



Human Resources and Development COUNTY OF TULARE AGENDA ITEM

BOARD OF SUPERVISORS

KUYLER CROCKER
District One

PETE VANDER POEL
District Two

AMY SHUKLIAN
District Three

J. STEVEN WORTHLEY
District Four

MIKE ENNIS
District Five

AGENDA DATE: May 22, 2018

REVISED

Public Hearing Required	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Scheduled Public Hearing w/Clerk	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Published Notice Required	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Advertised Published Notice	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Meet & Confer Required	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Electronic file(s) has been sent	Yes <input checked="" type="checkbox"/>	N/A <input type="checkbox"/>
Budget Transfer (Aud 308) attached	Yes <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
Personnel Resolution attached	Yes <input checked="" type="checkbox"/>	N/A <input type="checkbox"/>
Agreements are attached and signature line for Chairman is marked with tab(s)/flag(s)	Yes <input checked="" type="checkbox"/>	N/A <input type="checkbox"/>

CONTACT PERSON: Rhonda Sjostrom

PHONE: (559) 636-4900

SUBJECT: Approval to Offer the "Loans at Work" Program by BMG Money, Inc as a new voluntary benefit for County employees

REQUEST(S):

That the Board of Supervisors:

1. Approve Agreement with BMG Money, Inc to offer unsecured loans to County employees.
2. Authorize the Chairman to execute the Agreement with BMG Money effective June 1, 2018.

SUMMARY:

The County currently offers voluntary benefits and employee discounts to County employees and their families through health and wellness benefit providers, private businesses, and other agencies. These are administered by the Human Resources and Development Department in an effort to provide resources and opportunities to employees who wish to take advantage of these services on a voluntary basis.

In recent months a new service has been identified, through BMG Money, that would offer unsecured loans with fixed repayments over terms up to 24 months, to qualifying employees with repayments processed through payroll deductions. The program, "Loans at Work" has been reviewed by HRD, the Auditor's Department and County Counsel. If approved the program would be operational by July 1, 2018. The contract would be effective June 1, 2018 to provide for lead time needed for implementation and payroll programming. The value to employees is the ability to

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obtain an emergency loan at a fixed rate of simple interest (23.99%) which is non-compounding, and without having to meet a minimum credit score threshold. Repayment is managed through automatic payroll deductions making the borrower accountable and responsible for the financial agreement. This program differs from “pay day loans” where interest charged can be as high as 450 percent, and is compounding, and no limit on number of times loans can be refinanced. Borrowers (employees) are only allowed to have one loan at a time, with a duration of six months to 24 months for repayment, and loans are based on the employees’ net income with a repayment limit of no more than 10 percent of net income. Loans range from \$500 to \$5,000. Employees must be in a regular, full-time status for at least 12 months to qualify for a loan. The loans are unsecured with no risk to employees’ homes, cars, or bank accounts and there are no penalties for early payoff, no balloon payments, or penalty rates. The loan application process is done online between the borrower/employee and BMG with average approval time completed in 24-40 hours. If the employee leaves County service prior to paying off a loan, then BMG works cooperatively with the borrower on collections. If the employee goes on an unpaid leave of absence and off of payroll then they are no longer eligible for future loans and BMG will seek collections.

The loan agreements are between the employee and BMG. County staff, HRD and Auditor, will help educate employees on this financial resource. The Auditor will be the Contract Administrator and go between with ADP and County TCIT staff. There is HRD and Auditor payroll staff time involved in enrolling a borrower into initial payroll deductions and verification of income and employment. However, there is no direct costs to the County, and BMG will reimburse the county for out of pocket costs including electronic fund transfer costs or bank wires, or expenses associated in computer programming for integration with ADP our payroll provider. The agreement between BMG and the County may be terminated upon 30 days notice to the non-terminating party.

BMG has provided this same program to a variety of public schools, special districts, non-profit agencies, cities and counties in Florida, Texas, and Utah and has recently begun working with California public entities.

FISCAL IMPACT/FINANCING:

Adoption of this agreement does not result in increased cost to the County.

LINKAGE TO THE COUNTY OF TULARE STRATEGIC BUSINESS PLAN:

Organizational Performance: Continuously improve organizational effectiveness and fiscal stability. Provide for the stability of county operations through periods of economic fluctuations, changing priorities and service demands.

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ADMINISTRATIVE SIGN-OFF:

Rhonda Sjostrom
Human Resources Director

cc: Auditor-Controller
County Counsel
County Administrative Office (2)
BMG Money, Inc

Attachment(s): Non-Exclusive Payroll Deduction Plan Agreement
Between County of Tulare and BMG Money, Inc.

BEFORE THE BOARD OF SUPERVISORS COUNTY OF TULARE, STATE OF CALIFORNIA

IN THE MATTER OF APPROVAL OF THE)
 “LOANS AT WORK” PROGRAM BY BMG) Resolution No. _____
 MONEY, INC AS A NEW VOLUNTARY)
 BENEFIT FOR COUNTY EMPLOYEES) Agreement No. _____
)

UPON MOTION OF SUPERVISOR _____, SECONDED BY
 SUPERVISOR _____, THE FOLLOWING WAS ADOPTED BY THE
 BOARD OF SUPERVISORS, AT AN OFFICIAL MEETING HELD MAY 22, 2018, BY
 THE FOLLOWING VOTE:

AYES:
 NOES:
 ABSTAIN:
 ABSENT:

ATTEST: MICHAEL C. SPATA
 COUNTY ADMINISTRATIVE OFFICER/
 CLERK, BOARD OF SUPERVISORS

BY: _____
 Deputy Clerk

* * * * *

That the Board of Supervisors:

1. Approved agreement with BMG Money, Inc to offer unsecured loans to County employees.
2. Approved the offering of the “Loans at Work” program by BMG Money, Inc.