified disabled individuals and in accordance with the provisions of Americans with Disabilities Act as well as the state's Fair Employment and Housing Act (FEHA), including all regulations properly issued there under to protect the right of qualified disabled persons, it is our Agency's policy that: No program or activity administered by AVTA shall exclude from participation, deny benefits to, or subject to discrimination any individual by reason of his or her disability. Equal employment opportunity will be extended to qualified disabled persons in aspects of the employer-employee relations, including recruitment, hiring, upgrading, training, promotions, transfer, discipline, layoff, and termination. We further affirm that we will provide reasonable accommodation to the known physical or mental limitations of an otherwise qualified disabled employee or applicant.

As part of its commitment to make reasonable accommodations, AVTA encourages and participate, in a timely, good faith, interactive process with the disabled applicant or employee to determine effective reasonable accommodations, if any, that can be made in response to a request for accommodations. Applicants and employees are invited to identify reasonable accommodations that can be made to assist them to perform the essential functions of the position they seek or occupy. They should contact the Executive Director (or designee) as soon as possible to request the opportunity to participate in a timely interactive process. By working together in good faith, our goal is to implement any reasonable accommodations that are appropriate and consistent with its legal obligations.

103 - REPORTING DISCRIMINATION

If you believe you have been subjected to any form of discrimination, or know of someone within the AVTA that may have been subjected to discrimination, you should promptly report the facts to your supervisor, any manager, the Human Resources Department, or the Executive Director (or designee) right away. If the complaint may involve the Executive Director, the employee should contact AVTA's General Counsel. An employee will be required to provide facts in writing and any relevant details such as who is involved and names of witnesses. AVTA will arrange to investigate your issue/complaint confidentially and promptly and attempt to resolve the situation. If it is determined that prohibited discrimination has occurred, effective remedial action. You should feel free to report claims or inquiries without fear of any type of retaliation for bringing this to our attention.

Employees may also contact the Department of Fair Employment and Housing or the Equal Employment Opportunity Commission and seek remedies through those agencies. The contact information for these agencies is online and listed in the white pages of the telephone book.

104 - POLICY AGAINST HARASSMENT

AVTA is committed to providing a workplace free of sexual harassment, as well as harassment based on such factors as race, religion, color, creed, national origin, ancestry, physical or mental disability, medical condition, marital status, sex, gender (including pregnancy, childbirth or related medical conditions), age, sexual orientation, gender identity, gender expression, genetic information, military or veteran status, or any other basis protected by federal, state, or local laws. AVTA prohibits unwelcome, harassing conduct by employees, managers, supervisors, or other third parties towards other employees, interns, volunteers, non-employees with whom AVTA has a business, service, or professional relationship, or other persons with whom employees come into contact, as prohibited by law. It is the obligation of all employees to ensure a work environment that is free from harassment.

Valuing Diversity

We appreciate and respect personal differences in race, color, creed, sex, gender, religion, marital status, military or veteran status, age, national origin, ancestry, physical or mental disability, medical condition, sexual orientation, gender identity, gender expression and other such categories. We also respect different opinions and viewpoints. We recognize it is our individuality that helps us develop diverse solutions and approaches to the business challenges we face. We realize that looking at things from different perspectives can lead to innovative ideas.

To achieve our goals as well as those of our employees, we need the contributions and talents of each individual.

Anti-Harassment Policy

Harassment in any form undermines the abilities and potential of employees and the AVTA. Defining harassment and its many nuances is difficult. Behavior that does not rise to the level of illegal harassment as defined by law may still be unacceptable in the workplace and a violation of this policy, subjecting an employee to disciplinary action, up to and including termination.

Guidelines

Improper conduct includes, but is not limited to, the following examples:

- Verbal insults and name calling, derogatory or suggestive comments, demeaning jokes, slurs, unwelcome sexual flirtations or propositions, graphic comments, sexually oriented comments about the body, appearance or lifestyle of an employee or another business associate.
- Visually derogatory, demeaning or sexually suggestive emails, texting, posters, cards, computer displays, cartoons, graffiti, drawings, gestures, or other offensive

nonverbal behavior such as leering or staring, which is deemed to be unwelcome by the recipient.

- Physical assault, threats or threatening behavior (implied or explicit), unnecessary touching, impeding or blocking movement, physical interference with normal work or movement.
- Sexual harassment is one type of harassment and is defined by law to include unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when (1) submission to such conduct is made either explicitly or implicitly as a term or condition of an individual's employment, (2) submission to or rejection of such conduct by an individual is used as a basis for employment decisions affecting such individual, or (3) such conduct has the purpose or effect of substantially interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.

ANY ACT OF HARASSMENT IS PROHIBITED

In line with this, managers and supervisors are prohibited from fraternizing or becoming romantically involved with another employee or any subordinate or non-management employee. This policy covers all employees and other business associates such as customers, vendors, suppliers or independent contractors. Contractors and other business associates are also forbidden to engage in any form of sexual harassment as defined above. Any suspected acts of harassment must be immediately reported to any member of the management team or the Executive Director.

The Reporting Process

If any employee feels they have been subjected to harassment, including sexual harassment, discrimination, or retaliation, we have created a resolution process, designed to foster mutual respect and fair treatment for all individuals. This process is tailored to help any employee resolve their concern in the manner they find most comfortable. Employees are encouraged to help eliminate unwelcome behavior by talking with the offending party directly, letting the offending party know their behavior is unacceptable. However, we recognize there may be employees who do not wish to do so and need assistance in resolving their concerns.

Any employee who feels they has been subjected to or a witness to harassment, is required to immediately report such conduct to his or her manager, the Human Resources Department, or the Executive Director (or designee) verbally or in writing. Employees may also contact AVTA's Labor Counsel at ATKINSON, ANDELSON, LOYA, RUUD & ROMO [562.653.3200], particularly if the issue concerns the Executive Director.

Upon receiving a complaint, an investigation of the complaint will be conducted. Please note that any claim of harassment, even those "off the record," must be investigated. Confidentiality will be maintained to the extent possible, but cannot be guaranteed.

Prompt, impartial, fair, and thorough investigations will be made of any and all harassment complaints. Anyone found to have engaged in harassment will be subject to appropriate disciplinary actions, up to and including termination of employment.

While every effort will be made to investigate and resolve harassment complaints lodged in good faith, management prohibits claims that an employee knows are false or made with the intent of taking revenge against, or otherwise harm a fellow employee without provocation. Employees, who make false accusations with the knowledge they are without justification or basis in facts, are subject to disciplinary action, up to and including termination of employment.

Employees and/or managers who become aware of any violation of this policy must immediately advise the Executive Director (or designee). In this way, AVTA is in a better position to ensure such conduct does not occur and that appropriate remedial action may be taken.

No Retaliation

There will be no retaliation against any employee who, in good faith, files a complaint, or participates in a workplace investigation. As a preventative measure, AVTA will investigate all complaints of harassment, discrimination, or retaliation and take disciplinary action as required to remedy the situation. Each employee shall, without fear of reprisal or retaliation, cooperate in the investigation of a complaint of harassment as defined in this policy. Retaliation against an employee for making a complaint or participating in an investigation is considered a serious violation of this policy. Acts of retaliation must be reported immediately and will be investigated and addressed.

You may also file a complaint of harassment or retaliation with the Department of Fair Employment and Housing or the Equal Employment Opportunity Commission. The contact information for these agencies is online and listed in the white pages of the telephone book.

Penalty for Violation of Anti-Harassment Policy

Any employee who has been found to have committed an act of prohibited harassment will be subject to disciplinary action up to and including termination from employment.

105 - INDEPENDENT CONTRACTORS

AVTA follows the standards of appropriate state and federal law to determine whether an individual qualifies as an independent contractor. Written agreements may not override state or federal law. To ensure legal compliance, all agreements to hire an individual as an independent contractor must be approved by the Executive Director (or designee).

106 - RECRUITMENT/APPLICATIONS FOR EMPLOYMENT/HIRING

All applicants for employment are required to complete AVTA's Application for Employment form before being considered a viable candidate for any position within the AVTA. Management relies upon the accuracy of information contained in the employment application, as well as the accuracy of other data presented throughout the hiring and employment process.

Misrepresentations, falsifications, or material omissions in any of this information or data may result in the individual's exclusion from further consideration for employment or, if the person has been hired, termination of employment. All completed employment application forms or resumes received within AVTA will be evaluated by the hiring manager or Executive Director (or designee) and filed for follow-up to meet legally established retention requirements.

No offers of employment or commitments regarding job availability or rates of pay will be extended without a position allocation approved by the Board and the express approval of the Executive Director (or designee). Recruiting, screening, reference checking and recommendations for employment of all personnel is the responsibility of the Executive Director (or designee).

Position Allocations: A position allocation approved by the Board provides the authority for the establishment of a position opening. The position allocation should include a detailed explanation of the position qualifications and specific job duties along with the employment category, title, salary grade, and pay range.

Selection of Recruitment Process

The determination of the selection process shall be made by the Executive Director (or designee). Vacancies may be filled through an internal recruitment process, an external recruitment process, or through a combined internal/external recruitment process, at the discretion of the Executive Director (or designee). The Executive Director (or designee) may also determine whether use of an employment agency is appropriate, and will oversee any recruitment through an employment agency. The Executive Director (or designee) may determine whether to use an interview panel, and the composition of such interview panel.

Minimum Employment Eligibility Requirements. Each applicant must meet the following minimum eligibility requirements in order to be considered for employment.

- An applicant must be 18 years of age or older.
- An applicant must meet the minimum qualifications of education and experience for the position, as set forth in the applicable job description.
- An applicant must establish that he/she has the legal right to work in the United States.
- An applicant must be able to perform the essential functions of the position, with or without reasonable accommodation.
- After a conditional offer of employment has been made, an applicant must pass a pre- placement physical examination and drug test.

Job Posting

In recruitments, which include internal recruitments, AVTA provides current employees an opportunity to indicate their interest in open positions and advance within the organization according to their skills and experience.

In an internal job posting (or combination internal/external recruitment), notices of all regular, full-time job openings will be posted on the employee bulletin board and normally remain open for seven days. Each job posting notice will include the dates of the posting period, job title, department, location, grade level, job summary, essential duties, and qualifications (required skills and abilities).

In addition to the minimum eligibility requirements for the position, as set forth in the job description, to be eligible to apply for a posted job, current employees must have received satisfactory evaluations for at least 180 calendar days in their current position. Employees, who have a written warning on file for their current job, are not eligible to apply for posted jobs.

Eligible employees can only apply for those posted jobs for which they possess the required skills, competencies, and qualifications.

To apply for an open position, employees should submit an application for employment to the Executive Director (or designee) or the Human Resources Department listing job-related skills and accomplishments. It should also describe how their current experience with AVTA and prior work experience and/or education qualifies them for the position.

Job posting is a way to inform employees of openings and to identify qualified and interested applicants who might not otherwise be known to the hiring manager. AVTA reserves the right to use other recruiting sources to fill open positions in the best interest of the organization.

Application Process: Applicants shall be required to submit the following documents to AVTA in order to be considered for a position with AVTA, with all information completed and signed under penalty of perjury:

- Standard AVTA employment application, completed in full.
- Supplemental application, as required by the specific recruitment, completed in full.
- Written authorization for AVTA to conduct a criminal background investigation, where a background investigation is a requirement of the position.
- Agreement to submit two Department of Justice approved fingerprint cards for a State and FBI records criminal history investigation, if a conditional offer of employment is extended.
- A copy of a current driver's license, and authorization for AVTA to obtain a current California Department of Motor Vehicles printout.

- Proof of educational qualifications, such as a copy of diploma and/or school transcripts, at the discretion of the Executive Director (or designee).
- Such other forms and information as may be adopted from time to time by the Board and/or Executive Director (or designee), based on the particular recruitment.

Employment Data File

An AVTA Employment Data File will be maintained in accordance with any applicable requirements of federal and state law.

The Employment Data File will include completed employment applications and resumes received in response to position openings and related selection interview notes.

Selection interview notes should include the date that the selection interview was held and the name of the interviewer and a record of the interviewer's ratings.

Offers of employment: Employment offers shall be extended only by the Executive Director (or designee).

Employment offers shall be made contingent upon satisfactory completion of a pre-employment medical examination and drug test, criminal history background investigation where permitted by law, aptitude test for specified positions, and proof of current valid driver's license or identification card.

The starting pay rate for an employee should be at least the minimum established in the position allocation. As authorized by the Executive Director (or designee), a higher starting pay rate may be granted if the applicant's qualifications exceed minimum requirements.

Each new employee shall submit a completed Employee Withholding Exemption Certificate prior to commencing any work. Each new employee shall submit a residence address (street address) and a mailing address (if different from the residence address), which shall be maintained in the employee's personnel file. Updated information shall be provided if the residence address and/or mailing address changes. A Post Office Box number is insufficient by itself.

Each new employee shall also be required to submit a completed Form 700 and any other conflict of interest forms required by state law.

107 - ALCOHOL AND DRUG ABUSE

The AVTA provides public transit and paratransit services for the residents of the Antelope Valley. While it is not the AVTA's intent to infringe upon the private lives of its employees, part of our mission is to ensure that the services we provide are delivered safely, efficiently, and effectively by establishing a drug and alcohol-free work environment, and to ensure that the workplace remains free from the effects of drugs and alcohol in order to promote the health and safety of its employees and the general public. It is the intent of the AVTA to establish and clearly communicate a drug and alcohol policy based on Zero Tolerance.

Use or abuse of alcohol, illegal drugs, or controlled substances, whether on or off the job can adversely affect the employee's work performance, efficiency, absenteeism, health and safety and can seriously impair the employee's contribution to AVTA. Accordingly, no employee may enter AVTA or client premises while under the influence of, or have in his or her possession, any intoxicating beverage or behavior-altering drug of any kind. Likewise, the use, sale, transfer or possession of alcohol, illegal drugs (as defined under state or federal law) or controlled substances on the job, on AVTA or client property, in AVTA vehicles, or in personal vehicles while on AVTA business is prohibited.

Employees are strictly forbidden from consuming alcoholic beverages, illegal drugs (as defined under state or federal law), or controlled substances during work time, break times or meal periods, nor may they return to work after such breaks or meal periods under the influence of such substances. Employees should be aware that the use of beverages containing alcohol (including any mouthwash, medication, food, candy) or any other substances such that alcohol is present in the body while performing safety-sensitive job functions is prohibited.

Although marijuana may be obtained under California law, marijuana is still illegal under federal law. As such, AVTA prohibits the use, sale, possession, or being under the influence of marijuana, whether prescribed or recreational, during working time, while on AVTA property, or while performing AVTA business, by any employee.

Employees using medication prescribed by their health care provider must notify their manager/supervisor and the Executive Director and may be required to provide proof that such medication is safe to take while the employee is on duty. AVTA management will have sole discretion as to whether or not it will be safe for those employees to remain on duty. AVTA is committed to safety in the workplace and does not want any employee performing any job duties, including the operation of any equipment or machinery that may affect the safety of themselves, any other employee, or the public.

Reasonable Accommodation

Employees with alcohol or drug dependencies who voluntarily come forward to management before any situation requiring testing occurs, and who cooperate with AVTA with regard to treatment, may not be subject to discipline. An employee who requests a leave of absence to enter a drug or alcohol rehabilitation program will be reasonably accommodated with an unpaid leave of absence, as required by law, to enroll in and complete such rehabilitation program if such an accommodation is not an undue hardship on the AVTA. Employees voluntarily entering a drug or alcohol rehabilitation program may be required to provide medical validation of satisfactory completion of the program. Employees returning to work following satisfactory completion of a rehabilitation program may be subject to drug or alcohol tests without prior notice for up to one year following the return date. A recurrence of a positive drug or alcohol test following return to work will result in immediate termination of employment. All requests for leave of absence to voluntarily enter rehabilitation programs will be shared only with those on a need-to-know basis.

Employees who request a leave of absence to participate in a rehabilitation program may use available sick or vacation benefits while on leave. Benefits will not accrue during the leave of

absence. This leave will be subject to the same provisions and rules as applicable to any other medical related leaves of absence.

Testing

AVTA will test for the presence of alcohol or drugs after a conditional offer of employment and after any injury or accident involving AVTA property or assets.

AVTA reserves the right to require and conduct drug and alcohol tests where reasonable suspicion exists that an employee is under the influence of drugs or alcohol. Reasonable suspicion testing will be conducted at the sole discretion of AVTA management. AVTA will pay for any reasonable suspicion alcohol and/or drug test to be performed on an employee.

"Reasonable suspicion" may arise based on, among other things, the characteristics of the employee's appearance, behavior, mannerisms, and speech or body odors. Examples include, but are not limited to:

- inability to perform work properly;
- behavior creating a safety hazard;
- difficulties walking or standing, problems with dexterity, or other physical activity impairment;
- impaired ability to speak (i.e. slurred, thick speech);
- belligerent or violent behavior or wide mood swings;
- excessive unauthorized absenteeism;
- any conduct that constitutes a significant change from the individual's usual behavior, or that indicates impairment of sound judgment;
- arrest or conviction for a drug-related offense or the identification of an employee as -the focus of a criminal investigation into illegal drug possession, use or trafficking (the term trafficking shall also mean distribution.)

The employee shall authorize AVTA's medical provider and/or laboratory to take samples for screening and to release the results of the screening to the Executive Director (or designee). Refusal by an employee to follow these directives shall constitute insubordination and be grounds for disciplinary action, up to and including termination.

Specimen collection for a drug or alcohol test will be accomplished in a manner compatible with employee dignity and privacy. Specimen collection shall be accomplished at the medical and/or laboratory facilities utilized by AVTA. In the usual case, AVTA will not observe specimen production, except in those cases where AVTA has an objective reason to believe that the employee may attempt to contaminate a test specimen or produce a fraudulent specimen.

An employee who refuses an order to submit to a drug and/or alcohol screening, or who refuses to authorize the taking of a sample, or who refuses to authorize the release of the results of the screening to AVTA, or who engages in conduct that clearly obstructs the testing process, shall be subject to disciplinary action, up to and including termination.

A positive result for a drug and/or alcohol screening will result in termination.

If the drug screening is positive, the employee must provide, within 24 hours of request, bona fide verification of a valid current prescription in the employee's name, for the drug identified in the drug screening. If the employee does not provide acceptable verification of a valid prescription, or if the prescription is not in the employee's name, or if the employee has not previously notified his/her supervisor of the use of such prescribed drugs, the employee shall be subject to termination.

Information obtained under the provisions of this Policy shall be held strictly confidential. The drug and/or alcohol screening results will be retained with medical examination results in a separate location in compliance with the Confidentiality of Medical Information Act, California Civil Code Section 56 et seq.

The reports or test results may be disclosed to the employee's supervisor or Department Head on a strictly need-to-know basis. Upon request, the tested employee shall be entitled to obtain a copy of the reports or test results.

Disclosures without patient consent may also occur when: 1) the information is compelled by law or by judicial or administrative process; 2) the information has been placed at issue in a formal dispute between AVTA and the employee; 3) the information is to be used in administering an employee benefit plan; or 4) the information is needed by medical personnel for the diagnosis or treatment of a patient who is unable to authorize disclosure.

Security

For general security reasons, AVTA management reserves the right to conduct inspections of all work and non-work areas, including items such as desks, computers, cabinets, lockers, shelves and any other AVTA owned property. In addition, for security purposes, inspections and/or searches may also occur of any other property and/or person on AVTA premises, including, but not limited to, purses, brief cases, packages, vehicles, etc. The employee acknowledges that bringing any property and/or vehicle onto AVTA property constitutes a consent to the search of such property and/or vehicle. These inspections and searches may occur at any time without prior notice. Failure to comply with this policy may result in disciplinary action up to and including termination.

Disciplinary Action

Any violation of this policy or any failure by an employee to comply with provisions of this policy may lead to disciplinary action up to and including termination.

