

ORDINANCE 2002-10

**AN ORDINANCE APPROVING THE CREATION OF AN
EDUCATIONAL ASSISTANCE PROGRAM FOR THE EMPLOYEES
OF THE CITY OF BELLE MEADE**

Whereas:

1. The City of Belle Meade (the "City") desires to encourage its employees to secure additional education designed to improve their performance and effectiveness as it relates to their job.

2. To this end, the City has determined that it is in the best interest of the City and its employees that the City adopt an educational assistance program, pursuant to which the City will reimburse its eligible employees for all or a portion of the cost of attending educational courses related to their job assignments.

3. It is intended that said program will meet the requirements of Section 127 of the Internal Revenue Code (the "Statute") and that benefits paid to eligible employees will generally be excludable from the employees' gross income to the maximum extent allowed under the Statute, although it is recognized that some benefits may be provided that do not meet the requirements of the Statute and therefore would not be excludable from the gross income of the eligible employees.

NOW THEREFORE, BE IT ORDAINED that the City of Belle Meade hereby adopts the City of Belle Meade Educational Assistance Program (the "Program") for the benefit of its employees, as follows:

1. Administration. The Program shall be administered by the City Manager in the case of all employees other than the City Manager, and by the Mayor in the case of the City Manager (the "Program Administrator"). The Program Administrator, or his or her designated representative, is authorized and empowered to issue uniform rules and adopt forms to be used in carrying out the purposes of the Program. The Program Administrator, in his or her sole and absolute discretion, shall determine all questions arising out of or related to the interpretation of the terms and conditions of the Program.
2. Requirements. Educational assistance will be provided for courses of study that are (i) pertinent to the employee's functions or skills in performing his or her duties with the City; and (ii) determined by the Program Administrator to be appropriate for the employee and for reimbursement.
3. Eligibility. All employees of the City are eligible to participate in the Program if:
 - They are classified as being employed on a full-time basis;
 - They have completed two full years of service with the City;
 - Their most recent performance review resulted in a rating of satisfactory or above;
 - They are not receiving any reimbursement for Qualified Educational Assistance (defined below) from any other sources; and
 - They meet the educational, professional, and other prerequisites established for the course of study in question by the applicable educational institution.
4. Reimbursement for Eligible Employees (Other than the City Manager). In order for an eligible employee (other than the City Manager) to obtain reimbursement for Qualified Educational Assistance costs, the employee must submit in advance a written request for approval of a proposed course to his or her supervisor on such form(s) as may be required by the City. The supervisor will determine initially whether the course is job-related and provide such determination to the City Manager together with a recommendation

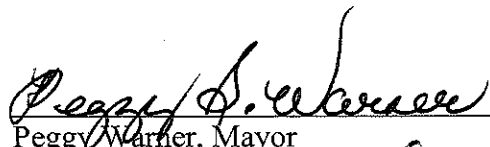
regarding reimbursement. The City Manager, in her capacity as the Program Administrator, will then determine (in consultation with the supervisor) whether the course is job-related and whether the costs are eligible for reimbursement as Qualified Educational Assistance, and, if these questions are resolved in the affirmative, the proposed course of study will be approved.

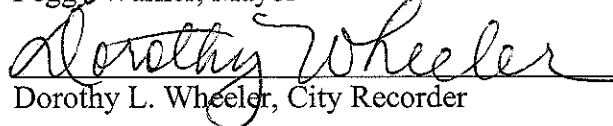
5. Reimbursement for the City Manager. In order for the City Manager to obtain reimbursement for Qualified Educational Assistance costs, the City Manager must submit a written request for approval in advance of a proposed course to the Mayor on such form(s) as may be required by the City. The Mayor, acting in this instance as the Program Administrator, will determine whether the course is job-related and whether the costs are eligible for reimbursement as Qualified Educational Assistance. If these questions are resolved in the affirmative, the proposed course of study will be approved.
6. Budget. Qualified Educational Assistance must come from the department's current operating budget for training.
7. Level of Reimbursement. All requests for reimbursement must be accompanied by tuition statements and/or receipts from an accredited educational institution or professional organization along with a copy of the final grade report. Qualified Educational Assistance costs will be reimbursed upon completion of the pre-approved course based upon the grade received for the course as follows:
 - For a grade of "A" or "B" (or their equivalent), 100% of reimbursable costs;
 - For a grade of "C" (or its equivalent), 60% of reimbursable costs.
 - No reimbursement is provided for a grade lower than "C" (or its equivalent).
 - For pass/fail courses, the amount of assistance is 75% of reimbursable costs.
8. Repayment. If an employee voluntarily separates from the City within one year of receiving educational training or expense reimbursement, the employee shall have 50 percent of the reimbursed amount deducted from his/her final paycheck. As a condition of participation in the Program, the employee will be required to consent in writing to such deduction .
9. Qualified Educational Assistance. The following items related to a pre-approved course are reimbursable by the City as Qualified Educational Assistance: tuition, fees, and similar payments, books, supplies, and equipment. However, tools or supplies (other than textbooks) that an employee may retain after the course has ended are not reimbursable under this Program. Meals, lodging, and transportation do not in any case constitute Qualified Educational Assistance. Also, Qualified Educational Assistance does not include any payment for, or the provision of, any benefits with respect to, any course or other education involving sports, games, or hobbies unless they are required as part of a degree program. The terms "sports, games, or hobbies" do not include education that instructs employees how to maintain and improve health so long as such education does not involve the use of athletic facilities or equipment and is not recreational in nature.
10. Other Program Requirements. Class attendance and completion of study assignments are to be accomplished outside the employee's regular working hours. It is expected that educational activities will not interfere with the employee's work. If the course schedule interferes with regular work hours, employees must request and be granted an adjustment in work schedule from their supervisor; which request will not be granted if it would pose an undue hardship on the City or other employees. The supervisor has sole discretion in determining whether an adjustment to a work schedule poses an undue hardship; provided that, in the case of any request by the City Manager, the Mayor will have this discretion.
11. Exceptions. Any exceptions to the requirements under this Program will be handled on a case-by-case basis with the final decision to be determined by the Program Administrator.

12. Program Year. The Program Year shall mean the 12-month period that ends on December 31 of each year, provided that the initial plan year shall begin on November 1, 2002, and end on December 31, 2002.
13. Contributions. Employees are not required or permitted to contribute to the Program.
14. Termination of Program. The City intends to continue the Program indefinitely. However, this Program shall be subject to termination at any time by the Board of Commissioners. Any employee enrolled in an approved course at the time of termination shall be reimbursed in accordance with the terms of the Program for all Qualified Education Assistance costs incurred to the date of termination.
15. Notification. The Company shall communicate in writing the terms and conditions of the Program to all employees and shall provide each eligible employee receiving educational assistance with a copy of the Program.
16. Effective Date. This Ordinance shall take effect fifteen (15) days after its passage

PASSED ON FIRST READING: September 27, 2002.

PASSED ON SECOND READING: October 16, 2002 .


Peggy Warner, Mayor


Dorothy L. Wheeler, City Recorder