

AN ORDINANCE
AMENDING THE PERSONNEL POLICY MANUAL TO RE-STATE THE EMPLOYEE
EDUCATIONAL LOAN PROGRAM

BE IT ORDAINED BY THE COUNCIL OF THE VILLAGE OF NEW LONDON, HURON COUNTY, OHIO:

Section 1. That the policy on “Employee Educational Loans” portion of the Village’s Employee Handbook and Personnel Policies, be, and hereby it is, amended and restated in its entirety to read as follows:

EMPLOYEE EDUCATIONAL LOANS

- (a) The purpose of the Employee Educational Loan Program is to encourage the development of all full-time employees. An Employee Educational Loan may be granted to full-time employees for courses that are work-related, that maintain or improve the skills or licensure (including CDL) required of employees in their employment, that may be necessary for the anticipated needs of the Village or that may make employees more valuable to the Village. Courses must be taken at an accredited college, a university, an approved trade school, or an approved technical school; and only coursework that is expected to last one year or less will be considered for this Program. Employees must be “full time,” must have passed their probationary status, and must not have been the subject of any disciplinary action within the past year to be eligible to apply for this Loan.
- (b) Before enrolling in a course, an employee must apply for an Employee Educational Loan by submitting an application to the Village Administrator, normally a month prior to the time that any funds may be necessary. The employee must provide details of the coursework for which approval is requested, an explanation of how the coursework will be beneficial to the employee’s current or future duties, an estimate of the amount and types of expenses anticipated, and whether the application is recommended by the employee’s supervisor. Approval is subject to the Administrator’s complete discretion and, in all cases, will remain subject to his determination of whether funds for this purpose are available. In the event that more applications are pending than funds are available, the Administrator may elect to make partial awards of loans or may consider full loans in whatever priority order he determines.
- (c) The maximum amount for any loan which will be approved for any individual will be \$1,000.00. Expenses which may be considered for loan include tuition, administrative fees, laboratory and technical fees, required textbooks, and transportation/mileage. Checks may be issued directly to the educational institution or as reimbursements to the employee with acceptable receipts.
- (d) All funds issued by the Village under this Program shall be considered a loan (*not* a grant), for which a loan obligation document shall be signed by the employee. All funds so loaned shall bear fixed interest at the State of Ohio standard rate of interest in effect at the time the loan funds are issued by the Village.

- (e) As a condition of participation in this Program, employee represents that he will attend scheduled classes and will exercise his best efforts to successfully complete the course. In the event that the employee should fail to meet class attendance expectations, be dismissed from the class, or (for a class in which grades are issued) receive less than a "C" as a final grade for the class, the Village shall have the right to demand immediate payment of the loan. Employee shall be required to submit to the Village acceptable proof that these attendance/performance requirements have been satisfied.
- (f) If employee satisfies the requirements of paragraph "(e)" above, and if he continues to be employed by the Village as specified in the loan obligation document for a period following completion of the course work, the Village agrees to cancel and waive the Loan; otherwise, if the employee does not continue in the employment of the Village for any reason prior to repayment of the entire balance, the full amount outstanding on the Loan shall be immediately due and payable in full. There will be no credit allowed for working partial years.
- (g) Employee will have the right to prepay any portion of his Loan balance at any time.

Section 2. That this Ordinance shall take effect at the earliest period allowed by law.

PASSED:

March 10, 2025

ATTEST:

Nancy Howell
Fiscal Officer

Jody Thomas
Mayor

Village of New London Educational Loan Obligation

Whereas, the undersigned individual (“Employee”) is currently employed by the Village of New London, Ohio (“Village”) and already has the basic skills, training, and experience to be able to perform the essential duties of his current position; and

Whereas, Employee desires to obtain additional training which, upon successful completion, may enable him to either qualify for increased compensation and/or qualify for a different position with the Village; and

Whereas, the Village is prepared to loan to the Employee certain funds necessary to receive such additional training; and

Whereas, Employee acknowledges and agrees that, after having received the training he desires to obtain, he will not only have obtained credentials needed to advance in his future employment with the Village, but he will also have become qualified for employment opportunities with other potential employers, opportunities he would not have otherwise had, but for his employment by, and this loan from, the Village; Now, Therefore,

FOR VALUE RECEIVED, the undersigned Employee promises to pay to the Village, at New London, Ohio, or such other place as Village shall designate from time to time, the principal sum of \$ _____, in accordance with the terms contained herein. The loan shall bear interest at a fixed rate, based on the Ohio statutory rate established by the Ohio Tax Commissioner under Revised Code Section 5703.47 for the year in which the loan is issued by the Village. This full amount is considered a loan to Employee, which the Employee promises to immediately repay, upon the demand of the Village, at its sole discretion, provided, however, that it is agreed that no payments shall be due from Employee so long as he remains employed by the Village. It is understood and agreed that the terms and conditions of the Village’s “Employee Educational Loan” policy as set forth in the Village Personnel Policy Manual are incorporated into this Obligation document by reference, as if fully rewritten herein.

Employee acknowledges and agrees that, in the event his employment should be terminated as a result of his resignation, or as a result of his being otherwise terminated for good cause, the full loan amount shall immediately be payable in full. Employee agrees that, in such case, the full amount of the outstanding loan may be deducted from any wages remaining unpaid at the time Employee’s employment terminates, to the full extent permitted by law; but the Employee shall remain liable for any balance not covered by the final paycheck amount. Notwithstanding the foregoing, the Village acknowledges and agrees that, beginning in the first month that Employee has successfully completed the training and continued to be an employee of the Village, the outstanding balance on the loan shall be reduced by \$50 for each full month he remains in the Village’s employ, until the balance is retired or the employee leaves employment and pays the balance.

Employee acknowledges and agrees that this loan obligation document does not in any way create an employment contract between him and the Village or create any property interest in his job, and that he assumes all tax responsibilities in connection with the forgiveness of this loan.

Employee Signature/Date