Employees who are convicted of a drug related crime occurring in the workplace must notify the AVTA within five (5) days of the conviction. Employees are also urged to immediately report any

incidents of alcohol or drug usage by other employees while at work. **Similarly, employees are urged to contact the Human Resources Department for employee assistance information if they need (or know of anyone else who needs) assistance in obtaining medical treatment or counseling for a drug or alcohol abuse problem.**

108 - VERIFICATION OF RIGHT TO WORK

AVTA is in full compliance with the Immigration Reform and Control Act of 1986. All persons hired after November 6, 1986, are required to provide documentation proving the legal right to work in the United States within 72 hours of hire. Completed documents will be maintained in AVTA's separate confidential file.

109 - "AT-WILL" EMPLOYMENT

The employment relationship between you, the employee, and the AVTA can be maintained only as long as both are mutually comfortable and satisfied. Here at AVTA your employment is considered "at-will." This means that employment is for no definite period of time, and that you may leave your employment at any time with or without cause and without or without prior notice. AVTA may also change the terms and conditions of your employment at any time with or without cause and with or without notice.

110 - JOB RESPONSIBILITIES

While employed at AVTA, your supervisor/manager will explain your job responsibilities and the performance standards expected. From time to time, you may be asked to work on a special project important to the AVTA. If any employee feels their job responsibilities are unclear, the employee should request to speak with their manager to obtain clarification.

AVTA reserves the right to reassign, change or transfer job positions, or assign additional job responsibilities at any time, with or without notice and with or without a change in rate of pay.

111 - SECURITY

AVTA is committed to providing a workplace that promotes safety and security for all our employees and visitors. Protection of business assets - people and property as well as sensitive information- is a necessity and vital to the success of the AVTA. In order to accomplish these objectives and safeguard the safety of employees, employees are expected to immediately report unauthorized visitors (this includes employees that have terminated their employment status with the AVTA) and exercise reasonable care to safeguard personal items brought to work. Personal items should not be left unattended or in plain view. AVTA is not able to take responsibility for our employees' property.

No employee has a reasonable expectation of privacy in the workplace and all items brought onto the AVTA's property are subject to inspection, with or without notice. Examples of these items include, but are not limited to, packages, brief cases, computer bags, purses, wallets, lunch boxes, toolboxes and vehicles. Employees who refuse to allow these inspections may be subject to disciplinary action, up to and including termination from employment.

Camera Surveillance

AVTA operates security cameras on our workplace both within and throughout our facilities for the purpose of ensuring the safety and security of employees, visitors, the public, work premises, and facilities. Cameras are not used for the surveillance of any particular person but camera footage may be accessed and used as evidence where an act (e.g. assault of a person, damage to facilities) has occurred that warrants investigation by the AVTA. Such records may also be required by law to be provided to other parties such as a Court or to the Police.

Notices of AVTA's security cameras are located at each location they are active. These cameras located in and around facilities requiring security monitoring for the safety or security and individuals or property and are not disguised or secreted.

Security cameras are in place at the time this handbook is written. Camera security monitoring is continuous and ongoing.

112 - AVTA OWNED SUPPLIES AND EQUIPMENT

The AVTA provides employees with equipment, supplies, tools and services to aid in performing job responsibilities. These assets are the employee's responsibility and should not be used for personal reasons. Any misuse, breakage, or loss of the items should be reported immediately to the employee's manager/supervisor. Employees will be held responsible for willful misconduct, misuse or loss of the AVTA's property. Equipment includes, but is not limited to, vehicles, computers, telephones, fax machines, copiers, cell phones and PDAs, tools, etc.

When AVTA has assigned an office, desk or storage area to an employee that has a lock, the AVTA will supply locks and keys to the employee and will retain a passkey for all locks. Employees are not permitted to use their own personal locks and have no reasonable expectation of privacy in any desk or storage area used by them. Management reserves the right to inspect the contents of desks, vehicles, or other storage areas at any time and may remove any of their property and other items that may be in violation of AVTA's rules and policies.

All AVTA property must be returned by employees on or before their last day of work. Where permitted by applicable laws, AVTA may withhold from the employee's check or final paycheck the cost of any items that are not returned when required. AVTA may also take all action deemed appropriate to recover or protect its property, including but not limited to any appropriate legal action.

113 - VIOLENCE-FREE WORKPLACE

General Policy

Management is committed to preventing workplace violence and to maintaining a safe work environment. Acts or threats of violence, including intimidation, harassment, and/or coercion which involve or affect AVTA employees will not be tolerated, and will be subject to disciplinary action, up to and including termination. AVTA seeks to ensure that all workplace threats and violent behavior are addressed promptly, and that the level of physical and facility security in the workplace is sufficient to protect the health and safety of its employees, and to ensure.

Consistent with this policy, acts or threats of violence, including intimidation, harassment, and/or coercion which involve or affect AVTA employees will not be tolerated, and will be subject to appropriate disciplinary action, up to and including termination. It is AVTA's policy:

1. To ensure all workplace threats and violent behavior are addressed promptly; and
2. To ensure the level of physical and facility security in AVTA workplaces is sufficient to protect the health and safety of City employees,

Definition of Threats or Acts of Violence

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

1. Threatening to harm or harming an individual or their family, friends, associates, or their property.
2. Fighting or challenging another individual to a fight.
3. Intimidation through direct or veiled verbal threats, or through physical threats, such as obscene gestures, grabbing, and pushing.
4. Making harassing or threatening telephone calls; sending harassing or threatening letters, emails, or other correspondence.
5. Intimidating or attempting to coerce an employee to do wrongful acts that would affect the interests of AVTA.
6. Harassing surveillance or stalking another individual.
7. Making a suggestion or otherwise intimating that an act to injure persons or property is appropriate behavior.
8. Possession of firearms (loaded or unloaded), weapons, or any other dangerous devices on AVTA property. This includes "look-alike" weapons, such as toy guns. Weapons and dangerous devices may include, but are not limited to the following: blackjacks, slingshots, metal knuckles, explosive substances, dirks, daggers, gas or spring-operated guns, knives, including folding knives having a blade that locks into place, razor blades, and clubs.
9. Use of a personal or AVTA-issued tool in a threatening manner toward another.

Reporting Workplace Violence

Any employee who is the victim of a threat or act of violence, or any employee who witnesses such conduct, should immediately report the incident to his/her supervisor or other appropriate person in the chain of command. This includes threats by employees, as well as threats by visitors, vendors, customers, solicitors, or other members of the public. Should the employee perceive that he/she is in immediate danger of a violent act, or has just been victimized by a violent act, or is a witness of a violent act, he/she will whenever possible:

1. Place themselves in a safe location.
2. If appropriate, call the Police Department and request immediate response of a police officer and be prepared to inform the police dispatcher of the circumstances and the exact location of where an officer is needed.
3. Inform a supervisor, manager, or the Human Resources Department of the circumstances.
4. Complete a written report as soon as possible and submit the original copy to the Human Resources Department.
5. Cooperate fully in any administrative or criminal investigation, which will be conducted within existing policy and laws.

Reporting Future Workplace Violence

Employees who have reason to believe they or any AVTA employee may be the subject of a violent act in the workplace or as a result of their employment, should immediately notify their supervisor, manager, or the Human Resources Department.

Investigation of Workplace Violence

Executive Management will promptly and thoroughly investigate all reports of threats (or actual) violence and of suspicious individual activities. For this reason, any employee who has obtained a temporary restraining order should report this to the Executive Director (or designee) in confidence.

The identity of the individual making a report will be protected as much as is practical and protected by law. In order to maintain workplace safety and the integrity of its investigation, the AVTA may suspend employees, either with or without pay, pending the investigation.

We encourage our employees to bring their differences with other employees to the attention of management before the situation escalates into inappropriate behavior or potential violence. Management is eager to assist in the resolution of employee disputes, and will not retaliate against employees for raising such concerns.

Violation of this Section

AVTA's prohibition against threats and acts of violence applies to all persons, including but not limited to AVTA personnel, project and temporary workers, clients, and anyone else on AVTA property. Violations of this Section by any individual may be followed by legal action as appropriate, which may include, seeking a temporary restraining order and/or injunction on behalf of AVTA employees if the situation warrants such action.

In addition to appropriate legal action, violations of this Section by employees, including making a false report under this Section, may lead to disciplinary action, up to and including termination.

114 - EMPLOYEE CATEGORIES

In order to determine an employee's classification and eligibility for various benefits, the following categories have been established.

Regular Full-Time - Employees who work an 80-hour work period are considered regular full-time employees. Regular full-time employees are eligible for all employer-sponsored benefits upon meeting applicable qualifications.

Regular Part-Time - Employees who work a fixed number of hours per week, but who is scheduled to work less than 40 hours but at least 20 hours a week on a regular basis, are considered regular part-time employees. Regular part-time employees are eligible for certain benefits as described in the Benefits section of this handbook.

Temporary - Temporary employees are defined as those employees holding jobs for limited duration to assist with special projects, heavy workloads or emergencies (usually not exceeding six months in duration). Temporary employment may be full-time or part-time. While temporary employees are considered an important part of our operations, AVTA sponsored benefits are not generally available to them unless mandated by law.

115 - WORK HOURS AND SCHEDULES

Our standard workweek begins at 12:01 a.m. each Sunday morning and ends at midnight on the following Saturday. Our normal workday is defined as the 24-hour period beginning at 12:01 a.m. and ending at midnight.

AVTA's regular administrative office hours begin at 6:30 a.m. and end at 6:00 p.m., Monday through Friday. Depending on business requirements, some employees may be required to work different schedules. Your scheduled hours of work will be determined based on staffing requirements to meet the needs of our customers and our business objectives. Therefore, you may be asked to work an earlier or later schedule. Your specific work schedule will be discussed at the time of hire or status change. See Section 202 for more detail on alternative work schedules.

116 - UNIFORMS

AVTA provides aprons and t-shirts to those employees who are required to wear specific attire in performing their jobs. If you have received an apron or t-shirt to wear you are held responsible for the safekeeping of the item issued. Aprons are laundered and maintained by AVTA at no cost to you. T-shirts are laundered and maintained by the employee. Damaged items from normal wear will be replaced at no charge. You may be required to sign an agreement that verifies your responsibility for all furnished aprons and/or t-shirt. This agreement will authorize repayment of the cost of any item not returned upon separation from employment.

117 - LACTATION ACCOMMODATION

As mandated by California law, AVTA will accommodate employees who wish to express breast milk while at work. You should make arrangements with your supervisor to do so. Where such arrangements are made during an employee's normal rest period, the time will be paid. If special arrangements are made to provide you with extra time beyond or in addition to the normal rest period, the time may be unpaid.

118 - ATTENDANCE AND PUNCTUALITY

All employees must report to their supervisor after being late or absent. Employees are also required to submit a Personnel Action Notice ("PAN") to the Executive Administrative Assistance for all absences and late arrivals exceeding fifteen (15) minutes, who logs it into the group calendar. All paid leave PANs shall be submitted to Payroll for processing. In the PAN, you must provide an explanation of the circumstances surrounding the absence or lateness of 15 minutes or more and, when applicable, certify that you are fit to return to work. The supervisor is responsible for contacting the Executive Director (or designee) or Human Resources Department who will assist with determining whether the attendance issue is protected by law and how the lateness or absence will be recorded in your attendance record.

Points System

If an employee is absent for one or more consecutive days, or a portion of a day greater than one hour, AVTA will count this period as one "instance" of absence. If an employee is more than five minutes late from the start of his/her work shift, AVTA will count this period as one "instance" of lateness.

If an employee has six or more instances, AVTA will consider the employee to have "excessive absenteeism" or "excessive lateness." Excessive absenteeism or excessive lateness may subject the employee to disciplinary action, up to and including termination.

Once an instance of absence or lateness has occurred, any period of 60 calendar days without an absence or late arrival will remove one instance from the employee's count. Absences from or late arrivals to work due to occupational injury, approved leave of absence, or other legally protected absences will be deducted in calculating the 60 day period.

Discipline

AVTA may at its discretion impose discipline based on the following system.

- 1 hr to 1 day absence OR 5+ minutes late arrival
 - 1 “instance” of absence or lateness; no discipline
- Two occasions of 1 day absence, 5+ minutes late arrival, or one each
 - 2 “instances” of absence or lateness; no discipline
- Three occasions of 1 day absence, 5+ minutes late arrival, or combination thereof
 - 3 “instances” of absence or lateness; no discipline
- Four occasions of 1 day absence, 5+ minutes late arrival, or combination thereof
 - 4 “instances” of absence or lateness; no discipline
- Five occasions of 1 day absence, 5+ minutes late arrival, or combination thereof
 - 5 “instances” of absence or lateness; no discipline
- Six occasions of 1 day absence, 5+ minutes late arrival, or combination thereof
 - 6 “instances” of absence or lateness; counseling
- Seven occasions of 1 day absence, 5+ minutes late arrival, or combination thereof
 - 7 “instances” of absence or lateness; suspension of up to three days
- Eight occasions of 1 day absence, 5+ minutes late arrival, or combination thereof
 - 8 “instances” of absence or lateness; termination

Example 1

January: 20 work days; 8 hours absent; no late arrivals

February: 10 work days, 0 hours absent; one 5+ minute late arrival

March: 15 work days, 8 hours absent; no late arrivals

April: 18 work days, 8 hours absent; no late arrivals

May: 7 work days, 0 hours absent; one 5+ minute late arrival

June: 2 work days, 8 hours absent; no late arrivals

This employee had 6 instances of absence or lateness during this period of time. No instance was removed because the employee did not work any period of 60 calendar days without an

absence or late arrival. Based on the employee's record, he/she would be subject to counseling. Any subsequent instances of absence or lateness without clearance of an instance would subject the employee to further discipline for his/her excessive absenteeism.

Example 2

January: 20 work days; 8 hours absent; no late arrivals

- Total: 1 instance of absence or lateness

February: 15 work days, 0 hours absent; one 5+ minute late arrival

- Total: 2 instances of absence or lateness

March: 15 work days, 1/2 hour absent; no late arrivals

- Total: 2 instances of absence or lateness

April: 19 work days, 0 hours absent; no late arrivals

- Total: 1 instance of absence or lateness

May: 11 work days, 0 hours absent; one 5+ minute late arrival

- Total: 2 instances of absence or lateness

June: 13 work days, 8 hours absent; one 5+ minute late arrival

- Total: 4 instances of absence or lateness

This employee had 4 instances of absence or lateness during this period of time. One instance was removed because the employee worked for a period of 60 calendar days (March and April) without an absence or late arrival. Based on the employee's record, he/she is not subject to discipline. If this employee receives 2 more instances of absence or lateness, he/she would receive a counseling.

119 - CONFIDENTIALITY OF INFORMATION

As an employee, you may have access to and become acquainted with private, sensitive and proprietary information that is considered "Confidential," and owned by the AVTA and/or its customers and used in the operation of the business. The protection of AVTA confidential business information is vital to its interests and success. Employees may be required to sign a Confidentiality Agreement as a condition of employment. Regardless of whether an employee signs a Confidentiality Agreement, each employee is required to maintain the confidentiality of sensitive and proprietary information not generally known to others. Employees are prohibited from disclosing any of this information or information on file regarding our riders, suppliers, contractors, and/or anyone with whom AVTA does business. Employees are also required to refrain from using such information for the benefit of the employee or anyone else. Such confidential information includes, but is not limited to, the following examples:

- Compensation data and other data concerning employees and independent contractors
- Customer lists and other customer identifying information
- Any information pertinent to pending or active claims or litigation

Employees who disclose or use any of the AVTA's confidential information, or the personal information of its customers, employees, contractors, and other stakeholders, are subject to disciplinary action, up to and including termination of employment. The AVTA specifically reserves its right to take legal action for violation of this policy, even if the employee or former employee does not actually benefit from such use or disclosure.

120 - DUPLICATION OF BUSINESS RECORDS

AVTA considers all of its records, including, but not limited to, employee records, documents containing and/or referencing rider information, and all sensitive financial data, confidential, sensitive, and proprietary information. Employees are, therefore, strictly prohibited from duplicating by any means, including electronically, any such records, unless required to do so during the course of their regular job duties. Moreover, such records should not be removed from AVTA premises without prior approval from the Executive Director (or designee).

Employees are expected to use all reasonable precautions in handling confidential information, such as not leaving it in the plain sight of others.

121 - CONFLICTS OF INTEREST/ETHICS POLICY

AVTA is engaged in a variety of activities that have the common goal of promoting the interests of our business. It must be understood that our reputation and relationships with outside entities and individuals, as well as its relationships with its employees are of utmost importance. In addition, these relationships are often the product of long-standing associations and/or substantial investments of the AVTA's resources, energies, and efforts. Employees at all levels throughout AVTA are, therefore, required to comply with this conflict of interest policy. AVTA requires the following commitments from all employees:

- An employee shall not engage in any employment, activity, or enterprise, which is inconsistent, incompatible, or in conflict with their duties as an AVTA officer or employee.

Full-time employees shall not be employed in, work in, or be engaged in any outside job or activity which may be incompatible with their AVTA employment in any way that adversely affects the employees ability to perform their duties at AVTA. If an employee wishes to obtain outside employment or enterprise, he or she shall submit a request for approval to the Executive Director (or designee). An employee shall not engage in any outside employment or enterprise without written approval of the Executive Director (or designee)

While not an exhaustive list of circumstances that may create possible conflicts of interest, the following should serve as a guide of the types of activities which may cause conflicts:

- Disclosure or use of confidential, proprietary, or financial AVTA information, including information regarding projects, client costs, or systems to anyone not connected with AVTA whether or not for personal profit.
- Involves the use for private gain or advantage of AVTA time, facilities, equipment and supplies, prestige, or influence of one's AVTA office or employment.
- Involves the soliciting or the acceptance by the employee of any money, gift, gratuity, or other consideration from anyone other than AVTA for the performance of an act which the employee, if not performing such an act, would be required or expected to render in the regular course or hours of AVTA employment, or as a part of duties as an AVTA officer or employee.
- Involves the performance of acts other than in his or her capacity as an AVTA employee, which act may be subject to direct or indirect control, review, audit, or enforcement, by such employee or the agency by which he or she is employed.
- Rendering of directive, managerial, or consultant services to any outside concern which does business with AVTA, except with AVTA's knowledge and consent.
- Removal of forms, books, records and systems from AVTA premises for use by other public agencies, firms or legal entities without the knowledge of AVTA.

No AVTA employee shall engage in any political activity of any kind during working hours, on AVTA premises, or in AVTA uniform, or engage in such activities when it can be reasonably misconstrued as being in the interests of AVTA. This regulation shall conform to any provisions of state or federal law as from time-to-time may be established.

No employee of AVTA shall solicit or accept any gift, gratuity, favor, or anything of monetary value which might be construed as consideration for present or future preferential treatment.

Employees shall comply with any applicable provisions of law and any rules, regulations or policies adopted by AVTA in accordance with law, including but not limited to a Form 700 and/or other form required by law.

No employee may engage in any conduct or activities that are inconsistent with the AVTA's best interests or that in any manner disrupts, undermines, or impairs the AVTA's relationships with any entities or prospective entities, supplier, vendor, or any outside organization, person or entity with which AVTA has or proposes to enter into an arrangement, agreement, or contractual relationship of any kind.

AVTA reserves the right to determine that other relationships that are not specifically covered by this policy represent actual or potential conflicts of interest. In any case where the AVTA determines, in its sole discretion, that a relationship between an employee and a non-employee or an employee and an outside organization or individual presents an actual or potential conflict of interest, AVTA may take whatever action it determines to be appropriate to avoid or prevent the continuation of the actual or potential conflict of interest. Such action may include, but is not necessarily limited to, transfers, reassignments, changing job responsibilities, or, where it deems

such action appropriate, disciplinary action up to and including the possibility of immediate termination from employment.

Business dealings with suppliers and/or other supportive entities should not result in financial or material gains for any of our employees. Bribes, unauthorized bonuses, special fringe benefits, unusual price breaks, and other windfalls designed to ultimately benefit the employee are considered conduct that is not authorized and detrimental to the best interest of AVTA. An actual or potential conflict of interest also occurs when an employee is in a position to influence a decision that may result in a personal gain for that employee, a relative, or another individual due to a relationship with the employee as a result of this AVTA business dealings.

