

Petaluma
HEALTH CARE
DISTRICT

POLICY# 12
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TITLE: Board Compensation and Reimbursement Policy

MANUAL: Petaluma Health Care District Board Governance Policies

Board Approval Date: August 21, 2018 Written By: R. Faith

Review Dates: February 19, 2019

I. PURPOSE / EXPECTED OUTCOME(S)

The purpose of this policy is to outline Director's compensation while serving a term(s) on the Petaluma Health Care District Board. This policy aligns with ACHD recommendations and the AB2329 – Special District Board of Directors Compensation law.

II. POLICY

A. Petaluma Health Care District Board of Directors will provide compensation to its Directors for district work as follows:

- \$100 per meeting for no more than 3 meetings in a calendar month.
- Meetings eligible for director compensation are regular and special board meetings, finance committee meeting, and certain advisory board committee meetings approved by the board. Such meetings require agendas, meeting minutes, report out at a following board meeting, CEO attendance and board approval.
- Increase in the amount of compensation for meetings can be no more than 5% per year and requires board approval.
- Reimbursement will be made of actual necessary travel and incidental expenses incurred for attending conferences in performance of an official duty as assigned by Board President (ie. conference fees, meals, hotel, and travel) by filing a Board of Directors Reimbursement Form (Addendum A). If attendance by Directors at seminars, workshops, courses, professional organization meetings, and conferences incur an expense the Director plans to submit for reimbursement, the Director shall seek

- approval by the President of the Board of Directors or the CEO prior to incurring such cost. Costs are to be reasonable and mileage will be reimbursed at the current rate as defined by Internal Revenue Service Guidelines.
 - Directors will be offered on a rotational basis tickets to attend community functions and fundraising events that require Director presence as a District ambassador. Board of Directors will determine which functions fall into this category. The value of these functions will not exceed \$440/year per Director.
- B. Refer to Addendum B for historical information and past practices.
- C. This Board Compensation Policy is in place until a future board approves a new policy.

ADDENDUM A

PETALUMA HEALTH CARE DISTRICT
~ CHECK REQUEST ~

CHECK PAYABLE TO: _____

AMOUNT REQUESTED: \$_____ DATE REQUESTED: _____

ADDRESS: _____

DESCRIPTION: _____

DATE NEEDED: _____

MAIL CHECK RETURN CHECK TO: _____

REQUESTED BY: _____ APPROVED BY: _____

(Must be approved for payment by Program Manager)

Accounting Use - G/L Code: _____

All Reimbursement Requests are due by the 7th of the month following month of expense (i.e., January due by February 7)

ADDENDUM B

ADDENDUM TO BOARD COMPENSATION AND REIMBURSEMENT POLICY

History

In 1995, a policy of the District for Board Health Benefits was adopted stating that those directors in office January 1, 1991 and completing 12 years of service prior to January 1, 1995 are eligible to receive benefits after retirement for the number of years equal to the years they served on the board.

The 1995 adopted policy includes reimbursement for spouse until the Director's term expires or is deceased. Directors who fall under the approved policy include:

- Sue Ellen Thompson and Spouse (until December 2014)
- Fred Groverman and spouse (until December 2025)
- Chuck Cowen and wife for the duration of their lives
- Reimbursement for medical includes:
 - Medicare Part B
 - Prescription drug coverage
 - On the District's Dental Plan
 - Reimbursed for vision care not to exceed employee coverage

At the July 18, 2000 Special Board meeting, the Board approved to *not* provide medical benefits to Directors assuming office as of January 1, 2001 or re-elected Directors assuming office as of January 1, 2001 and the District continues to provide medical benefits both to those who are in office now for the rest of their term (ending this year or two years hence) and former board members to whom the District has a contractual obligation to do so.

At the February 10, 2005 Board of Directors meeting, the board voted the following motion noting that given that health benefits are a legal right enjoyed by all locally elected bodies in California, given that the District's existing policy of denying these benefits to board places an inequitable burden on those with lower incomes or high benefit costs and given the District board members receive no other compensation for their service, Directors approved a policy denying board members health care benefits be overturned and that current and future board members will therefore be able to receive reimbursement for those benefits in accordance with the prevailing rates paid by the District for employees.

On September 19, 2017, the Board of Directors voted to amend the policy so that past board members who had been grandfathered in would still be covered, but that their spouse or dependents would not.

At the August 21, 2018, meeting of the Board of Directors, the board reviewed its compensation and reimbursement policy based on new legislation (AB2329: Special District Board of Directors Compensation). This legislation creates consistency regarding director compensation and reimbursement across all special districts, including health care districts, and is supported by the Association of California Healthcare Districts. Therefore, the PHCD Board of Directors adopted a new Board Compensation Policy that calls for board members to be compensated on a per meeting basis. Health care premium reimbursements for current and past directors will be discontinued, effective September 1, 2018.

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POLICY # 13
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TITLE: **Employee Expense Authorization Policy**

MANUAL: Petaluma Health Care District's Policies & Procedures

Effective Date: September 26, 2018

Approved by: Ramona Faith
CEO

I. PURPOSE

To provide guidelines for employees to purchase items for departmental use and to establish accountability for expenditures.

II. POLICY

A. Expense Authorization Guidelines consists of:

1. Employees will order supplies on an as needed basis using the list of approved items located in the supply area.
2. Office supplies over \$250.00 will be approved by Department managers.
3. All orders shall be in conformance with the approved District budget.
4. Any commitment of District funds for a purchase or expense not approved in the operational budget shall first be submitted to the CEO for approval.

B. Petty Cash:

1. A District "petty cash" fund shall be maintained in the District office having a balance-on-hand maximum of \$200.00.
2. Petty cash may be advanced to District staff or Directors upon their request and the execution of a receipt for same, for the

purpose of procuring an item or service appropriately relating to District business.

3. The maximum petty cash advance shall be \$50.00.
4. No personal checks shall be cashed in the petty cash fund.
5. The petty cash fund shall be included in the District's annual independent accounting audit.

C. Employee Reimbursement:

1. Employees that incur "out-of-pocket" expenses for items or services appropriately relating to District business as verified by valid receipts, shall be reimbursed upon request from the District's petty cash fund or by warrant request if needed.
2. In those instances when a receipt is not obtainable, the requested reimbursement shall be approved by the Controller.

D. Credit Cards:

1. Those employees approved for use of a District's credit card are allowed to use for budgeted items (gas, bridge tolls).
2. All items other than gas or operational expenses must be approved by departmental manager prior to purchase.

Reviewed/Approved by:	Date Reviewed/Approved:
HR Committee	9-26-18