Personal gain may result not only in cases where an employee, relative, or another individual has a significant ownership in a firm with which AVTA does business, but also when an employee, relative, or another individual receives any kickback, bribe, gifts, or special consideration as a result of any transaction or business dealings involving AVTA. If a supplier or anyone else insists on giving you special treatment or tips, report the situation to your supervisor immediately to avoid any misunderstanding or misconduct. Any employee who participates in such practice may be subject to disciplinary action, up to and including immediate discharge and legal action.

Employees are required to comply with AVTA's procurement policy.

Employees have an obligation to conduct themselves within guidelines that prohibit actual or potential conflicts of interest. It is management's intent to provide general direction regarding this policy so that our employees may have clarification on issues related to the subject of acceptable standards of activities.

If you become aware of a possible violation of this policy, please contact the Executive Director (or designee) immediately. No retaliatory action will be taken against any employee who raises this issue.

122 - OUTSIDE EMPLOYMENT OR BUSINESS ACTIVITIES

AVTA is concerned that outside business activities and how other employment relationships may adversely affect an employee's commitment to work for and contribute to the AVTA. Such activities can create distractions, conflicts of interest, scheduling problems, fatigue and other problems that could negatively impact an employee's performance or the AVTA's interests. Based on these considerations, to avoid any potential conflict, employees must obtain prior written authorization of the (or designee) Director before starting additional outside employment or business activities. . The written request should include the name of the organization for which the employee will be working, a description of the job duties the employee will be performing, and a statement as to why this will not be a conflict of interest with the employee's current employment at AVTA. No employee shall be engaged in any job or activity during the employee's regular scheduled hours of work. If an employee is unable to maintain acceptable performance standards following acceptance of outside employment, the employee may be subject to disciplinary action, up to and including termination, and the authorization for outside employment/business activity may be revoked.

123 - EMPLOYMENT OF RELATIVES/NEPOTISM

AVTA does not maintain a strict policy that prohibits employment of relatives in all circumstances and AVTA does not discriminate against any person on the basis of marital status. However, there are restrictions on the employment of relatives under some circumstances. For example, AVTA may refuse to place one relative under the direct supervision of the other relative for business reasons of supervision, safety, security or moral. For the same reasons, we may refuse to place both relatives in the same department or facility if the work involves potential conflicts of interest or hazards that are greater for relatives than for other individuals.

Relatives of employees will receive equal consideration with all other applicants for job openings. However, the selection and appointment of an individual who is related to or cohabitates with a supervisor, manager, or subordinate, creates an appearance of favoritism and/or a conflict of interest. Similarly, the marriage of two AVTA employees, and/or a domestic partnership between two AVTA employees, who report to each other, or over whom one spouse or domestic partner serves in a direct or indirect supervisory role, may create an appearance of favoritism or a conflict of interest. It is the intention of this Rule to prevent such conflicts.

Employment situations may not compromise sensitive or confidential information in the possession of AVTA.

For purposes of this Rule, a relative shall mean an employee's current spouse, parent, child, stepchild, foster child, grandparent, grandchild, in-law, brother, stepbrother, sister, stepsister, aunt, uncle, nephew, niece, or cousin, or any such relative of the employee's spouse.

For purposes of this Rule, cohabitation shall mean two unrelated individuals who share a household in a family relationship, without regard to the gender or sexual orientation of the individuals involved, and includes a domestic partnership.

Relatives and/or individuals who cohabitate with current AVTA employees and/or directors are not eligible for AVTA positions if: 1) the applicant will work in a position in which the employee or director will be a direct supervisor or indirect supervisor over him/her, or in a subordinate relationship to the applicant; and 2) in a position where a potential conflict of interest exists or the potential exists for creating an adverse impact on supervision, safety, security or morale.

No current employee shall be transferred or promoted into a position in which a relative will be in a position of direct or indirect supervision over the other employee or otherwise creates a potential conflict of interest or an adverse impact on supervision, safety, security, or morale.

As used in this Rule, the phrase "direct supervisor" means an employee who is the immediate supervisor of another subordinate employee. The phrase "indirect supervisor" means an employee who holds a supervisory role over another position lower in rank within the same department or division, and is in the subordinate's chain of command, even if the supervisor is not that employee's immediate supervisor.

If two employees become subject to the restrictions of this Policy, AVTA will make reasonable efforts to eliminate the actual or potential problems of supervision, safety, security or morale.

Such reasonable efforts may include, transferring or reassigning one of the employees to another position for which he/she is qualified, if such a position is available.

If no such position is available, or there are no other reasonable efforts which AVTA can undertake to eliminate the actual or potential problems of supervision, safety, security or morale, then one of the employees will be required to terminate his/her employment with AVTA. The decision as to which employee will terminate his or her employment with AVTA will be made by the two employees within 30 days of being so notified. If the employees do not reach a decision, then both employees will be subject to separation from employment.

If an employee becomes subject to this Policy because of his/her relationship with a member of the Board, and 1) if the employee cannot be transferred to another position, or 2) there are no other reasonable efforts which AVTA can undertake to eliminate the actual or potential problems of supervision, safety, security or morale, then the employee will be required to terminate his/her employment with AVTA

124 - CHANGE OF STATUS

Whenever there is a change in your classification, status, wage rate or other employment status actions, AVTA will provide you with written notification. This is done via a PAN form and is used at AVTA to process and communicate employment- related changes to be included in your individual personnel file. This PAN form should also be used to request paid time off such as vacation, sick/emergency pay, leave of absence, etc.

200 - COMPENSATION & PAY PRACTICES

201 - EXEMPT AND NONEXEMPT EMPLOYEES

In compliance with State and Federal laws and regulations, AVTA has established the following classification for all positions:

Exempt - Includes employees who are classified as exempt from the overtime provisions of State wage and hour laws and the federal Fair Labor Standards Act.

Nonexempt - Includes employees who are covered by the provisions of applicable State wage and hour laws and the federal Fair Labor Standards Act. Nonexempt employees earn their pay by the hours they work. Such employees might include, but are not limited to, clerical, maintenance, and other support positions.

Please contact the Human Resources Department or Executive Director (or designee) for more clarification on these classifications.

202 - OVERTIME

Exempt Employees:

Exempt employees are not entitled to receive overtime pay even though they may have to work hours beyond their normal schedule, as work demands require. An exempt employee will receive his or her full salary for any week in which that employee does any work, subject to the following:

- The exempt employee's salary may be reduced for full days of absence due to vacation, holiday or personal business, beginning and ending of approved leave of absence, and for incomplete initial and final weeks of work.
- An exempt employee's salary will not be reduced due to partial weeks of work due to service as a juror, witness or military service, or for lack of work. However, the employee will not be paid for full weeks missed.

This pay policy is intended to comply with the salary pay requirements of current State and Federal laws, and shall be construed in accordance with these laws and regulations. Employees are encouraged to bring any question concerning discrepancies in their pay to their Manager immediately after receiving their pay, so that any inadvertent error may be corrected.

Nonexempt Employees:

Non-exempt employees shall be paid for their hours worked in accordance with all legal requirements. Employees who qualify as administrative, executive, or professional employees within the parameters of the state and federal wage and hour laws are exempt from overtime pay and are not subject to this provision of the policy. All employees who are classified as non-exempt qualify for overtime pay. All overtime work by non-exempt employees must be by the employee's Supervisor. Because unauthorized overtime is against the AVTA's policy, employees who work unauthorized overtime are subject to disciplinary action, up to and including discharge from employment.

Time worked - Non-exempt employees shall record all actual time worked, on the time sheet or time card at the time it actually occurs, including time worked over their normal schedule.

5-80 SCHEDULE:

- Work Week - The workweek begins Sunday at 12:01 a.m. and ends Saturday at midnight for employees working five eight-hour shifts. A 5-80 schedule means the employee works five days each week, eight hours per day. The workday is a 24-hour period within the prescribed workweek.
- Overtime - (1.5) times regular base pay - Overtime is calculated at one and one-half (1½) times the employee's regular base rate of pay for all time over 40 hours worked in one work week. Overtime is computed on the basis of the employee's total hours worked in a workweek. **Note:** Hours paid that are not actually worked, such as holidays, sick/emergency days, and vacation time; do not count as hours worked when calculating overtime.

9-80 SCHEDULE:

- Work Week - This workweek begins Friday at 12:01 p.m. and ends 12:00 noon the following Friday for employees working a 9-80 schedule. The workday begins at noon and continues until noon the following day. A 9-80 schedule means the employee works 9 hours each workday starting with only 4 hours on Fridays (workweek begins every Friday). This alternative workweek schedule is then consistent and repeatable over every two-week pay period.

Overtime - (1.5) times regular base pay - Overtime is calculated at one and one-half (1½) times the employee's regular base rate of pay for all time worked beyond the daily schedule up to 12 hours per day, or over 40 hours in one work week, whichever is greater. **Note:** Hours paid that are not actually worked, such as holidays, sick/emergency days, and vacation time do not count as hours worked when calculating overtime.

4-10 or 8-80 SCHEDULE:

- Work Week - This workweek begins Sunday at 12:01 a.m. and ends Saturday at midnight for employees working four ten-hour days. A 4-10 (or 8-80) schedule means the employee works four ten-hour days each week, or eight ten-hour days per pay period.
- Overtime (1.5) times regular base pay - Overtime is calculated at one and one-half (1½) times the employee's regular base rate of pay for all time over 40 hours in one work week. Overtime is computed on the basis of the employee's total hours worked in a workweek. Note: Hours paid that are not actually worked, such as holidays, sick/emergency days, and vacation time; do not count as hours worked when calculating overtime.

203 - MAKE-UP TIME

Nonexempt employees who miss scheduled work as a result of personal obligations may request to make up the amount of time missed on another day within the same workweek in which the time was missed. Time that is made up under this policy will be compensated at the employee's base rate of pay. In order to qualify, the make-up time must not cause the employee to exceed 11 hours of work in any one workday or 40 hours in the work. The employee must also submit a signed request to make up the missed time for each occasion make-up work is requested.

Time may be made up only if the employee's written request is approved in advance by the employee's immediate manager/supervisor. The AVTA does not encourage employees to miss work as a result of personal obligations and later make up time missed under this policy. This policy allows make-up time only when it is sought by the employee and found to be consistent with the employee's desires and the AVTA's business and staffing needs. The Executive Director (or designee) has sole and absolute discretion to approve a request in writing as a courtesy to the employee when circumstances make such approval appropriate. See Make-up Time Request Form, available in the Finance Department.

204 - TIMEKEEPING

Accurately recording time worked is the responsibility of every non-exempt employee as well as AVTA. State law requires all nonexempt employees to keep an accurate record of time worked in order to calculate employee pay and benefits. AVTA must also maintain these records on file in the payroll department. Time worked means all the time actually spent on AVTA business and on the job performing assigned duties, regardless of whether or not actual hours are the same as scheduled hours.

Nonexempt employees must accurately record the time they begin and end their work, as well as the beginning and ending time of each meal period on their time record every day. Departure from work for any reason unrelated to AVTA operations must also be accurately recorded. Overtime work must always be approved before it is worked. Failure to accurately record work time on the designated time sheets/cards will subject an employee to discipline, up to and including termination from employment.

Altering, falsifying, or tampering with time records, or recording time for another employee as well as asking another employee to record time for you is considered a serious violation of our policies and may result in severe disciplinary action, up to and including immediate discharge from employment.

It is the employees' responsibility to sign their time records to certify the accuracy of all work time recorded. Your manager will review and then initial the time record before submitting it for final approval.

205 - MEAL & REST PERIODS

Nonexempt employees scheduled to work more than five hours in a day are required to take a minimum of a thirty-minute uninterrupted meal period before, or no later than, on the completion of five hours of work. During this meal period, employees are relieved of their work duties and AVTA relinquishes control over the employee's activities. You may not voluntarily work through your meal period. However, if an emergency arises and your manager asks you to work, your manager must approve this in advance of you working through your meal period. Meal periods vary by length in different functions and are considered unpaid time away from work. When a work period of not more than six hours will complete the day's work, the meal period may be waived by mutual consent of the employer and employee. Under no circumstances shall a meal period be missed without a valid and approved written waiver. Questions regarding meal period waivers may be directed to the Human Resources Department or Executive Director (or designee).

Two ten minute rest periods are provided with pay, as near as possible in the middle of each four-hour period that you work. The authorized rest period shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof, as indicated in the following chart:

<u>Hours Worked</u>	<u>Ten Minute Period</u>
3.5 – 6	1
6 – 10	2
10 – 14	3

Rest periods may not be used to make up for tardiness or leaving work early. Rest periods will be scheduled by the employee's supervisor so as not to interfere with the overall efficiency and operating schedule of the work area. Employees must remain at the work site during rest periods. At the discretion of employee's immediate supervisor, employees may obtain permission from his/her supervisor to leave the work site at rest periods or any other time (except during lunch periods).

Neither meal nor rest periods may be saved or be used at another time or to make up a late arrival or shorten your workday. Meal periods and rest periods may not be combined, in whole or in part, to lengthen the duration of either period.

206 - COMPENSATORY TIME OFF

Non-exempt employees are entitled to overtime pay whenever they perform overtime work. AVTA does not permit employees to take time off in lieu of receiving overtime pay. Accordingly, employees should not request the opportunity to work additional hours for time missed if the make-up time will result in overtime pay, unless the work is performed within the same workweek as our Make-Up Time policy dictates. No individual within the AVTA, including the employee's supervisor, has the authority to grant time off in lieu of overtime compensation.

Exempt employees earn a fixed salary that is intended to cover all of the compensation to which they are entitled. AVTA does not maintain any compensatory time off plan or arrangement. Accordingly, any time off that is provided an exempt employee is done on an informal basis. Neither extra compensation nor compensatory time off will, under any circumstances, be owed or payable to an exempt employee upon separation of employment for any reason.

207 - REPORT-IN-PAY

Nonexempt employees who report to work expecting to work their full shift, and work is not available, will receive a minimum of one-half of the hours they are scheduled to work that day or the actual hours worked, whichever is greater, paid at their regular base rate of pay. This provision does not apply if 1) work is not available due to equipment failure or causes beyond the AVTA's control; or 2) if the employee voluntarily leaves prior to the completion of one-half of their regularly scheduled workday.

208 - PAY ADVANCES/LOANS

AVTA prohibits advances against paychecks and prohibits advances against unaccrued paid time off. AVTA will not grant loans to employees for any reason.

209 - PAY DAY

AVTA employees are paid bi-weekly. You will receive your paycheck on the Thursday following the completion of each two-work week pay period. Any overtime worked during either workweek will be included in this paycheck. Whenever possible, should a payday fall on an AVTA-observed holiday, your check will be provided to you on the previous regular workday.

210 - YOUR PAYCHECK

Paychecks not pre-designated as direct deposit, are available for you to pick up from the office. When you receive your paycheck, please check the attached earning record carefully. Should some part of it not be clear, please contact your manager or a payroll representative.

If you are not able to personally pick up your paycheck and need to have someone else pick it up, that person must have a note signed by you authorizing the individual to pick up your check. For your protection, management will not release your paycheck to anyone other than yourself without your written permission.

211 - DIRECT DEPOSIT

AVTA has arranged to issue pay in the form of direct deposit to your designated bank account. Any employee may voluntarily elect to receive their pay through direct deposit by completing and signing a written consent form. This form and additional information on this benefit is available from the Payroll Representative.

212 - PAYROLL DEDUCTIONS

Both federal and state laws require income tax be withheld from your paycheck. The amount will vary based upon your individual circumstances, including the number of exemptions you claim. You may change the number of exemptions at any time by completing a new W-4 Form and/or California DE-4 form. These forms are available in the Human Resources office or online.

Voluntary deductions for supplemental benefits plans and other employee-supported benefits are taken only when an employee has signed an authorization form allowing the AVTA to make the deduction.

213 - GARNISHMENTS

Garnishments will be handled as required by applicable law, and amounts will be deducted in accordance with the instructions the AVTA receives from the relevant outside authorities. We will, however, honor legal guidelines that protect a certain amount of an employee's income from being subject to garnishment. Employees are encouraged to keep their personal financial obligations in order.

214 - EXPENSE REIMBURSEMENT

AVTA will reimburse employees for reasonable and authorized expenses incurred on behalf of the AVTA. All travel and other business expenses must be pre-approved by your manager and the Executive Director (or designee) must follow AVTA's Travel/Training Expense Policy and be reported within one month from the time they are incurred. Every attempt will be made to issue reimbursement for approved expenses within two weeks from the time the expense report form is received by the Finance Department. Failure to report expenses in a timely manner may jeopardize timely reimbursement for expenses or lead to disciplinary action.

215 - TRAVEL AND TRAINING REIMBURSEMENT POLICY

This policy describes the circumstances in which travel and training is required on behalf of AVTA and how expenses associated with the travel will be reimbursed. Additionally, this policy provides guidelines of reasonable and acceptable expenses that may be incurred in the performance of duties for AVTA.

Since it is not possible to set forth specific guidance for every allowable expense, employees should exercise good business judgment when incurring expenses. While the provisions under these guidelines may not always allow for the employee's personal preference, they are intended to support the most sensible business choice.

DEFINITIONS

For purposes of this policy, the following definitions will apply:

- Local Travel - travel within 50 miles of the AVTA office
- Out-of-Area - Beyond 50 miles of the AVTA office
- Reimbursable Business Expense: Expenses incurred in the course of official business on behalf of AVTA supported by receipts and explanation of business discussed and/or transacted or training.
- Non-reimbursable Expense: Any expenditure not authorized by this policy and Agency practice or the (or designee) Director, and/or not properly supported on an expense report.
- Business Purpose: Specific business reason or the direct nature of the business benefit derived or expected to be derived by the expense. General descriptions such as "goodwill," "general business," or "customer relations" are not acceptable explanations for business purpose. Specific descriptions such as "training for new routes/equipment" or "collaboration with LA County for updated safety procedures" are acceptable.
- Business Guest: An individual representing a company with whom AVTA has a contract or consulting agreement, an individual from another Agency or representative of the City of Lancaster, City of Palmdale or the County of Los Angeles.

GUIDELINE

Employees of AVTA may be required to travel for training seminars, conferences, or business meetings. Prior approval from the employee's manager and the Executive Director (or designee) must be obtained before the expenses are incurred. AVTA will pay conference/seminar fees and airfare in advance; all other expenses will be reimbursed to the employee within two weeks of submitting the Travel Reimbursement Request with supporting documentation and itemized description to the Finance Department.

Extended Travel Time - Non-Exempt Employees

Time spent traveling during either regular working hours or in addition to regular working hours shall be counted as hours worked when the travel is at the request and/or approval of AVTA. The AVTA may elect to pay overtime or modify the employee's work schedule, which must be determined prior to travel date. The compensable time for extended travel does not begin until such travel time exceeds ordinary commute time (e.g., if the employee's travel to and from his or her home to the airport is the same or substantially the same as the distance and time between his/her home and usual place of reporting for work, the travel time would not begin until the employee reached the airport). For example, time spent spending an extra day in a city before the start or following the conclusion of a conference in order to sightsee is not compensable.

Conferences, Seminars, and Business Meetings

Expenses relating to conferences, seminars, and business meetings must support AVTA's business objectives and/or support the growth of the employee in their current or future position.Local Travel

Travel within 50 miles of the AVTA offices is considered local travel. Local travel is done by use of an Agency vehicle or the employee's personal car and does not require an overnight stay.

Use of AVTA Vehicle: Employee's may use an AVTA vehicle to attend local business meetings, seminars, or training or other business related activity. An AVTA vehicle may be used for travel beyond 50 miles but less than 120 miles of the AVTA office. Employee must have and show proof of their current and valid California Driver's License before using AVTA's vehicle.

Mileage reimbursement: Employees driving their own vehicle to attend business meetings, seminars, training, or other business related activity will be reimbursed for the miles driven for business purposes less the miles of their normal commute at the current IRS mileage reimbursement rate.

Overnight Travel

Overnight travel may be required when travel is beyond 50 miles of AVTA's administrative headquarters and the conference or meeting is more than one full day. Employees traveling beyond 50 miles for a full day meeting or conference, have the option to stay overnight the day prior to the meeting or conference. Travel plans should be booked as far in advance as possible to take advantage of savings in transportation fares, lodging rates and car rental reservations.

Airfare

Travel is to be accomplished by utilization of the most cost-effective and direct mode(s) of travel. Pre-payment of expenses will be used to take advantage of applicable discounts, except in emergency situations. Discounted airfare rates require a minimum seven-day advance purchase. Check for the lowest fare available for flights before scheduling meeting dates/times for the related travel. All employees are required to accept the most appropriate and economical airfare on reputable, major carriers and to fly economy/discount coach whenever possible.

Upgrades: Without prior approval, first class or business class travel/upgrade on all airlines is not reimbursable by AVTA. Reimbursed business class travel/upgrade must be approved by the Executive Director (or designee) and is restricted to International flights only.

Frequent Flyer Miles: Frequent Flyer Miles obtained during business travel are to be used at the discretion of the employee. An employee is allowed to book travel with a preferred carrier as long as the carrier of choice offers the lowest fare. No higher fare should be paid to receive mileage credit with a particular carrier.

Weekend/Saturday Night Stay: Many airlines offer a substantial fare reduction for travel that includes a Saturday night stay. If an employee agrees to travel and obtain lodging for a Saturday night to obtain the lower fare, the employee may be reimbursed for hotel, meal and automobile rental expenses incurred in the city where the business is being conducted. Expenses related to an extension of a trip will only be reimbursed if it results in a lower total trip cost to AVTA. Documentation such as a ticket quote for a Friday return flight or a Sunday departure should be included with the employee's Travel Reimbursement Request form.

Meals & Entertainment

Employee Meals: Meal expenses should be reasonable and sensible. Employees traveling on AVTA business or employee-only business meetings should not exceed **\$15** per person for breakfast and lunch and **\$30** per person for dinner or **\$60** per day. If a per diem is not authorized prior to travel, actual expenses will be reimbursed based on actual receipts and limited to no more than an average expenditure of \$60 per day per employee. A per diem will not be paid in advance of travel unless arranged and approved ahead of time. The purpose of the per diem advance before the trip is to defray necessary reimbursable travel costs. An advance may not be used to purchase airfare or expenses in connection with the use of a personal car.

Business Guests: The cost of a bona fide business meeting with key subordinates for business discussions will be reimbursed. In accordance with IRS requirements, employees must give full detail of guests and organizations represented on their expense reimbursement request form. Expense receipts must indicate names of attendees and business affiliation, business purpose, establishment name, and dollar amount. In cases where more than one employee attends a business meal or entertainment event, the senior ranking employee should assume responsibility for payment. Sound judgment should be used when incurring costs for AVTA-paid meals and entertainment that includes business guests.

Non-Reimbursable Expenses: Following is a list of non-reimbursable expenses. This list is representative of non-reimbursable expenses and cannot list each and every expense that may be incurred. If you have any doubt of whether an expense will be reimbursable, contact your manager or the Executive Director (or designee) before incurring the expense.

- All personal use or personal care items including books, toiletries, medication, cigarettes, etc.
- Personal grooming (haircuts, shoe shines, etc.)

- Clothing, dry cleaning & laundry. If an employee is traveling for more than five business days, dry cleaning and laundry charges will be reimbursed.
- In-room movies, whether during stays in hotel accommodations or otherwise.
- Entertainment activities for personal purposes.
- All alcoholic beverages including in-room service or with a meal.
- Meals for travel companion(s) who are not AVTA employee(s).
- Additional costs for meals incurred when personal travel is combined with a business trip, unless personal travel includes a Saturday night stay, which results in a net savings to AVTA. For example, an additional Saturday night stay costs \$200 (including hotel, and rental car,) but the resulting airfare savings totals \$300. In such cases, proof of savings to AVTA must be submitted with the employee's Travel Reimbursement Request.
- Self-purchased travel insurance.
- Airline club membership fees.
- Hotel "no show" charges unless caused by legitimate business circumstances.
- Business guest gifts. All business guest gifts should be pre- approved by the Executive Director (or designee).

Lodging

All employees are required to use reasonable and good judgment in booking accommodations. For example, choose a hotel near your destination to control transportation expenses if appropriate public transportation is not available or choose a hotel with the best rate, which may be farther from your destination, but provides suitable public transportation. The IRS Per Diem Rate Tables in Publication 1542 will be used as a guideline to determine areasonable lodging in the destination location. When attending a conference, convention, seminar, etc., and a special/discount rate is offered at a hotel, employees are encouraged to book this hotel.

Rental Car

All employees must determine the most cost effective rental time and rate [e.g. for example it may be more cost effective to obtain a weekly rental versus a daily rental rate]. If it is more cost effective to rent a car versus utilizing public transportation [e.g. airport shuttle], employees must further comply with the following guidance:

Car Size: It is AVTA's policy to request the most sensible and economical mid-size car rental rate (or larger car class depending on the number of people occupying the vehicle).

Insurance Coverage: Employees should **decline additional Liability insurance coverage** and accept the Loss Damage Waiver, as the Agency provides the liability coverage as well

as under the employee's **own** liability insurance. If the employee elects to purchase additional automobile insurance beyond that specified above, the costs associated with this additional insurance shall be the employee's responsibility.

Parking

Airport Parking: A maximum of \$32.00 per day for up to 5 days will be reimbursed to employees using airport parking during business trips. Employees taking trips requiring longer parking stays should use a shuttle service. Employees are strongly encouraged to utilize long- term satellite parking lots.

Monitored Parking Areas: The cost of parking in garages or other monitored parking areas is reimbursable while conducting Agency business. Validations for parking should be obtained when possible. Parking fees associated with a hotel stay are reimbursable.

Valet Parking: Valet parking is not a reimbursable expense unless hotel accommodations deem it mandatory. Valet parking at restaurants is not reimbursable except when the restaurant does not allow self-parking.

Tipping

Gratuities are a necessary part of business travel and travelers should observe local customs when tipping. General tipping guidelines are as follows:

Restaurants	15-20% of the bill (pre-tax amount).
Sky Cap/Bellhop	\$1-\$3 per bag
Hotel Airport Shuttle	\$1-\$3
Doorman	\$1-\$3 for hailing a cab
Valet Parking	\$1-\$3
Housekeeping	\$1 -\$3 per night for stays over 3 nights
Shuttle/Taxi	10% of fare
Sedan	15%-20% of fare Important: check with sedan service whether gratuity is included in the total cost of fare. If gratuity is included in the cost of the fare, do not tip. The Agency will not reimburse the additional tip amount.

Expense Reporting

AVTA will reimburse employees for legitimate expenses incurred while conducting authorized business on its behalf. All business expenses must be properly documented on a Travel Reimbursement Request form. The reimbursement form must document the business purpose of the expenses incurred, include an itemized listing of each expense and the relevant business purpose justifying that expense, and be approved by the employee's Manager. It is the

Manager's responsibility to review the reimbursement request form for compliance with this policy.

The following supporting documentation is required to be submitted with Travel Reimbursement Request:

Expense Item	Required Documentation
Airfare	Original receipt (or credit card statement if purchased online) and boarding pass. If submitting a Travel Reimbursement Request form prior to your trip, and a boarding pass is not available, an original credit card statement and itinerary/invoice with price must be submitted; boarding passes or other documentation of actual travel must be submitted to the Finance Department upon completion of trip.
Meals	Original receipt. Restaurant "tear stubs" are not acceptable. Receipts must include the name of the restaurant, amount and date. A list of attendees and description of business topic(s) discussed must be provided either on the Reimbursement Report or on the front side of the receipt.
Lodging	Original receipt. Items included on the hotel bill such as room service, parking and telephone charges need to be summarized by category on the Travel Reimbursement Request form.
Car Rental	Original rental receipt.
Parking	Original receipt.
Mileage	Printout of route with calculation of total mileage (e.g., Google Maps or MapQuest printout).
Cash Tips	Listing of all cash tips, including amounts, dates, and purpose.

PROCEDURE:

Conferences, Seminars, Business Meetings, and Travel Requests

- Requests to attend conferences, seminars and business meetings must be submitted to the employee's manager for approval using the Authorization to Incur Conference, Meeting, Training and Travel Expense form a minimum of ten days in advance of the travel or as appropriate to take advantage of lowest possible rates.
- The manager determines if the requested training or meeting will support the employee's job performance, future growth, and benefits the Agency's objectives as well as expenses to be incurred are reasonable.

- The manager signs the form for approval and forwards to the Executive Director (or designee) for final approval. If the request is not approved, the manager will meet with the requesting employee and discuss the reason(s) why the request was denied.
- Out of Area travel expenses by the Executive Director (or designee) must be approved by the Board of Directors, including expense reimbursements.
- Approved requests are returned to the employee who provides a copy to Accounts Payable to update the Travel Log.

Reimbursement Requests

AVTA will reimburse individuals covered by this policy for actual, reasonable, and necessary expenses incurred during travel on approved AVTA business. Requests for reimbursements for all reasonable expenses are to be submitted as follows:

- At the conclusion of authorized official travel, training, conference or meeting, employees must complete the Travel Reimbursement Request form for reimbursement of actual expenses incurred or to account for travel advance received. This form must include an itemized listing of each expense, and the reasons in support of obtaining reimbursement for each of those expenses.
- Supporting documents as outlined in the Expense Reporting section must be attached to the reimbursement request.
- Attach the approved Authorization to Incur Conference, Meeting, Training and Travel Expense to the reimbursement request.
- Employees submit the Travel Reimbursement Request form and attachments to their manager for review and approval signature. The manager is responsible for ensuring the expenses incurred are in compliance with this policy. Travel and expenses of the Executive Director (or designee) shall be submitted to the Board Chair for approval.
- The manager forwards the reimbursement request and attachments to the Executive Director (or designee) for final approval.

The fully approved reimbursement request and attachments are submitted to the Finance Department for payment processing.

216 - USE OF CREDIT CARD

The AVTA will issue AVTA credit cards to certain employees for use in their jobs; this policy sets out the acceptable and unacceptable uses of such credit cards. Any credit card the AVTA issues to an employee must be used for business purposes only, in conjunction with the employee's job duties. Employees with such credit cards shall not use them for any non-business, non-essential purpose, i.e., for any personal purchase or any other transaction that is not authorized or needed to carry out their duties. Employees must pay for personal purchases (i.e., transactions for the benefit of anyone or anything other than the AVTA) with their own funds or

personal credit cards. The AVTA will not regard expenses for one's own business-related use, such as lodging and meals while on AVTA-approved business trips, as personal purchases, as long as such expenses are consistent with the AVTA's Travel, Training and Expense Reimbursement Policy.

If any employee uses an AVTA credit card for personal purchases in violation of this policy, the employee is financially responsible for such expenses and the amount of such purchases must be paid to the AVTA within 24 hours. If an employee uses an AVTA credit card for any other type of unauthorized transaction in violation of this policy, (e.g., incurs financial liability on the AVTA's part that is not within the scope of the employee's duties or the employee's authorization to make business-related purchases), the cost of such purchase(s) or transaction(s) will be the responsibility of that employee, and the employee will be expected to reimburse the AVTA on a schedule determined by the AVTA in its reasonable discretion.

In addition to financial responsibility and liability for wage deductions, any purchases an employee makes with an AVTA credit card in violation of this policy will result in disciplinary action, up to and possibly including termination of employment, depending upon the severity and repeat nature of the offense.

Purchases made by credit card must be business related. Credit cards should be used when traveling on Agency business, when an Agency issued check is not an accepted form of payment or for emergencies when purchase of an item or service must be made and paid for immediately. AVTA's purchasing policies and procedures must be followed at all times. Using the Agency credit card should not by-pass or circumvent the established purchasing policies and procedures.

Authorized Users

Use of AVTA issued credit cards is a privilege, which the AVTA may withdraw in the event of serious or repeated abuse. The Executive Director (or designee) determines which position within AVTA and which employee is issued an AVTA credit card.

Approval Authority: The Executive Director (or designee), Directors and Managers are authorized to make purchases for all other areas of AVTA within their authorized limits as outlined in the most recent Procurement Policy and Procedures Manual.

Delegated Use of Credit Card: Delegating the use of an AVTA-issued credit card should be avoided whenever possible. The authorized user is responsible for all purchases and expenses incurred on the credit card as well as compliance with the policy. To control expenses and misuse of the credit card, purchases must be made by the authorized user.

Credit Check: A credit report will be run for all employees requesting or requiring an AVTA credit card. Employees may request a copy of the credit report. If the credit report shows delinquent accounts or bankruptcy, a credit card will not be issued until the employee has cleared the delinquent accounts or bankruptcy or has submitted an acceptable and confidential letter of explanation to the Executive Director (or designee). The Executive Director (or designee) in their sole discretion may deny or approve issuing the credit card.

Credit Limits and Transaction Levels

AVTA restricts the credit limit and single transaction amounts to ensure compliance with the provisions of the Joint Powers of Authority agreement as well as AVTA's internal controls.

Credit Limits: The Executive Director (or designee) has a credit limit of \$10,000.

Single Transactions: The Executive Director (or designee) has a single transaction limit of \$2,500.

Purchasing Supplies & Services

All authorized credit card users are expected to follow the Agency's purchasing policies and procedures at all times. All users should plan each purchase in accordance with the policies and procedures using purchase orders and Agency payments terms whenever possible. Credit card purchases should be limited to emergencies, exceptions to the purchasing policy and when traveling on business.

Unauthorized Expenses

The following are examples of expenses, which generally are not allowable. Any exceptions must be pre-approved by the Executive Director (or designee).

- Personal travel including airfare, lodging, meals, and rental car.
- Gifts to employees/employee relatives for special occasions such as new baby, wedding, illness, etc. The Agency will send flowers and/or gifts to employees/employee relatives. Requests for gifts should be made through your manager or next level manager.
- Gasoline, insurance premiums, or maintenance and repairs for the use of a personal automobile (mileage is reimbursed per IRS guidelines).

PROCEDURE

Purchases made by credit card must be immediately reported to the Finance Department by submitting the itemized receipt and any additional documentation to determine proper coding to the general ledger for the expense.

The Accounting Supervisor reconciles and audits the monthly credit card statement and monitors proper use of the credit cards in accordance with the current Purchasing Policy and Internal Control Policy and Procedures.

217 – MERIT INCREASE

AVTA may in its discretion provide an employee with increases in pay, based on performance, upon the employee's annual anniversary. AVTA may award no more than five percent (5%) increase in pay, based on each position's pay range, upon an employee's anniversary review. AVTA may also in its discretion award a cost of living adjustment ("COLA") in pay at the

beginning of the fiscal year as budgeted funds allow. If provided, a COLA will be calculated based on the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior year and will align with the Social Security formula whenever budgeted funds allow. Therefore, it is possible for an employee to receive an annual merit increase and a COLA. If AVTA decides to provide a COLA in its discretion, each affected position's pay range value will be adjusted to reflect the change.

218 — LICENSING AND CERTIFICATION EXPENSES REIMBURSEMENT

AVTA may in its discretion provide reimbursement to employees for the costs, fees or expenses incurred as a result of licensing or certification requirements, so long as the employee's current position and/or job duties require that he/she obtain the license or certification. As an example, an employee may request to obtain reimbursement for expenses incurred as result of obtaining a license to practice as a Certified Public Accountant, if the employee's job requires that he/she obtain this certification. A request for reimbursement of these expenses or costs must be made in writing. AVTA will apprise the employee in writing of whether it has agreed to reimburse the employee for these expenses.

300 - EMPLOYEE BENEFITS

301 - INTRODUCTORY STATEMENT REGARDING BENEFIT PROGRAMS

AVTA has established a number of benefit programs for its eligible employees. The Human Resources Department has been assigned the responsibility of the internal administration of respective benefit plans. The Human Resources Department will follow all appropriate approved policies and obtain final approval from the Executive Director (or designee).

302 - PERFORMANCE EVALUATIONS

Performance evaluations are an important part of the Human Resources Department's practices. AVTA has established a performance evaluation process in an effort to provide our employees with an objective, consistent and fair way to gauge the employee's on-the-job effectiveness. The evaluation should inform the employees of their standing in the department and communicate expected standards of performance. The performance evaluation is also used to discuss work standards, and areas where improvement is needed. Providing a performance evaluation does not constitute a modification to any employee's at-will status. Nothing contained in a performance evaluation is intended to, nor shall, constitute a modification to an employee's at-will status.

AVTA makes every effort to perform written performance evaluations on all employees after the completion of six months of continuous performance in the new position assigned and then annually after the six month initial review.

Consistent with Section 217, merit-based pay adjustments may be awarded in an effort to recognize an employee's performance. The decision to award such an adjustment is at the sole discretion of AVTA management. Increases are never guaranteed.

Employees on approved, unpaid leaves of absence will have performance evaluations deferred until they are back on an active work status, based on the length of the leave of absence.

Completed evaluations will be reviewed in a private meeting between the employee and his/her immediate supervisor. Employees are encouraged to provide comments and give input on their evaluation. Each employee is entitled to review their evaluation, sign the completed form, and receive a copy. The employee's signature on the evaluation does not signify that the employee agrees with the contents of the evaluation. Performance evaluations shall be placed in the employee's personnel file.

303 - GROUP HEALTH INSURANCE

AVTA offers group health insurance for eligible employees and their dependents. Group health insurance includes medical, dental, vision, disability, and life insurance. Regular, full-time employees that work at least forty hours per workweek on a regular basis and part-time employees that work less than forty hours but no less than twenty hours per workweek on a regular basis are eligible to participate in this employer sponsored program. Complete details of this program will be given to you during your new hire orientation and are available from the Human Resources Department. Benefit summaries in the official plan documents shall control.

Currently AVTA pays one hundred percent (100%) of the cost of the eligible employee's premium each month. Dependent coverage is available and, if elected, paid by AVTA at 50% of actual cost. The employee's portion of premiums is paid through regular payroll deductions. Eligibility for this program begins on the first day of the month following the completion of one month of continued active employment. AVTA reserves the right to re-evaluate the group benefits and funding of premiums for its employees at any time.

304 - CONTINUATION OF GROUP HEALTH INSURANCE (COBRA)

Your group health insurance coverage terminates on the last day of the month in which your employment terminates or your work hours are reduced below eligibility requirement. Under federal law you and/or your family (anyone who is a current participant in the Group Health Plan at the time of the qualifying event) will have the opportunity to continue health coverage under COBRA law. Qualifying event examples are events such as termination from employment, change of status, or change of work hours that do not meet the qualifier, or other events that cause ineligibility for insurance benefits. Under the COBRA guidelines, you may choose to continue your coverage for up to 18 months (or longer if you qualify). Under California Law, you may qualify to extend this coverage another 18 months under CAL- COBRA, for a total of 36 months. The cost to you is for continued coverage is equal to the applicable premium paid by AVTA plus a small administration fee. This program is administered by our contracted COBRA Administrator. More detailed information will be provided at your new hire orientation, change in status, termination of employment, or at any time you request it.

305 - SHORT TERM DISABILITY (STD)

As part of our group health plan, AVTA offers this insurance at no cost to its regular full-time employees, and a prorated premium cost for part-time employees who normally work at least thirty hours per workweek. Should you suffer a short-term disability and you are a participant of this plan, this policy begins paying seventy percent (70%) of your base salary after completion of a seven-day waiting period up to a maximum amount. Please check with the Executive

Director (or designee) if you need more detailed information about this benefit. Summary Plan Descriptions in the official plan documents shall control.

306 - LONG TERM DISABILITY (LTD)

This insurance pays you a portion of your income, should you become unable to work due to a sickness or injury. AVTA pays the entire cost of this insurance for full-time and a prorated premium cost for part-time employees who normally work at least thirty hours each week. After a six month waiting period, this policy pays sixty (60%) of your basic monthly salary for the term of your disability up to the age of 65. The specific terms are set forth in the long-term disability plan itself. Benefit summaries in the official plan documents shall control.

307- SUPPLEMENTAL BENEFITS

AVTA has arranged for group rates on additional voluntary benefits that may be purchased by employees. The cost of the supplemental benefits is the employee's responsibility and may be paid through requested payroll deductions. Please see staff in the Human Resources Department for further information.

308 - RETIREMENT PLAN (457 PLAN)

Through AVTA's current enrollment in the California Public Employee Retirement (CalPERS) 457 Plan, eligible employees may save for their retirement by deferring a portion of their pre-tax compensation for retirement, within specified limits. This benefit is in addition to the CalPERS defined benefit retirement plan.

309 - RETIREMENT -- PERS PENSION BENEFIT

AVTA is enrolled in the CalPERS program. Employer and employee contributions are currently covered by AVTA. For employees hired on or before December 31, 2012, AVTA offers a pension benefit formula of 2% @ 55. Retirement plans for employees hired on or after January 1, 2013 are subject to the restrictions specified in the Public Employees' Pension Reform Act of 2013. The Human Resources Department has further details regarding the CalPERS program and vesting requirements.

310 - EMPLOYEE ASSISTANCE PROGRAM (EAP)

This benefit is provided by AVTA to help eligible employees and their families resolve personal problems. This program provides an option to help employees cope with performance and behavior problems. An outside vendor who handles all contacts with discretion and confidentiality provides this service. Our employees are encouraged to choose from a variety of services in seeking assistance and advice from licensed clinical social workers, marriage, family and child counselors, psychologists and legal referrals. Should you want more detail about this benefit please contact the Human Resources Department.

311 - SICK PAY

Sick pay is provided to minimize the economic hardship that may result from an unexpected short-term illness or injury, doctor appointments involving the employee or their legal dependent

(which include registered domestic partners). This benefit is provided not only to regular full-time employees, but also to regular part-time employees, prorated based on their normal work schedule. Temporary employees are not eligible for sick pay benefits.

AVTA full-time regular employees are eligible to earn 96 hours (12 work days) per anniversary year of paid time off for sick leave. This benefit begins accruing at the time of hire at a rate of 3.70 hours each pay period that the employee remains active on the payroll. Part-time employees will accrue a prorated portion based on the normal part-time schedule they work. This benefit applies to both non-exempt and exempt employees. It is the policy of AVTA to deduct from your sick pay bank when you miss time.

Paid sick leave may be taken in hourly increments (for a minimum duration of 2 hours) for the following purposes: (1) Diagnosis, care, or treatment of an existing health condition, or preventive care for, an employee or an employee's family member; or (2) For an employee who is a victim of domestic violence, sexual assault, or stalking. "Family member" means any of the following: (1) A child, which means a biological, adopted, or foster child, stepchild, legal ward, or a child to whom the employee stands in loco parentis, regardless of age or dependency status; (2) A biological, adoptive, or foster parent, stepparent, or legal guardian of an employee or the employee's spouse or registered domestic partner, or a person who stood in loco parentis when the employee was a minor child; (3) A spouse; (4) A registered domestic partner; (5) A grandparent; (6) A grandchild; and (7) A sibling.

Employees may use sick leave in minimum increments of two (2) hours. Non-exempt employees who take time off due to illness or injury of less than two (2) hours will not be paid for such time off. For nonexempt employees, sick leave will be calculated based on the regular rate of pay for the work week in which the employee uses sick leave. For exempt employees, sick leave will be paid at the rate being earned at the time the sick leave is taken

Exempt employees are allowed up to four hours during the regular business day without penalty if time is required for doctors' appointments or similar partial day activities. They are expected to note their planned time on a PAN signed by their supervisor and logged in the Master Calendar. However, exempt employees will have a salary deduction or be placed on leave without pay for absences of more than four hours when accrued sick leave is not used by an employee for one or more of the following reasons:

- The employee did not request permission for accrued leave, or the request was denied;
- Accrued leave has been exhausted; or

The employee chooses to use leave without pay for the time taken instead of using accrued leave. An employee may elect to use accrued vacation leave after the employee's accumulated sick leave has been exhausted. An employee may also request a leave without pay if the employee has no accrued paid leave available. In the event an employee requests to use leave without pay to cover the remainder of their absence, AVTA may request that the employee provide a note from the employee's medical practitioner. For example, an employee who becomes ill while on vacation may have such period of illness charged to his accumulated sick pay balance provided that upon return to duty, the employee submits a written request for sick

leave accompanied with a written statement signed by his or her medical practitioner attesting to an illness and the dates of the illness.

AVTA reserves the right to request verification from a licensed health care provider for all absences exceeding 24 hours in an anniversary year. Sick pay may be withheld if the employee does not provide verification satisfactory to the Executive Director (or designee).

Accrued and unused sick pay may be carried over from year to year to a maximum of 320 hours. Once this maximum accrual is reached, all additional accrual will stop until an employee's usage brings it below the 320 hour maximum. Should your employment terminate, you will not be paid for unused sick pay. Employees who have accrued more than 320 hours of sick leave as of March 1, 2012 shall be allowed to carry the amount of sick leave in their banks at that time. Such employees shall not accrue any further sick pay until their sick pay bank falls below 320 hours.

312 - VACATION

AVTA provides vacation benefits to eligible employees for rest and relaxation. Only regular full-time employees are eligible to earn vacation benefits. Employees on approved leave of absence are not eligible to accrue vacation benefits during the leave.

Vacation accrual begins on the first day of employment. Earned vacation pay is calculated based on the employee's regular rate of pay at the time the vacation is taken. Eligible employees earn vacation benefits in accordance with the following schedule:

DRAFT

EMPLOYEES CLASSIFIED AS "EXEMPT:"

<i>SERVICE PERIOD</i>	<i>ACCRUAL PER PAY PERIOD</i>	<i>ANNUAL HOURS AVAILABLE</i>	<i>MAXIMUM ACCRUAL</i>
Beginning on the 1st day through the 1st anniversary year of continuous employment:	3.8462	100 hours	175 hours
Beginning on the 1st day of the 2nd anniversary year through the 2nd anniversary year of continuous employment:	4.1538	108 hours	189 hours
Beginning on the 1st day of the 3rd anniversary year through the 3rd anniversary year of continuous employment:	4.4615	116 hours	203 hours
Beginning on the 1st day of the 4th anniversary year through the 4th anniversary year of continuous employment:	4.7692	124 hours	217 hours
Beginning on the 1st day of the 5th anniversary year through the 5th anniversary year of continuous employment:	5.0769	132 hours	231 hours
Beginning on the 1st day of the 6th anniversary year through the 6th anniversary year of continuous employment:	5.3846	140 hours	245 hours
Beginning on the 1st day of the 7th anniversary year through the 7th anniversary year of continuous employment:	5.6923	148 hours	259 hours
Beginning on the 1st day of the 8th anniversary year through the 8th anniversary year of continuous employment:	6.0000	156 hours	273 hours
Beginning on the 1st day of the 9th anniversary year through the 9th anniversary year of continuous employment:	6.3077	164 hours	287 hours
Beginning on the 1st day of the 10th anniversary year through the 10th anniversary year of continuous employment:	6.6154	172 hours	301 hours
Beginning on the 1st day of the 11th anniversary year of continuous employment and thereafter:	6.9231	180 hours	315 hours

EMPLOYEES CLASSIFIED AS "NONEXEMPT":

<i>SERVICE PERIOD</i>	<i>ACCRUAL PER PAY PERIOD</i>	<i>ANNUAL HOURS AVAILABLE</i>	<i>ANNUAL DAYS ACCRUAL</i>	<i>MAXIMUM ACCRUAL</i>
Beginning on the 1st day through the 1st anniversary year of continuous employment:	3.0769	80 hours	10 days	140 hours
Beginning on the 1st day of the 2nd anniversary year through the 2nd anniversary year of continuous employment:	3.3846	88 hours	11 days	154 hours
Beginning on the 1st day of the 3rd anniversary year through the 3rd anniversary year of continuous employment:	3.6923	96 hours	12 days	168 hours
Beginning on the 1st day of the 4th anniversary year through the 4th anniversary year of continuous employment:	4.0000	104 hours	13 days	182 hours
Beginning on the 1st day of the 5th anniversary year through the 5th anniversary year of continuous employment:	4.3077	112 hours	14 days	196 hours
Beginning on the 1st day of the 6th anniversary year through the 6th anniversary year of continuous employment:	4.6154	120 hours	15 days	210 hours
Beginning on the 1st day of the 7th anniversary year through the 7th anniversary year of continuous employment:	4.9231	128 hours	16 days	224 hours
Beginning on the 1st day of the 8th anniversary year through the 8th anniversary year of continuous employment:	5.2308	136 hours	17 days	238 hours
Beginning on the 1st day of the 9th anniversary year through the 9th anniversary year of continuous employment:	5.5385	144 hours	18 days	252 hours
Beginning on the 1st day of the 10th anniversary year through the 10th anniversary year of continuous employment:	5.8462	152 hours	19 days	266 hours
Beginning on the 1st day of the 11th anniversary year of continuous employment and thereafter:	6.1538	160 hours	20 days	280 hours

Maximum Accrual and Annual Payout: Unused accrued vacation time may be carried forward to the following anniversary year but only up to a maximum accrual equal to the vacation hours that would accrue in one-and-three quarters (1-3/4) years of continuous service. When vacation accrual reaches the maximum as indicated above, you will stop accruing additional vacation time until your vacation bank is reduced below the maximum accrual limit.

Despite the maximum accruals listed above, AVTA recognizes that there may be rare circumstances where an employee may accrue more than the 315 hour maximum set forth above. In that circumstance, an employee shall be paid out all vacation hours accrued in excess of 315 hours at the fiscal year end (June 30), regardless of the employee's anniversary date.

Scheduling Vacation: You may request earned vacation time off by completing a PAN Form indicating the first day you wish your vacation to begin and the day that you plan to return to work. Whenever possible, this should be done at least two weeks prior to leaving for vacation. This form requires your signature as requestor and your supervisor's signature approving the work schedule. You must then submit the signed PAN request to your department manager who will provide you with final approval before you plan to take the time requested. Management will strive to accommodate each employee's choice. However, it does reserve the right to schedule vacations to accommodate business during the busy season.

Vacation time will not be paid in advance of earned accrual as outlined above. All earned vacation time will be paid at the employee's current base rate at the time the vacation is taken or paid.

Holidays Occurring During Vacation: If an observed AVTA holiday occurs during the employee's scheduled vacation, no deduction from accrued vacation will be made for the holiday.

Vacation Pay on Termination: Employees who terminate employment will receive all unused accrued vacation pay, calculated at the employee's base rate of pay at the time of and including the date of termination.

313 - PAID HOLIDAYS

AVTA observes ten full and two one-half paid holidays per calendar year. Regular full-time employees will receive their regular base rate of pay for each observed holiday listed below. Holiday pay is based on the number of hours individuals are normally scheduled to work. Regular part-time employees' holiday pay will be calculated based on the employee's regular pay rate (at the time of the observed holiday) for the regular scheduled hours the employee would otherwise have worked on that day. The following are considered paid holidays:

- **NEW YEAR'S DAY**
- **MARTIN LUTHER KING JR DAY**
- **PRESIDENTS' DAY**
- **MEMORIAL DAY**
- **INDEPENDENCE DAY**
- **THANKSGIVING DAY**
- **DAY AFTER THANKSGIVING**
- **CHRISTMAS EVE DAY**
- **CHRISTMAS DAY**
- **NEW YEAR'S EVE DAY**

- **LABOR DAY**

- **FLOATING HOLIDAY - 1 DAY**

Exact dates of the holiday schedule will be posted on the AVTA's employee bulletin board at the beginning of each calendar year.

When an observed and paid holiday falls on a weekend, the holiday will normally be observed as follows:

- A holiday that falls on a Saturday will normally be observed on the preceding Friday.
- A holiday that falls on a Sunday will normally be observed on the following Monday.

In order to be eligible to receive holiday pay, you must be a regular full-time or part-time employee and have worked the regular scheduled workday immediately preceding and following the holiday. If you are absent, or leave early on one or both of these days because of illness or injury management reserves the right to verify the reason for the absence before approving holiday pay. Holiday pay is pro-rated for part-time employees to match their normal work schedule.

Approved, scheduled vacation days will be considered "time worked" for considering eligibility of holiday pay. However, paid time off for holidays will **NOT** be considered "time worked" for the purpose of calculating overtime. If Management requests any eligible non-exempt employees to work on a recognized holiday, and the employee actually works on that day, in addition to receiving the holiday pay at the current base rate, the employee will receive 2 times their base rate of pay ("double time") for the hours worked on the holiday.

Floating Holiday: The floating holiday may be observed on a date requested by the employee and approved by his/her manager. The floating holiday must be used in full day increments during the fiscal year in which it was granted. Any unused floating holiday will be added to the employee's vacation bank.

314 - BEREAVEMENT PAY

Regular full-time or part-time employees are entitled to up to three days of leave, with pay, calculated at regular base rate, upon the death of an immediate family member. Employees may be granted up to five days off, with pay, calculated at regular base rate, to arrange and attend the funeral, if it requires over 200 miles of travel. For purposes of administering this policy, immediate family is defined as the employee's spouse, registered domestic partner, child, registered domestic partner's child, parent, parent in-law, brother, sister, grandparents and grandchildren, spouse's or partner's siblings, grandparents and grandchildren; or person legally acting in one of these capacities or another relative residing with employee. Up to one day, with pay, may be granted for the purpose of attending a funeral of family members other than those classified as immediate family. AVTA reserves the right to request that you submit satisfactory evidence with your request to take bereavement leave. Should additional time off in excess of the time provided for in this policy be necessary, you may take available vacation time. Such requests must be approved by the Executive Director (or designee).

315 - PAID BONE MARROW OR ORGAN DONOR LEAVE

In compliance with State laws, AVTA will grant full time regular employees, paid leave of up to five business days each year to serve as a bone marrow donor, or paid leave of up to 30 business days each year to serve as an organ donor. To be eligible for this leave, you must provide medical certification of your need for this leave and a written release to return to work at the conclusion of the leave. Benefits will continue to accrue and AVTA will continue and pay the employer portion of insurance premiums during the leave.

As a condition of this leave, you must apply up to five days of your accrued paid time off for the bone marrow donor leave and up to ten days of your accrued paid time off to the leave for the organ donor leave. If you require additional leave time to be a donor, you may apply available unpaid leave time as needed.

316 - PAID TIME OFF FOR JURY DUTY / WITNESS DUTY

AVTA understands the importance of your civic responsibility to be available to serve on jury duty or fulfill a summons as a witness. For this reason, the AVTA has established a policy of assuring compensation for work time lost due to jury or witness service up to a maximum of ten workdays. All regular employees called for jury duty including examination, or empanelment in service, or who are summoned as a witness shall be excused from work for the days on which they serve. For each workday of jury service, you will receive your regular rate of pay (for non-exempt employees, up to a maximum of the hours you are normally scheduled to work) up to a maximum of ten days. You must submit any notice you receive from the courts immediately upon receipt. This notice must be submitted to your immediate manager who is responsible for forwarding the notice to the Executive Director (or designee) and the Payroll Department.

317 - TELECOMMUTING

AVTA is not able to guarantee employees the opportunity to work from their homes or to telecommute. We will consider requests to telecommute where such requests are submitted in writing to both the direct supervisor and the Executive Director (or designee), describe the reason for the request; the need to telecommute, and the manner in which the employee can telecommute without experiencing any reduction in work quality, efficiency or productivity. All requests to telecommute shall be governed by the requirements and procedures described in AVTA's Telecommuting Policy and Procedure and Agreement ("Telecommuting Policy"). All employees are required to comply with AVTA's separate Telecommuting Policy.

If the request is approved, a memorandum outlining the telecommuting arrangements shall be executed between the employee and the Executive Director (or designee).

Safety, Efficiency and Property: If any employee is authorized to work from home or any off-site location, the employee must assure the AVTA that they can safely and efficiently perform all of their duties and responsibilities. The employee must agree to maintain his/her work areas free of all dangers, safety hazards, and risks that could endanger themselves, their family members or others. The employee must also agree to take all steps necessary to safeguard and protect all employer property and proprietary information.

Rest and Meal Periods and Records: Non-exempt employees who receive approval to work at or from their homes or any off-site location must comply with all record-keeping requirements and must accurately record all work time. They must also take meal and rest periods in accordance with applicable legal requirements and AVTA policies.

In addition, where approval is granted, the employee must comply with all personnel policies and safety standards. These include the policies against unauthorized overtime work and those concerning meal and rest periods, workplace safety and security and the Communication Policy as described in this handbook.

318 - PROFESSIONAL DEVELOPMENT

Management is committed to providing as many opportunities for continuing education as possible. During your regular course of employment, your supervisor/manager will attempt to give you as much assistance as possible in training you to do your job. Some employees may need to attend training programs, seminars, conferences, lectures, meetings or other outside activities for the benefit of the AVTA or the individual employee's job responsibilities. Attendance at such activities, whether required by management or requested by individual employees, requires the written approval of the Executive Director (or designee). If you wish to take advantage of this type of training or education, submit a written request detailing all relevant information, including date, hours, location, cost, expenses, and the nature, purpose and justification for attendance to your supervisor. Refer to the Travel, Training & Expense Policy for specific information about the costs, acceptable expenses and expense reimbursement.

For non-exempt employees, attendance at authorized outside training activities may be considered hours worked for calculating pay, depending on the circumstances.

AVTA reserves the right to request reimbursement for your school or training costs should you voluntarily resign within one year from the time you complete your training.

319 - TIME OFF TO VOTE

In accordance with most state election codes, AVTA will grant time off to vote without loss of pay only under the following conditions:

- The employee is a registered voter;
- The employee's regular schedule is such that the employee would not have sufficient time to vote without taking work time off;

The time requested be only at the beginning or end of the regular work schedule and will not exceed two hours. Under existing state voting laws, polls are open from 8:00 am until 8:00 p.m. on election days. Any request for paid time off to vote, must have the advance approval of your manager and the Executive Director (or designee).

320 - WORKERS' COMPENSATION INSURANCE

All of our employees are protected by Worker's Compensation Insurance for work-related injuries and illnesses. AVTA pays the entire cost of this insurance. This insurance provides, as prescribed by law, payments starting on the fourth day of disability unless you are hospitalized, in which case you do not have to wait for benefit payments. The first three days are covered

under our sick/emergency pay program if you are eligible. Payments may include disability pay, medical and hospital expenses. AVTA will pay for lost wages directly related to the injury for the day of the work-incurred injury only.

If you ever have an accident or injury on the job (no matter how minor), immediately report this incident to your supervisor/manager. Arrangements will be made to have you taken to a provider for medical treatment if necessary. If you prefer to have your personal physician treat you on the day of the accident, you must have filed a written notification with the AVTA, prior to the date of injury, indicating your preference and your personal medical provider's acceptance.

Please be aware that the law considers the false or material misrepresentation or submission of fraudulent facts in an effort to obtain workers' compensation benefit payments a felony, punishable by law.

321 - UNEMPLOYMENT INSURANCE

AVTA also pays the entire cost of your unemployment insurance benefits. Your state and federal funds allow for weekly benefits should you become unemployed through no fault of your own. Determination of your eligibility is made by the state with input from you and from AVTA. Please ask the Human Resources Department how to file a claim at the time of your separation from the AVTA; we will be happy to explain your rights under the law.

322 - EMPLOYEE PARKING

AVTA provides a secured parking area where employee vehicles may be parked during work hours. If you drive your personal vehicle to work, AVTA will issue the use of a transponder for your convenience. Upon entry of the secured parking area, you may park in this designated area. If space is not available, you must park off the property. There are spaces marked "for handicapped individuals." Do not park in these spaces unless you have an official permit. We require that you return your transponder at the time you leave on approved leave of absence, when you terminate employment with us, or at any time management requests the return.

Do not block aisles or other parked cars. Drive at a safe speed at all times. Park in authorized areas only. AVTA is not responsible for paying citations for employees who park in unauthorized areas. Lock your car, as the AVTA is not responsible for theft and/or damage to your vehicle while parked in the designated parking areas.

323 - USE OF AVTA-OWNED VEHICLES

Vehicles are available to eligible employees for conducting AVTA business. These vehicles are to be used for no other purpose than official AVTA business. Likewise, no employee may transport passengers in AVTA owned vehicles that are not on official business. Employees shall not utilize AVTA vehicles for personal reasons or benefit without specific advance permission of the Executive Director (or designee). Employees who are requested to drive vehicles for AVTA business or activities are required to submit proof of a current and valid driver's license and current automobile insurance coverage. If any employee's job function requires the transportation of participants or clients, or any official business use, the employee must report any restrictions, suspension or revocation of his/her driver's license within 24 hours of notice of

restriction, suspension, or revocation by the Department of Motor Vehicles. This must be reported to both the Director of Operations and Maintenance and the Executive Director (or designee).

AVTA vehicles are essential in conducting our business. Vehicles are a high-cost asset. As such, when using the vehicle, you are expected to exercise care, perform the required maintenance, and follow all operating instructions, safety standards and guidelines. Should any vehicle appear to be damaged, defective, or in need of repair, notify your supervisor/manager immediately. Your supervisor/manager will work with the Fleet Manager for proper repair and/or maintenance.

Employees must comply with this policy in order to be allowed to continue the privilege of driving AVTA vehicles. The improper, careless, negligent, destructive, or unsafe use or operations of our vehicles, as well as excessive or avoidable traffic and parking violations, may result in disciplinary action, which could include discharge from employment with AVTA.

324 - LIFE INSURANCE BENEFIT

	Class 1 (directors and above)	1.5 times annual salary
	Class 2 (all others)	1 times annual salary
Minimum/Maximum Life Coverage (\$)		\$50,000 - \$250,000

400 - LEAVES OF ABSENCE – UNPAID

401 - GENERAL INFORMATION/TERMS

AVTA may grant a leave of absence to employees in certain circumstances. All leaves of absences, if granted, will be granted **without pay**. It is important to request any leave in writing and as far in advance as possible. Employees are required to keep in touch with their manager and/or the Staff Accountant/HR Representative during the leave, and to give prompt notice if there is any change in their return to work date. If the leave expires and the employee fails to return to work without contacting their manager and/or the Human Resources Department, AVTA will assume the employee does not plan to return to work and that he/she has voluntarily terminated their employment.

Leaves are granted with the understanding that the employee will not obtain other employment or apply for unemployment insurance while on an approved leave of absence. Acceptance of other employment or application for unemployment insurance benefits while on leave will be treated as a voluntary resignation from employment at AVTA. Falsifying the reason for a leave is prohibited and will be considered a voluntary resignation or grounds for discharge.

Pay & Benefits

Accrued sick or vacation time may be used to augment short-term disability payments. Vacation and sick pay will not continue to accrue while the employee is on a leave of absence. Employees on approved leave are not entitled to holiday pay or bereavement pay. Upon return from a leave of absence, the employee will be credited with the full employment status that existed prior to the start of the leave. Performance reviews missed during the leave of absence will be given to the employee after a reasonable period time from when the employee returns to work. Employees returning from leave will have their original hire date retained.

How to Request a Leave of Absence

A request for a leave of absence must be submitted in writing, indicating the reason and period of time needed for the leave. The PAN form may be used for this purpose. This request must be submitted to the employee's manager or director, who will coordinate the designation of leave(s) with the Human Resources Department or Executive Director (or designee). Such leaves of absences, if granted, will be granted **without pay**.

Reinstatement

While on approved leave, the AVTA will make every effort to hold the employee's job open for the period of the approved leave. However, due to business needs, there may be times when positions cannot be held open. Accordingly, it is not possible to guarantee reinstatement to the same position.

If the position is unavailable when the employee is able to return from an approved leave, every effort will be made to place the employee in a comparable position for which they are qualified. If such a position is not available, the employee will be offered the next available and suitable position for which they are qualified. If the employee does not accept the position offered, the AVTA may consider the refusal as a voluntary resignation from employment, effective the day such refusal is made.

The following are types of leaves that may be considered and or granted at the AVTA's discretion except where mandated by law.

402 - PREGNANCY DISABILITY LEAVE (PDL)

In accordance with the requirements of applicable state and federal law, AVTA will grant pregnancy-related leaves of absence. Regular full-time and part-time employees who are disabled due to pregnancy are eligible for a maximum of four months (or 88 work days for full-time employees) leave per pregnancy upon medical certification of the health care provider that the employee is disabled due to pregnancy.

Additionally, if the health care provider certifies a transfer to lighter duty, AVTA will attempt to provide light duty if possible. Upon return from the leave of absence, the employee will be returned to the employee's same position; however, in certain circumstances, reinstatement may be impossible. Such circumstances may include being in a layoff situation, or if the employee's

absence would substantially undermine AVTA's ability to operate safely or efficiently. An employee returning from a pregnancy-related leave of absence has no greater right to reinstatement than if the employee had been employed continuously rather than on leave.

Pregnancy leaves of absence will run concurrently with time off under the FMLA but will not be counted against an employee's time off available under the CFRA. AVTA may require employees on pregnancy-related leaves of absence to use paid sick leave, if available. Employees on pregnancy-related leaves of absence may choose to use accrued vacation, sick leave, and/or administrative leave during the leave. The employee may request the application of any leave credits by submitting a request in writing to her supervisor, specifying the amount of leave credits to be so applied. All such payments will be coordinated with any short-term disability or other wage reimbursement benefits for which she may be eligible. At no time shall an employee receive a greater total payment than the employee's regular salary.

AVTA will continue to pay all applicable group insurance premiums which it ordinarily pays on behalf of the employee during the pregnancy-related leave of absence, including medical, dental and vision plan premium payments for a maximum of four months and on the same terms and conditions as if the employee were actively working. The employee must continue to pay the employee portion of the insurance premium during the leave of absence. Failure by the employee to make this premium payment may result in a loss of benefits. Employees whose paid coverage ceases after four months may continue their group health insurance coverage through AVTA in conjunction with federal and state COBRA guidelines by making monthly payments to the AVTA, or its designee, for the amount of the relevant premium. Please contact the Human Resources Department or Executive Directors (or designee) for further information regarding continued health insurance coverage.

At the conclusion of the pregnancy-related leave of absence, a medical certification from the health care provider stating the employee is released to return to work will be required. All requests for pregnancy-related leaves of absence should be received, if possible, at least thirty (30) days prior to the start of the leave. Returning employees should notify AVTA at least five (5) work days prior to return. Employees failing to return on the assigned date may be considered to have voluntarily resigned.

403 - WORK RELATED DISABILITY LEAVE

AVTA will grant a work related disability leave if an employee experiences an injury or illness related to work. A leave of absence for a work-related disability shall be administered in accordance with applicable laws. As an alternative and whenever possible, AVTA will reasonably accommodate such employees with modified work.

Notice and Certification Requirements - Employees must report all accidents, injuries and illnesses no matter how small to their immediate manager, Human Resources Department, and Executive Director (or designee) in addition, the employee must provide AVTA with a certification from the designated health-care provider.

Compensation During Leave - Work related disability leaves are granted without pay. However, employees may utilize accrued time off during the leave. All such payments will

be coordinated with workers' compensation, short-term disability or other wage reimbursement benefits for which the employee may be eligible. At no time shall an employee receive a greater total payment than the employee's regular salary.

Health Coverage During Leave - Employees on work related disability leave longer than four months may continue their group health insurance coverage through AVTA in conjunction with federal and state COBRA guidelines by making monthly payments to AVTA or their designee for the amount of the relevant premium. Health insurance will be continued by AVTA during the first four calendar months of the leave. Employees must pay the employee contribution portion of the dependent premiums while the employee is on leave of absence. Employees must contact the Human Resources Department or Executive Director (or designee) for more detailed information and to make arrangements for continuation of insurance.

Job Reinstatement - AVTA will retain employees on a leave of absence for work-related disabilities until one of the following situations occurs:

- The employee is released for full or partial duty or with modifications. Employees who provide a health care provider's statement that indicates the employee is fit to return to work, will be returned to their former position, if possible, or will be offered the first available opening in a comparable position for which the employee is qualified. AVTA will attempt to reasonably accommodate an employee who is provided with medical restrictions.
- AVTA receives medical evidence that the employee will be permanently unable to return to work, or
- The employee directly or indirectly informs AVTA that he/she does not intend to return to the work. For example: by accepting other employment that is inconsistent with the intent to return to the job, moving out of the state, etc.

404 - MEDICAL DISABILITY LEAVE

Under the FMLA and/or California Family Rights Act (CFRA), an unpaid leave of absence may be granted to employees who have worked for AVTA for at least 12 months, a minimum of 1,250 hours in the 12 months preceding the leave, and who are employed at a work site where 50 or more employees are employed by AVTA within 75 miles of that work site. Such employees may be eligible for a leave where they have a bona fide need to care for a seriously ill parent, spouse or child, or for the birth or adoption of a child, or the placement of a foster child. In addition, eligible employees may be granted an unpaid leave of absence caused by their own serious health condition which prevents them from working. Eligible employees may qualify for Military Caregiver Leave or Military Qualifying Exigency Leave under the FMLA, as defined below. All leaves under this policy are referred to as "Medical or Family Care LOA." Unless stated otherwise, the maximum allowable time for any Medical or Family Care LOA under this policy is 12 weeks per a rolling 12 month period. Where possible, Medical or Family Care LOAs under both FMLA and CFRA will run concurrently.

Employee Notice

Employees must provide sufficient information for AVTA to determine if the leave may qualify as a Medical or Family Care LOA, as well as the expected timing and duration of the leave. Sufficient information may include that the employee is unable to perform job functions, the family member is unable to perform daily activities, the need for hospitalization or continuing treatment by a health care provider, or circumstances that support the need for Military Caregiver Leave or Military Qualifying Exigency Leave as indicated below. Employees also must inform AVTA if the requested leave is for a reason for which Medical or Family Care LOA was previously taken or certified. When possible, AVTA requests 30 days' notice of the need for leave in order to plan for work coverage. If 30 days' notice is not possible, then employees must provide as much notice as practicable under the circumstances and must follow AVTA's call-in and/or attendance policies.

AVTA Notice

Once an employee provides sufficient information, AVTA will notify the employee (a) whether the employee is eligible for Medical or Family Care LOA and, if so, (b) whether any additional information is required, and (c) the employee's rights and responsibilities regarding such a leave. AVTA will also notify an eligible employee who has requested Medical or Family Care LOA if the requested leave will be designated as FMLA/CFRA protected leave and counted against the employee's leave entitlement.

If AVTA determines an employee is not eligible for Medical or Family Care LOA, AVTA will provide at least one reason for ineligibility. AVTA will also inform the employee if it determines that the requested leave does not qualify for FMLA/CFRA protection.

Employees not eligible for a Medical or Family Care LOA may be eligible for an unpaid leave of absence due to their own disability or medical condition, which will be assessed by AVTA on a case-by-case basis. AVTA cannot guarantee reinstatement to employment at the conclusion of such a leave.

Serious Health Condition

To qualify for a Medical or Family Care LOA, an employee must have a serious health condition. A serious health condition is an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee's job, or prevents the qualified family member from participating in school or other daily activities. The FMLA definitions of "serious injury or illness" for current servicemembers and veterans are distinct from the FMLA definition of "serious health condition."

Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than three (3) consecutive calendar days combined with at least two (2) visits to a health care provider or one visit and a regimen of continuing treatment, or incapacity due to pregnancy (under FMLA only), or incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment.

Certification of Need for Medical or Family Care Leave of Absence

AVTA may require an attending health care provider's certification of the employee or family member's serious health condition. AVTA may also require periodic recertification supporting the need for leave. In any case in which AVTA has reason to doubt the validity of any medical certification provided to support an employee's request to take Medical or Family Care LOA because of the employee's own serious health condition, AVTA may require the opinion of a second and third health care provider consistent with state and federal law.

Military Qualifying Exigency Leave

Eligible employees under FMLA may be provided up to twelve (12) weeks of leave in a rolling 12 month period when the employee has a qualifying exigency arising out of the fact that a spouse, son, daughter, or parent is on covered active duty or has been called to covered active duty in the National Guard or Reserves or Armed Forces. "Qualifying exigency" is defined by law as: (1) short-notice deployment, (2) military events and related activities, (3) childcare and school activities, (4) financial and legal arrangements, (5) counseling, (6) rest and recuperation, (7) post-deployment activities, (8) parental care, and (9) additional activities where the Company and employee agree to the leave. Time off for Military Qualifying Exigency Leave counts towards the 12-week maximum allowable time for Medical or Family Care LOA under FMLA.

Military Caregiver Leave

Eligible employees under FMLA will be provided up to ten (10) days of leave during a single 12-month period to care for a covered servicemember. A covered servicemember is the employee's spouse, son, daughter, parent, or next of kin (meaning "nearest blood relative" or person "specially designated") who is a current member of the armed forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation, therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retirement list, for a serious injury or illness, and includes veterans who were members of the Armed Forces, National

Guard or Reserves, any time during the past five (5) years, who is undergoing medical treatment, recuperation, or therapy for a serious injury or illness, and was discharged or released under conditions other than dishonorable. An employee may take a maximum combined total of 26 weeks of leave for Military Caregiver Leave and Medical or Family Care Leave or Military Qualifying Exigency Leave in a single 12-month period.

During Medical or Family Care Leave of Absence

When an employee is taking an unpaid Medical or Family Care LOA for the employee's own serious health condition, the employee may elect, or AVTA may require, the use of accrued but unused vacation time and/or available sick leave, except where the employee is receiving paid leave benefits (state disability insurance, workers' compensation, or paid family leave), then the employee and AVTA must agree on the use of sick and/or vacation time to supplement such benefits. When an employee is taking an unpaid Medical or Family Care LOA to care for a seriously ill family member, AVTA may require the use of accrued but unused vacation time, or the employee may elect to use available sick leave. In order to use any accrued paid leave time, employees must comply with AVTA's normal paid leave policies.

During a Medical or Family Care LOA, AVTA will continue to pay all applicable group health insurance premiums which it ordinarily pays on behalf of the employee. Employees must continue to pay the employee portion of the insurance premium during the leave of absence. Failure by an employee to make the employee's premium payment may result in a loss of benefits. If the employee fails to return from this leave, in some circumstances, AVTA may attempt to recoup the cost of the insurance premiums paid on behalf of the employee during the leave.

Employees need not use their Medical or Family Care LOA entitlement in one block. Such a leave may be taken intermittently or on a reduced leave schedule when medically necessary. Employees must make reasonable efforts to schedule leave for planned medical treatment so as not to unduly disrupt AVTA's operations.

Returning to Work from Medical or Family Care Leave of Absence

Employees returning to work upon conclusion of the Medical or Family Care LOA will be returned to their original position or to an equivalent position with equivalent pay and benefits, provided such job would have been available had the employee not taken the leave. Prior to returning to work, where the leave of absence is for the employee's own serious health condition, the employee must provide AVTA with certification from the attending health care provider indicating the employee is able to resume the employee's work.

Failure to return to work from a Medical or Family Care LOA on the designated date may be interpreted as the employee's voluntary resignation. If the employee returns to work outside of the legally allotted time for such a leave, the employee will only be reinstated if there is an available open position which they are qualified to fill.

FMLA/CFRA Protections

Use of any of the leaves permitted by the FMLA and the CFRA cannot result in the loss of any employment benefit that accrued prior to the start of an employee's leave.

It is unlawful for employers to interfere with, restrain, or deny the exercise of any right provided under the FMLA or the CFRA or to discharge or discriminate against any person for opposing any practice made unlawful by either law or for involvement in any proceeding under or relating to the FMLA or the CFRA. The FMLA does not affect any federal or state law prohibiting discrimination, or supersede any state or local law or collective bargaining agreement which provides for greater family or medical leave rights.

If employees believe that they have been aggrieved, they may file a complaint with the U.S. Department of Labor or may bring a private lawsuit against an employer.

405 - MILITARY DUTY LEAVE

Employees who serve in the Military and take Military leave of absence must submit written verification from the appropriate military authority. Such leaves are granted without pay. The AVTA will reinstate those employees returning from military leave to their same position or one of the comparable seniority, status, and pay if they: 1) obtain and provide a certificate of satisfactory completion of service; 2) apply within three months after release from active duty or within such extended period, if any, as their rights are protected by law; and 3) are qualified to fill their former position.

Exceptions to this policy will occur wherever necessary to comply with applicable laws.**406 - SCHOOL ACTIVITIES AND SCHOOL VISITS LEAVE**

Under certain circumstances, eligible employees may be entitled to take time off without pay to participate in activities of their child's school or a licensed day care facility. This leave also covers unplanned school disciplinary meetings concerning their child. In order to be eligible for time off under this policy, any employee must be a parent, guardian, or grandparent of a child who is in kindergarten or a grade between 1 and 12, inclusive, or attending a licensed child day care facility. In addition, the employee must provide reasonable notice of the planned absence to the Human Resources Department before taking the time off. AVTA limits time off for this purpose to 40 hours in any single year or no more than eight hours off in any calendar month.

Any employee who is granted time off under this leave, must utilize any earned vacation time, if available. In addition, the AVTA may require documentation from the school or licensed day care facility be submitted to substantiate the fact the employee participated in the activity on a specific date and time.

407 - VICTIMS OF DOMESTIC VIOLENCE, SEXUAL ASSAULT, AND OTHER CRIMES

If any employee is the victim of domestic violence or sexual assault, time off may be necessary to seek judicial relief to help ensure the health, safety, or welfare of the employee or a child. This may include efforts to obtain a restraining order, or other injunctive relief from a court.

If any employee needs time off from work for one of these purposes or any other purpose protected by law, reasonable written notice must be provided to the Executive Director (or designee). If an unscheduled or emergency court appearance is required for the health, safety or welfare of the domestic violence or sexual assault victim or a child, the employee must provide evidence from the court or prosecuting attorney that he or she has appeared in court within a reasonable time after the court appearance.

408 - VOLUNTEER CIVIL SERVICE LEAVE

AVTA will grant unpaid time off to any employee who is required to perform emergency duty as a volunteer firefighter, or other legally eligible emergency personnel or reserve peace officers. In the event that any employee needs to take time off to perform such emergency duty, the manager and the Executive Director (or designee) must be informed immediately of call for duty. AVTA will allow unpaid time off for the term of your duty not to exceed 14 days per calendar year to engage in fire or law enforcement training or duty.

409 - LITERACY ASSISTANCE

AVTA wishes to assist employees who require time off to attend an adult literacy education program. Any employee who needs time off to attend such a program should inform the Executive Director (or designee). AVTA will make reasonable accommodations for the employee by providing unpaid time off unless it would cause an undue hardship for the department to do so. Every effort will be made to safeguard the privacy of the fact that an employee is enrolled in an adult literacy education program.

410 - JURY DUTY AND WITNESS DUTY

Employees required to serve on jury duty may do so for the length of time necessary. Except for the first ten days (see Section 316), AVTA does not compensate employees for any remaining time served on jury duty. Employees may request use of their accrued vacation time to apply toward unpaid juror service. Exempt employees will receive their full weekly salary for any week in which they perform any work and also serve on a jury. Employees must notify their manager and the Human Resources Department immediately upon receipt of notification to appear by submitting a copy of the summons to appear.

Employees shall report to work on days they are excused from jury or court duty and on days in which he/she can work at least three hours during their regular workday.

411 - PERSONAL LEAVE

Full and part-time regular employees may request a personal leave of absence without pay for a reasonable period of time not to exceed one month. Requests for extensions of personal leave due to special circumstances will be considered and determined on an individual basis.

Personal leaves are not guaranteed. Requests for a personal leave will be considered on the basis of a combination of factors, including the employee's length of service, performance, position, responsibility level, the reason for the request, whether other individuals are already out on leave, and the expected impact of the leave on operations at AVTA.

Requests for leaves must be submitted to the Human Resources Department in writing and approved by the Executive Director (or designee). Requests for extensions of personal leave must also be submitted in writing and approved in writing before the extended period of a leave begins. AVTA is not able to guarantee reinstatement from a leave in all circumstances, and will make a reasonable effort to return an employee to his or her former position or a comparable position for which the employee is qualified. It is the employee's responsibility to be available and report to work at the end of the approved leave. Any employee who fails to report to work on the day after the leave expires will be considered to have voluntarily resigned.

500 - PERFORMANCE AND CONDUCT

501 - PHILOSOPHY OF EMPLOYEE MANAGEMENT

It is AVTA's philosophy that we can best provide quality services by creating an environment where employees are motivated by a desire to contribute to our business goals. We believe this can best be achieved in an atmosphere of mutual trust and respect between management and employees. We believe that employees with healthy morale benefit our mission, and that creates a pleasant and comfortable work environment for employees and management. It is AVTA's practice to document all relevant performance regardless of an employee's at will status. A supervisor is expected to help employees achieve excellence in performance by providing expertise, feedback, and training through coaching.

502 - STANDARDS OF CONDUCT

AVTA requires order and discipline to succeed and to promote efficiency, productivity, and cooperation among employees. For this reason, it may be helpful to identify some examples of unacceptable conduct that may lead to disciplinary action, including immediate discharge from employment. Although it is not possible to provide an exhaustive list of all types of impermissible conduct and performance, following are some examples:

- Rude, discourteous, abusive or inconsiderate treatment of a member of the public, employee of a contractor, supplier, any member of management, any member of the Board of Directors, co-worker or any visitor to AVTA.
- Disregard of AVTA's standards of conduct.
- Obtaining employment based on false or misleading information, or falsifying information or making material omissions in any AVTA document or record.
- Malicious or willful destruction or damage to the AVTA's property or supplies, or the property of another employee, contractor, supplier or any visitor.

- Theft or unauthorized removal or possession of property from the AVTA, fellow employees, contractor employees, or anyone visiting the workplace.
- Bringing dangerous or unauthorized materials, such as explosives, firearms, perceived weapons, or other similar items into the workplace.
- Possession, distribution, sale, use or being under the influence of alcohol or illegal drugs while on duty or while operating a vehicle or potentially dangerous equipment leased or owned by the AVTA.
- Unsatisfactory performance or conduct.
- Insubordination, including improper conduct toward a supervisor or refusal to do assigned work in the appropriate manner.
- Noncompliance with or disregard of safety rules or safe work practices.
- Excessive lateness or absenteeism from work without acceptable justification.
- Falsifying or destroying any timekeeping record, recording work time for another employee or asking another employee to record work time for you.
- Leaving work premises or your job during working hours without notification or without proper authorization.
- Actual or threatened violence or any other action that endangers others, property, or disrupts work.
- Sleeping or appearing to be asleep on the job.
- Smoking in unauthorized areas within or outside our work sites.
- Harassment, threats, intimidation or coercing any other employee, or otherwise violating AVTA's policy against harassment.
- Failure to abide by set standards for lunch and break periods, and working unauthorized overtime.
- Maintaining or engaging in an outside business or financial interest that conflicts, in any manner, with the interest of our business.
- Conduct otherwise incompatible with the interests of our business.
- Disclosing confidential or proprietary information to unauthorized parties.
- Entering the work site or remaining on the premises while not on duty without authorization.

- Using AVTA equipment, time, materials and facilities for personal use, without proper authorization.
- Failure to comply with AVTA's policies, procedures and practices.
- Failure to immediately report an on-the-job injury or illness.
- Falsifying expense reports.
- Accepting bribes or gifts or other forms of compensation from current or potential contractors, vendors, or competitors without the expressed approval of Executive Management.

It should be remembered that employment is at the mutual consent of the employee and AVTA. Accordingly, either the employee or AVTA can terminate the employment relationship at will, at any time, either with or without cause or advance notice.

503 - POSITIVE DISCIPLINE PROCESS

Positive Discipline is designed to develop and maintain an employee workforce committed to delivering high quality service by emphasizing the individual employees' own responsibility for his/her performance and behavior. This is accomplished through coaching for performance enhancement, problem solving, and formal discipline.

There may be three levels of discipline prior to discharge. Any of the three levels of formal discipline may be issued without following the normal sequence when a single incident is considered serious enough to warrant such action. These levels are:

First Written Reminder.

This is the first level of formal discipline. It consists of a discussion between a supervisor and an employee, during which the supervisor seeks the employee's agreement to change behavior or performance and correct the problem, followed by a letter from the supervisor to the employee.

Second Written Reminder.

This is the second level of formal discipline. It consists of a formal conversation between the supervisor and the employee about a continuing or serious performance problem or a rule violation. This conversation is followed by the supervisor's letter to the employee, stating the specific reasons for the reminder.

Decision-Making Leave (DML).

A third and final formal level of discipline may be offered to an employee. If offered, it consists of a discussion between the supervisor and the employee about a very serious performance problem or failure to follow AVTA policies, rules and regulations. The employee is made aware that he or she must decide whether the employee is willing to make a commitment to change job performance and

behavior. This decision will require total commitment by the employee to meet all AVTA work rules and performance standards. This discussion is followed with the supervisor's letter to the employee stating the specific reasons for the DML including the information from the prior reminders.

The employee will then be placed on a DML with pay the following work day and must decide whether they are willing to make the required commitment, in order to be allowed to continue working for AVTA.

The employee reports the decision to his/her supervisor the day after the DML through a written commitment to the supervisor on how he or she will successfully correct work performance and behavior. The supervisor may require the employee to amend their written plan for correcting the behavior when the supervisor deems it insufficient. This is an extremely serious step since the employee will be discharged for subsequent failure to meet AVTA work rules and standards. Only one (1) active DML is allowed at any time.

No other levels of formal discipline, except discharge, will be administered while the DML is active.

Discharge.

The AVTA may discharge an employee when it determines that a single offense is of such a serious nature that the use of progressive, Positive Disciplinary procedure is not appropriate.

Violations of the Drug Free Workplace Policy and Attendance Policy will be administered separately from the Positive Discipline Policy.

504 - TERMINATION OF EMPLOYMENT

Following are examples of some of the most common circumstances under which employment is terminated:

- Resignation (Voluntary Quit): employment termination initiated by the employee who chooses to leave their employment voluntarily. AVTA requires this notification to be submitted in writing indicating the intended last day worked. Management would appreciate, but does not require, a two-week notice of resignation from the employee whenever possible.
- Discharge: employment termination initiated by management with the support of Human Resources.
- Layoff: involuntary employment termination initiated by management for business reasons, as a result of reorganization, economics, contract completion, and/or position elimination.
- Retirement: voluntary retirement from active employment status initiated by the employee.

Your supervisor/manager will schedule an exit interview for terminating employees with the Human Resources Department. The exit interview will afford an opportunity to discuss such issues as employee benefits, conversion privileges, repayment of outstanding debts, or return of employer-owned property. Suggestions, complaints, and questions can also be discussed. During the exit interview, the employee shall return all AVTA-furnished property, equipment, property and documentation. At this time, employees will receive their final pay in accordance with applicable state law. Upon termination, accrued benefits that are due and payable at termination will be paid. Some benefits may be continued at the employee's expense if the employee so chooses. The employee will be notified in writing of the benefits that may be continued and of the terms, conditions, and limitations of such continuance.

505 - ACCESS TO PERSONNEL FILES AND PAYROLL RECORDS

AVTA shall maintain a personnel file on each employee. The personnel file shall remain in the office of the Executive Director (or designee) and shall contain all official records related to an employee's employment with AVTA. Personnel files shall not be removed from the office without approval of the Executive Director (or designee).

Personnel files are the property of AVTA, and contain confidential information. The Executive Director (or designee) shall have the responsibility to control access to personnel files. Generally, only the Executive Director (or designee), and the immediate supervisor and managers in the direct organizational line or chain of command above the employee may review an employee's personnel file. A supervisor or manager who is considering an employee for promotion or transfer may review the personnel file of the employee. Other management personnel and officials of AVTA, who have a legitimate reason to review information in a file, may be allowed to do so, on a case-by-case basis.

Employees may request the opportunity to inspect the contents of their own personnel file. The records available for your review will generally include documents directly related to or used to determine your qualifications for, and the terms and conditions of employment, promotion, compensation, termination or corrective action such as your employment application, internal transfer/promotion requests, change of status forms, performance reviews and disciplinary documentation. You may take notes related to documents in your personnel file; however, no alteration of these records is permitted, nor can a document be added to or removed from the file at the time of the review. Requests for review must be submitted to the Executive Director (or designee) who will respond to the request in a reasonable time and no later than five business days. The actual inspection will be held in the presence of the Executive Director (or designee). Employees are usually given copies of documentation that is signed by them and entered into their personnel file. Employee must complete and sign AVTA's "Request for Access To Personnel file" form, which is included as an attachment to this manual.

It is the responsibility of each employee to promptly notify AVTA of any changes in personnel data so that all information contained in personnel files is up-to-date. Personal mailing addresses, telephone numbers, number and names of dependents, individuals to be contacted in the event of an emergency, educational accomplishments, and other such status reports should be accurate and current at all times. If any personnel data has changed, employees are required to notify the Human Resources Department as soon as reasonably practicable.

An employee may request a copy of documents from his/her personnel file that the employee has previously signed, and may be charged for copies of Personnel file documents. No person authorized to review a personnel file may remove a document from a personnel file. Medical records regarding an employee shall be maintained in a file separate from the personnel file, in a manner so as to protect the privacy of the medical information pertaining to the employee.

Payroll Records: Employees may submit a written or verbal request to inspect a copy of their payroll records. These requests must be submitted to the Finance Department. The Finance Department will honor the request within 21 days of the date the request is received.

Where an inspection request is made by a former employee, the individual may be required to provide satisfactory evidence of his or her identity.

506 - JOB REFERENCES

It is the policy of AVTA not to provide any job references for current or former employees. Accordingly, if any employee or representative of the AVTA is asked for information of any kind, such as job reference or pay verification, the individual should be directed immediately to the Executive Director (or designee), without making any "off the record" statements. The only information that will be provided by the Human Resources Department is confirmation of the dates of employment and position held. This policy extends to all forms of information about the current and/or former employee. It extends to information regarding inquiries about an individual's performance, character, attitude, and attendance, compensation, credit information, background, employment history, conduct, penal history, family circumstances, or domestic issues.

Since employee information and records are considered private, strict adherence to this policy is mandatory. Any individual who violates this policy will be subject to disciplinary action, up to termination from employment.

507 - LAYOFF POLICY

AVTA strives to provide an equitable balance between staffing resources and productivity. Accordingly, we attempt to avoid cutbacks and reductions in force whenever feasible. However, if AVTA determines that a reduction in the workforce is warranted because of cancellation of a project, lack of work, reorganization, or other considerations, the following factors will be considered:

The operational needs of AVTA and the employee's performance and demonstrated job skills, productivity, and ability to perform the available work will be the primary criteria in determining the order of layoff of employees.

In general, a layoff is expected to result in final loss of employment, therefore all earnings and unused accrued vacation and floating holidays will be paid out on the last day of employment. Extension of benefits and other important employee information will be provided and discussed during an exit interview that will be conducted with all individuals on the last day of employment.

508 – JOB ABANDONMENT

An employee's failure to report to work with no call-in for three consecutive scheduled workdays, or a failure to return from an approved leave of absence or vacation, as job abandonment and consider the employee to have voluntarily resigned. In addition, an employee's acceptance of alternate employment during an approved leave of absence will be considered as a voluntary resignation.

600 - SAFETY & HEALTH

601 - SAFETY STATEMENT

In order to achieve our goal of providing a completely safe workplace, everyone must be safety conscious. Every employee is responsible for safety. Please report any unsafe or hazardous conditions directly to your manager immediately. Every effort will be made to remedy problems as quickly as possible.

In keeping with this commitment, we have established an Injury and Illness Prevention Program (IIPP) as part of its safety program. A copy of this written program is available for your review in the Operations Office. Employees must understand that compliance with safety requirements is a condition of employment and may be evaluated, together with other aspects of an employee's performance, as part of the performance appraisal process. It is therefore essential that all employees comply fully with the standards and practices that are designed by management to promote a safe and healthful working environment. As part of our policy, management has established programs to train and retrain employees as appropriate to assist them to avoid dangerous or unhealthful conditions and to remedy problems or hazards before they cause accidents or injuries.

Part of our safety plan will include safety meetings, training programs, posting safety notices and safety tips, and provides for periodic communications to employees regarding safety matters. Periodic inspections to identify unsafe conditions and work practices as well as investigations of occupational injuries and illness will be conducted in all workplaces. Every effort is made to correct unsafe or unhealthy conditions, work practices, or procedures in a timely manner. It is essential that all employees cooperate in achieving these objectives and assist the management to provide a safe workplace for everyone.

General Safety Rules for all Employees: The following is a listing of general safety rules that are most important, but certainly not all encompassing. Failure to observe any safety rule may result in disciplinary action up to and including termination of employment.

- All injuries or accidents, no matter how minor, must be reported to your supervisor/manager, Human Resources Department or the Executive Director (or designee) immediately. Follow all established safe job procedures. Changes in regular job procedures require the approval of your manager.
- Machines and equipment must be maintained in safe operating condition, and operated and inspected according to the manufacturer's recommendations.
- All defective equipment must be reported to your manager immediately. Only designated personnel may make repairs to this equipment.

- Keep aisles and walkways clean and clear. This applies to all fire doors, exits and entrances. Keep your workplace clean and orderly.
- Clean up spills as soon as possible, as this is a slip hazard.
- Keep your workplace clean. Dirty and disorderly conditions are the cause of many accidents and fires.
- Wear clothing to work that is in compliance with AVTA's dress code policy.
- Do not wear headphones or any audio devices while working around moving vehicles or equipment.
- Never engage in roughhousing or practical jokes. Serious injury may result from such actions.
- Never operate any equipment unless you have been trained on it.
- Fighting or horseplay is prohibited at all times.
- Always walk, never run.
- Safely lift heavy objects.
 - Do not lift any load over 50 lbs. by yourself; get help.
 - Face the load squarely and secure a firm footing with your feet properly spread.
 - Bend your knees and get a grip on the load
 - Keep a straight back and lift by straightening your legs.
 - Lift gradually, not suddenly.
 - Keep the load close to your body and do not twist your body.

602 - FITNESS FOR DUTY

Each employee is expected to arrive for work punctually and be fit to perform all applicable duties and responsibilities. Employees who report to work or appear to become unfit to perform their job duties. Fitness for duty is essential if the employee is to perform his or her assigned duties and tasks satisfactorily. If you report to work and are deemed to be unable to perform the functions of your job, you may be sent home, with or without pay, until you are able to satisfactorily perform the functions of your assigned job.

603 - RECREATIONAL ACTIVITIES AND PROGRAMS

Participation in social events or sporting games sponsored by AVTA is encouraged but not mandatory. If you participate in any AVTA sponsored activities, understand that you do so, on a purely voluntary basis. Please remember that these activities are not considered part of your job duties, and that you agree to participate with the understanding that neither AVTA, nor its insurer, may be held liable for any accidents or injuries that arise out of participation in these activities.

604 - SMOKING

Smoking is prohibited within the interior of all of our work sites, facilities and AVTA owned vehicles. "Smoking" is defined as holding a lit cigar or cigarette or lighted pipe of any kind. It also includes the emitting or exhaling of smoke of any kind. Those wishing to smoke may do so in the designated smoking areas outside. Smoking is permitted only in the designated marked areas before starting time, during breaks or lunch and after work. Failure to comply with this policy will result in disciplinary action.

This policy applies equally to all employees, temporaries, vendors, the public, suppliers, and visitors.

605 - EMERGENCY PREPAREDNESS

Emergencies include all accidents, medical situations, earthquakes, fire, and other threats of violence. AVTA has developed a written Emergency Preparedness Plan, which is part of our Injury and Illness Prevention Program. The following information is provided as guidance should you become aware of an emergency in the workplace:

Fire - Tips:

- Closing doors - reduces the amount of oxygen the fire needs to burn.
- Using water - reduces heat
- Using Type B, C extinguishers - smothers the fire from reduction in oxygen.
- Removing nearby plastics, papers, wooden pallets/crates - takes away the sources of fuel for the fire.

Here is what you should remember to do:

- In an emergency, use regular exits and or emergency exits.
- If you encounter smoke, get down on your hands and knees. Air is cleaner and cooler close to the floor; then crawl to the nearest exit.
- Do not panic - experiencing a sudden overpowering terror usually comes from not knowing what to do.

- If your clothes catch on fire, stop where you are, drop down to the ground while covering your face with your hands and roll on the flames to smother them. Remember, **STOP, DROP, ROLL**.
- If you can, cool a burn with cold water for 15 to 20 minutes, get medical attention if available.

Earthquake - Tips:

- During an earthquake, get under a desk or table - protect your head.
- Stay away from windows and/or objects that can fall.
- Do not be surprised if electricity goes off.
- Do not smoke or use matches or lighters in case there are gas leaks.
- After an earthquake, check for injured; assist and locate First Aid and/or call 911; use your cell phone if the regular telephone system does not work.
- Check for fires.
- Open doors carefully, watch for falling objects.
- Arrange protection from debris and broken glass.
- Cooperate with public safety officials.
- Be prepared for aftershocks. Above all, remain calm.

Bomb Threat - Tips:

Should you receive a written threat or suspicious package, prevent anyone else from handling it.

Notify the Executive Director (or designee) and/or the highest level of authority at your work area.

Follow instructions of the trained Emergency Response Team.

Should you receive a telephone threat, remain calm and write down the exact wording of the threat. Ask questions such as:

- When is the bomb going to explode?
- Where is the bomb right now?
- What does it look like?

- Why are you doing this?

While on the telephone, listen to any background sounds, as well as the caller's voice and any noticeable accent. Do not put the caller on hold and do not hang up until the caller does. Immediately notify the top official at the work site.

Medical Emergency -Tips

First aid may be administered by trained personnel only. If you are not trained, do not attempt to assist the injured party. Call the Paramedics by dialing 911; or inform the management at your facility so that they may request assistance.

Remain with the injured party, keep him/her comfortable and warm - do not attempt to move them.

AVTA does provide CPR and First Aid training. This training is arranged by the Director of Operations and Maintenance or the appointed designee.

606 - VISITORS IN THE WORKPLACE

To provide for the safety and security of employees and the facilities at AVTA, only authorized visitors are allowed in the workplace. Restricting unauthorized visitors helps maintain safety standards, protects against theft, ensures security of equipment, protects confidential information, safeguards employee welfare and avoids potential distractions and disturbances. All visitors must enter AVTA at the main entrance. Authorized visitors will be escorted to their destination. Employees are responsible for the conduct and safety of their visitors. If an unauthorized individual is observed on AVTA's premises, employees should immediately notify their supervisor or, if necessary, direct the individual to the main entrance.

700 - COMMUNICATION

701 - NEW HIRE ORIENTATION

Normally new employees are scheduled for an orientation on the first day of employment. This orientation includes a review of AVTA's Personnel Rules and Regulations as well as safety rules. During this time, employees are asked to complete new hire documents and questionnaires as well as to provide proof of their legal right to work in the United States.

In addition, employees will receive orientation for their specific departmental procedure and how to perform their new duties and tasks in a safe manner.

Finally, state law requires all employers to report information on newly hired employees with the New Employee Registry. New employees must be reported with the EDD on Form DE34. All new employee reports must be filed no later than 20 days after the day the employee begins work.

702 - BULLETIN BOARDS

AVTA's bulletin boards are usually located in the break/lunch rooms at each work site. Please ask your manager to point out the location of the official bulletin board. There you will find notices of state and federal laws, as well as other information regarding changes in policies and other announcements. Make it a point to read them frequently and keep informed.

Employees may not post any information on the bulletin board without the approval of the Executive Director (or designee).

703 - MAIL

AVTA processes incoming and outgoing business mail. Our mail system is there for business use. For this reason, any mail addressed to an employee at work is considered AVTA's property and may be opened. We are not in a position to receive or mail personal mail or packages for employees and, if received, cannot guarantee that the personal mail will be forwarded to the employee.

Postage meters are installed for business purpose only; employees are not to use the postage meters to mail their personal mail.

704 - USE OF TECHNOLOGY AND COMMUNICATION SYSTEMS

Our technology and communication services, equipment and content ("Communications System") include electronic mail ("e-mail"), facsimiles, telephones, voicemail, personal computers, computer networks, on-line services, internet connections, computer files, video equipment and tapes, tape recorders and recordings, cellular phones, PDAs, smart phones, text messages, internet posts, bulletin boards and similar communications systems or equipment. As technology progresses, there will no doubt be additions.

Our communications system is AVTA property. You have **NO RIGHT OF PRIVACY IN ANY USE OF OUR COMMUNICATIONS SYSTEM**. AVTA has the right to access, search and monitor every employee's use of the communications system, including all created or stored content.

No employee may use AVTA Communications System to send or forward to others any discriminatory or offensive comments, indignities, obscenities, jokes, graphics or pictures. Failure to comply with these rules will subject an employee to disciplinary action, up to and including termination.

705 - SOCIAL MEDIA POLICY

Social media includes but is not limited to:

- Multi-media and social networking websites such as Facebook, LinkedIn, Instagram and YouTube;
- Forums, blogs and micro-blogs such as Twitter;
- Wikis, such Wikipedia; and

- Any other site where text can be posted.

All such activities may be referred to as "Internet Postings" in this policy.

AVTA respects your right to engage in personal social media activities to express your thoughts or promote your ideas, as long as your activities are not performed during work time or by using the AVTA's Communication System, and do not cause harm to others or conflict with our personnel, policies, business, goodwill or reputation.

If you engage in social media activities on your own time and equipment, you must understand and comply with the following guidelines as a condition of employment with us:

- You are personally responsible for your Internet Postings and may be subject to liability for posts that are considered defamatory, harassing, obscene, proprietary, libelous, or in violation of any other applicable law. You may also be liable if you make postings which include confidential or copyrighted information belonging to AVTA or any other third party. AVTA shall not be liable, under any circumstances, for any errors, omissions, loss, or damages claimed or incurred due to any of your Internet Postings.
- Employees may not use social media sites to harass, threaten, discriminate or disparage AVTA employees, clients, vendors, or suppliers.
- Employees may not post on social media sites the name, trademark or logo of AVTA. Accordingly, employees cannot post any information that is confidential or proprietary to AVTA or to any third party that has disclosed information to AVTA, including but not limited to, financial information, copyrighted information or AVTA- issued documents.
- Employees may not post photographs of other employees, clients, vendors or suppliers, nor can employees post photographs of persons engaged in company business or at company events without their consent. Employees may not post pictures on any social media site which depicts AVTA in any way which may be considered defamatory, harassing, obscene, proprietary, libelous, or in violation of any other applicable law. This includes AVTA uniforms, trademarks and logos.
- Employees may not use any electronic communications device for any purpose that creates an actual, potential or apparent conflict of interest with the AVTA. Employees may not use any electronic communications device in a manner that would violate AVTA's no solicitation rules.
- Under no circumstances may Internet Postings interfere with your job duties.

Common sense is the best guide if you decide to post information on social media sites. If you are unsure about any particular posting, please contact the Human Resources Department for guidance. If a member of the news media or blogger contacts you about an Internet Posting that concerns the business of the AVTA, please refer that person to the Human Resources Department.

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

706 - PERSONNEL DATA CHANGES

It is the responsibility of each employee to promptly notify the Human Resources Department of any changes in personnel data such as personal mailing addresses, telephone numbers, emergency contact information, names of dependents, marital status, educational accomplishments, and other such personal status changes. For your benefit, your information on file should be accurate and current at all times. You should complete the Personnel Action form for notification purpose.

707 - PERSONNEL RECORDS

Your records are considered confidential and are available only to your immediate management and then only on a need-to-know basis. Upon request and with your permission, the Executive Director (or designee) will only verify your dates of employment and position held. Any other information such as earnings will not be released without your written approval, except as mandated by law.

708 - TELEPHONES/PERSONAL CELL PHONES

Our telephone lines are intended solely for business use and should not be used or tied up for personal phone calls. Accordingly, it is expected that employees refrain from making or receiving personal telephone calls during working hours unless there is an urgent need. Any personal calls should be made only when necessary, kept as brief as possible, and made during break and lunch periods. Incoming personal calls are discouraged, except in emergencies. No personal long distance or toll calls are to be charged to the AVTA's telephone under any circumstance.

Personal Cell Phones: Cell phones, PDAs, or any other personal communication device may be brought to work, but must be set on "vibrate" or any other "silent" signal during working hours. While at work employees are expected to exercise the same discretion in using personal cellular phones as is expected for the use of AVTA phones. Excessive personal calls, instant messaging, or texting during the workday, regardless of the device used, can interfere with employee productivity and be distracting to others. Employees are therefore asked to make any other personal calls during non-work time where possible and to ensure that friends and family members are aware of AVTA's policy. AVTA will not be liable for the loss or damage to employees' personal communication device brought into the workplace.

Business-Owned Communication Devices: Where job or business needs demand immediate access to an employee, AVTA may issue a business cell phone to an employee for work-related communications. In order to protect the employee from incurring a tax liability for the personal use of this equipment, such phones are to be used for business purposes only. Phone logs may be audited regularly to ensure no unauthorized use has occurred.

Employees in possession of any business owned communication device are expected to protect the equipment from loss, damage or theft. Upon resignation or termination of employment, or at any time upon request, the employee may be asked to produce the phone for return or

inspection. Employees unable to present the phone in good working condition within the time period requested are expected to bear the cost of a replacement.

Safety Issues for Cellular Phone Use: Safety must come before all other concerns if using a cell phone while driving. Employees whose job responsibilities include regular or occasional driving are expected to refrain from using their phone while driving. Regardless of the circumstances, employees are required to pull off to the side of the road and safely stop the vehicle before placing or accepting a call. If acceptance of a call is unavoidable and pulling over is not an option, employees are expected to **use a hands- free device** (also provided), keep the call short, and keep their eyes on the road. Texting while driving is unlawful and prohibited. Special care should be taken in situations where there is traffic, inclement weather, or the employee is driving in an unfamiliar area.

Employees who are charged with violations resulting from the use of their phone or texting while driving will be solely responsible for all liabilities that result from such actions.

As with any policy, management staff is expected to serve as role models for proper compliance with the provisions above and are encouraged to regularly remind employees of their responsibilities in complying.

709 - CUSTOMER RELATIONS

Quality customer service is a key part of our business and all of us must remember that the customer always comes first.

Customers are to be treated courteously and given proper attention and full cooperation at all times. Never regard a customer's question or concern as an interruption or an annoyance. Customer inquiries, whether in person, via electronic communication, or by telephone, must be addressed promptly and professionally. Never place a caller on hold for an extended period. Direct incoming calls to the appropriate person and make sure the call is received.

Through your conduct, show your desire to assist the customer in obtaining the help he or she needs. Refer a customer to someone who can help them if you are unable to provide the necessary assistance.

All correspondence and documents, whether to customers or others, must be accurate, concise and factual. Attention to detail in all paperwork demonstrates your commitment to those with whom we do business.

Never argue with a customer. If an issue develops or if a customer remains dissatisfied, ask your manager or another member of management to intervene.

800 - EMPLOYEE RELATIONS

801 - PERSONAL BEHAVIOR

As part of our policy against any type of harassment, AVTA has included ***Personal Behavior*** expectations. Personal behavior is specifically directed toward conduct that may not otherwise fall within the legal definition of harassment, but projects a negative image for AVTA.

All employees must conduct themselves in a professional manner. Unprofessional behavior in or outside of the work site, such as sexual related conversations, inappropriate and unwelcome touching (i.e., kissing, hugging, massaging, sitting on laps, etc.) of another employee, a customer, supplier or any outsider, and any other behavior of a sexual nature is prohibited. Employees who fail to observe these standards will be subject to disciplinary action, up to and including termination of employment.

802 - NON-FRATERNIZATION

AVTA desires to avoid misunderstandings, complaints of favoritism, possible claims of sexual harassment and the employee morale and dissension problems that can result from certain relationships between employees and outsiders who have contact with the agency. In order to effectively operate AVTA's business and avoid these problems, managers and supervisors are strongly discouraged from fraternizing or becoming romantically involved with one another or with any subordinate employee in their chain-of-command or with any non-management employee or outside individual doing business with AVTA. Additionally, non-management employees are strongly discouraged from fraternizing or becoming romantically involved with other employees at AVTA.

Such relationships are prohibited when in the opinion of AVTA, the personal relationship may create a conflict of interest, create a negative or unprofessional work environment, or presents concerns regarding supervision, safety, security, or morale. Should any manager or supervisor become personally involved with an employee within the line of command, or with an outsider who does business with the AVTA, a conflict of interest could occur. Therefore, all such relationships must be disclosed to the Executive Director (or designee) to ensure that steps can be taken to avoid a problem. If potential issues are identified, the AVTA will work with the parties involved to consider options for resolving the conflict. Failure to work with management to resolve a situation that may violate the standards set out in this policy may ultimately be deemed insubordination and may result in disciplinary action up to and including discharge from employment.

All employees must remember that AVTA maintains a strict policy against unlawful harassment of any kind, including sexual harassment.

803 - GOSSIP, BULLYING AND OTHER HARMFUL COMMUNICATIONS

Bullying, gossip and negative comments are destructive to AVTA's culture, create false rumors, disrupt workflow, invade personal privacy and hurt people.

You may not bully, gossip or make unnecessary comments about other employees of AVTA. If you witness bullying or if others engage in gossip or make negative comments to you, ask them to stop immediately or report them to the Executive Director (or designee).

AVTA is concerned about abusive conduct in the workplace. The state legislature has defined abusive conduct as any conduct of an employer or employee in the workplace, with malice, that a reasonable person would find hostile, offensive, and unrelated to an employer's legitimate business interests. It may include repeated infliction of verbal abuse, such as the use of derogatory remarks, insults, and epithets, verbal or physical conduct that a reasonable person

would find threatening, intimidating, or humiliating, or the gratuitous sabotage or undermining of a person's work performance.

804 - DRESS AND GROOMING STANDARDS

Dress, grooming and personal cleanliness standards contribute to the morale of all employees and affect the business image AVTA presents to the community. Therefore, it is AVTA policy that employees report to work in clothing that is suitable to your position and working environment. Clothing should always be neat, clean, and in good taste and should not be a safety hazard. Employees should use their common sense with regard to their dress, and are expected to present a professional image. Appropriate AVTA logo shirts are provided to employees to be worn at special events or may be worn to work. Tight fitting knits, short-shorts, mini-length skirts or dresses, and sweats are not considered appropriate and should not be worn to work. Shirts with collars or T-shirts without collars are permitted as long as they do not carry graphics or slogans. Employees' hair must be of a natural color.

Employees who come to work dressed inappropriately may be subject to disciplinary action up to and including being sent home at no pay to change their clothes. If you have questions about how you should dress, please ask your manager.

805 - WORKPLACE RELIGIOUS ACCOMMODATION

As required by law, AVTA will reasonably accommodate an employee's religious dress or grooming practices so long as it does not create an undue hardship on AVTA's operation of its business. Such religious dress or grooming practices include but are not limited to, wearing particular head coverings or other religious dress (such as a Jewish yarmulke or a Muslim headscarf), or wearing certain hairstyles or facial hair (such as Rastafarian dreadlocks or Sikh uncut hair and beard). When an employee or applicant needs a dress or grooming accommodation for religious reasons, he or she should notify the Executive Director (or designee) that he or she needs such an accommodation for religious reasons.

806 - SOLICITATION AND DISTRIBUTION RULES

In order to avoid disruption to work flow, the following rules apply to solicitations and distribution of literature on AVTA property at any work sites:

- Outsiders: Persons who are not employed by AVTA may not solicit or distribute literature on work premises or work sites at any time for any purpose. Employees: may not solicit or distribute literature during "working time" or in "working areas" at any time for any purpose.

"**Working time**" includes the working time of both the employee doing the soliciting or distributing and the employee to whom the soliciting or distributing is being directed. Working time does not include meal periods or any other specific periods during the work day when employees are not engaged in performing their work assignments.

AT-WILL STATUS ACKNOWLEDGMENT

Date: _____

Re: Appointment to Position of _____

Dear _____ :

The Antelope Valley Transit Authority ("AVTA") has offered you the position of _____. You should be aware that by accepting this position, you are an at-will employee of AVTA.

All employment with AVTA is "at-will," meaning that the terms of employment may be changed with or without notice, with or without cause, including, but not limited to termination, demotion, promotion, transfer, compensation, benefits, duties, and location of work. There is no agreement expressed or implied between AVTA and me for continuing or long-term employment. Accordingly, either I or AVTA may terminate the employment relationship at any time, with or without notice, with or without cause. While supervisors and managers have certain hiring authority, no supervisor, manager, or representative of AVTA has any authority to alter the at-will relationship. Only the Board of Directors may amend your at-will status in a written agreement that has been approved by the Board at a duly noticed public meeting. This policy supersedes all written and oral representations to the contrary.

I have read the foregoing statement. I understand that my employment with AVTA is at-will, and that my employment may be terminated at any time by AVTA, with or without cause or notice, either at my option or at the option of AVTA.

ACKNOWLEDGED:

Signature _____
Date

Print employee name

Authorized AVTA representative _____
Date

EMPLOYEE ACKNOWLEDGEMENT

This is to acknowledge that I have received a copy of the AVTA Personnel Rules and Regulations. I understand that it contains important information regarding AVTA's personnel policies and about my privileges and obligations as an employee. I acknowledge that I am expected to read, understand, and adhere to AVTA's policies and will familiarize myself with the material in this manual; that I have had an opportunity to ask questions regarding the material provided herein, and understand that I am governed by its contents.

I also understand that this manual covers policies and procedures in effect at this time and that AVTA may change, rescind or add to any policies, benefits or practices described in this guide at its sole discretion but only in writing and signed by the Executive Director and approved by the Board of Directors. I am aware that no employee of AVTA has the authority to modify this handbook orally or in writing except with the written approval of the Executive Director and the Board of Directors.

I further understand that the employment relationship is based on the mutual consent of each employee and AVTA. Accordingly, either I or AVTA can terminate the employment relationship at will, at any time, with or without cause or advance notice.

ACKNOWLEDGED:

Employee Signature

Date

Print employee name

This acknowledgement is maintained with this Manual for your records.

Please sign and return the acknowledgement that is the last page of this Manual.

REQUEST FOR ACCESS TO PERSONNEL FILE

Complete and return this form to the Executive Director (or designee). The Executive Director (or designee) will notify you within five (5) business days or sooner of the request. This form may be used to view and/or receive copies of information from your personnel file.

INSTRUCTIONS FOR USE

1. Provide your employee information requested below.
2. Please specify whether you would like to view or copy (or both).
3. Sign and date.

EMPLOYEE INFORMATION

Employee name:	Employee ID Number:	Date
Current Employee: ___ Yes ___ No	If former employee, please indicate date of separation:	Department:
Phone:	Email address:	

I request an appointment with the HR Office to:

- View my Official Personnel File
- Obtain a photocopy of my Official Personnel File

After a copy of your file has been made, HR will contact you when the copy can be picked up.

- Authorize a second party to access my Official Personnel file.
Name of individual: _____. This authorization for a second party to access my Official Personnel File expires on _____.
- Other: Please describe _____

_____ _____

Employee Signature Date

HUMAN RESOURCES MANAGEMENT USE ONLY

Appointment Time and Date: _____

Copy of file: Mailed on: _____ Date Picked up on: _____ Date



DATE: May 28, 2019

TO: BOARD OF DIRECTORS

SUBJECT: Amendment #1 to Contract No. 2019-28 with CUBIC Transportation Systems, Inc. for Additional Farebox Equipment

RECOMMENDATION

That the Board of Directors authorize the Executive Director/CEO to execute Amendment #1 to Contract No. 2019-28 with Cubic Transportation Systems, Inc. to add eight (8) farebox upgrade kits to support the Farebox Equipment and TAP Validator Upgrade Project in the amount of \$65,648 plus applicable sales tax.

FISCAL IMPACT

Sufficient funds for the cost of the upgrade kits are included in the FY 2019/2020 Budget.

BACKGROUND

On August 28, 2018, the Board approved Contract No. 2019-28 with CUBIC for the Farebox Equipment and TAP Validator Upgrade Project. With the expansion of new routes such as Edwards Air Force Base, Mojave Air & Space Port, and increased headways on the Route 1, AVTA requires additional equipment to support these services.

Prepared by:

Submitted by:

Mark Perry
Director of Maintenance and Facilities

Macy Neshati
Executive Director/CEO

Attachment: A – Farebox Upgrade Additional Equipment Proposal



May 13, 2019

CRE-2923

Subject: Farebox Upgrade Additional Equipment Proposal

Attention: Lyle Block, Procurement and Contracts Officer
 AVTA
 42210 6th St W
 Lancaster, CA 93534

Reference: (A) Purchase Order Number PO-03885, dated February 13, 2019

Mr. Block,

As discussed on the phone with Mark Perry, please see below for Cubic’s firm fixed price offer for eight additional farebox upgrade kits with installation, priced as a Change Notice against the Reference (A) Purchase Order:

	Bus Farebox/DCU/Genfare Farebox Lid Upgrade Kit Unit Price (including installation)	Units	Total
AVTA	\$ 8,206	8	\$65,648

As discussed in the Reference (A) Statement of Work, the pricing includes the following elements:

- Farebox/DCU Hardware Upgrade Kits
 - TR3
 - DCU Mounting Plate
 - USB-Serial Converter
 - DCU Power Cable
 - Getac – T800 Tablet
 - Havis – T800 Dock
 - LIND – Power Supply
 - Installation and Installation Testing
- New GFI Odyssey Farebox Lid Upgrade Kits
 - Lid
 - Installation and Installation Testing



Cubic Transportation Systems, Inc.

5650 Kearny Mesa Road

San Diego, CA 92111, USA

+1 858 268 3100 +1 858 292 9987 (fax)

Please note that Cubic is only able to hold this pricing until June 6, 2019, after which repricing will be necessary.

Should you have any questions or concerns, please contact me at (858) 264-9373 or stacy.schievelbein@cubic.com, or Program Manager Josh List at (858) 614-4454 or josh.list@cubic.com.

Regards,

A handwritten signature in blue ink that reads "Stacy Schievelbein".

Stacy Schievelbein
Contracts Manager



DATE: May 28, 2019

TO: BOARD OF DIRECTORS

SUBJECT: Amended and Restated Executive Director/Chief Executive Officer (CEO) Employment Agreement

RECOMMENDATION

That the Board of Directors approve the Amended and Restated Executive Director/CEO Employment Agreement.

FISCAL IMPACT

Funding for this item will be included in future Business Plans.

BACKGROUND

The Executive Director/CEO's employment agreement was originally executed effective June 1, 2018 through May 30, 2020. The Board and the Executive Director/CEO have negotiated modifications to certain terms and conditions of the Amended and Restated Agreement. The majority of the terms and conditions will remain the same. A copy of the Amended and Restated Executive Director/CEO Employment Agreement will be available upon request to the Clerk of the Board.

Prepared and Submitted by:

Allison E. Burns
General Counsel, AVTA