



AGENDA REPORT

CITY OF SAN CLEMENTE

City Council Meeting

910 Calle Negocio
2nd Floor
San Clemente, California
www.san-clemente.org

Meeting Date: 4/18/2023

Agenda Item: 9E

Department: City Manager
Prepared By Andy Hall, City Manager

Subject:

CONSIDERATION OF RESOLUTION 23-16 TO REPEAL IN FULL AND REPLACE WITH A NEW CITY COUNCIL POLICY AND PROCEDURE 1201-8 LEGISLATIVE BODY REIMBURSEMENT

Summary:

On April 4, 2023, staff was directed to update City Council Policy and Procedure 1201-8 Legislative Body Reimbursement, specifically to include a process to allow the City Council to consider potential travel expenses prior to travel by members of the City Council for City business, training or other authorized purposes. Staff reviewed the current policy and determined that it would be less confusing to repeal and replace the policy than to insert language into various sections of the existing policy. A copy of both the proposed and current policy have been included for comparison.

Background:

Recent travel by members of the City Council has been a point of discussion between members of the City Council and staff was directed to update the Legislative Body Reimbursement Policy to specifically allow the City Council, in a public meeting, to authorize travel related expenses by members of the City Council prior to the travel whenever possible. Staff reviewed the policy and determined there were some additional, non-material, updates that would improve the policy and procedure. Therefore, a new policy and procedure was created. Staff is recommending that the existing policy and procedure be repealed and replaced with the new language to reduce any internal inconsistencies or duplications.

The most material amendment to the previous policy is the process of approval. If approved, the new policy would require all Councilmember travel expenditures in excess of \$250 to be placed on the consent agenda of a City Council meeting prior to travel whenever possible. If travel is more urgent and justified, the travel expenses will be placed on the consent agenda of a City Council meeting immediately following the travel. If Councilmembers have concerns about the anticipated travel, the item could be removed from the consent agenda and discussed by the full body of the City Council.

Other amendments have been included to simply update the provisions of the policy. The policy identifies the types of travel that will be reimbursed, the policy on different modes of transportation, lodging expenses, per diem (meals and related expenses), and information about submitting a travel expense report.

Council Options:

- Approve Resolution 23-16 that would repeal in full and replace with a new Policy and Procedure 1201-8.
- Modify and approve Resolution 23-16.
- Continue the Item with direction given to staff.
- Deny Resolution 23-16.

Fiscal Impact:

None

Recommended Actions:

Staff recommends approval of Resolution 23-16 to repeal in full and replace with a new City Council Policy and Procedure 1201-8.

Attachment:

1. Resolution 23-16
2. Proposed Policy and Procedure 1201-8
3. Existing Policy and Procedure 1201-8

RESOLUTION NO. 23-16

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN CLEMENTE, CALIFORNIA, REPEALING POLICY AND PROCEDURE 1201-8 LEGISLATIVE BODY REIMBURSEMENT AND ADOPTING A NEW POLICY AND PROCEDURE 1201-8 LEGISLATIVE BODY REIMBURSEMENT

WHEREAS, it is appropriate to update the policies and procedures implemented by the City Council from time to time; and

WHEREAS, the City Council has determined that an update to the Legislative Body Reimbursement policy and procedure would be in the best interest of the community and improve the process for Councilmember reimbursement of approved expenses; and

WHEREAS, the City Council has determined that approval of all expenses in a public meeting will result in improved transparency and accountability.

NOW, THEREFORE, the City Council of the City of San Clemente does hereby resolve as follows:

Section 1.

The above recitals are considered findings by the City Council and incorporated into the body of this resolution.

Section 2.

City Council Policy and Procedure 1201-8 with an effective date of May 15, 2007, is repealed in its entirety.

Section 3.

This resolution repeals the existing City Council Policy and Procedure 1201-8 in full and replaces City Council Policy and Procedure 1201-8 as follows:

1.0 PURPOSE and PROCESS:

The City of San Clemente Legislative Body Reimbursement Policy and Procedure is intended to be consistent with all provisions of California State law, specifically California Government Code 53232. Where and if discrepancies between California State law and these policies exist, the provisions of California State law will prevail.

All Councilmember travel expenditures in excess of \$250 require approval by the City governing body. The estimated travel expenses will be placed on the consent agenda of a City Council meeting prior to travel whenever possible. If travel is more urgent and justified, the travel expenses will be placed on the consent agenda of a City Council meeting immediately following the travel.

2.0 APPLICABILITY:

City Councilmembers are entitled to payment or reimbursement for the following:

1. Official meetings with representatives of regional, state and national government on City adopted policy positions.
2. Advocacy for City of San Clemente issues, when approved by the City Council.
3. Attending educational seminars designed to improve skills and knowledge. Associated expenses, supported with original itemized receipts, for registration, tuition, and parking are reimbursable.
4. Participation in regional, state and national organizations whose activities affect the City's interests.
5. Implementing an adopted strategy for attracting or retaining businesses which will typically involve at least one staff member.

The City of San Clemente will not reimburse Councilmembers for personal travel (or the personal portion of any trip); political or charitable contributions or events; family expenses including partner, children or pet expenses when accompanying a member on City business; entertainment expenses, including theater, movies (either in-room or at the theater), sporting events (including tickets, gym, massage and/or golf related expenses) or other cultural events; personal automobile expenses including repairs, traffic citations, insurance or personal losses incurred while on City business.

3.0 TRANSPORTATION:

When traveling, Councilmembers will use the most economical mode and class of transportation reasonably consistent with scheduling needs and space requirements. This includes the use of the most direct and time efficient route. In the event a more expensive transportation form or route is used, the cost borne by City will be limited to the cost of the most economical, direct, efficient, and reasonable transportation form. Government and group rates must be used when available.

When possible, airfares should be purchased using the Enhanced Local Government Airfare Program offered by the League of California Cities (www.cacities.org/travel), the California State Association of Counties (<http://www.csac.counties.org>) and the State of California, which are presumed to be the most economical and reasonable for purposes of reimbursement under this policy. When reimbursement for airport parking is requested, any airport parking more than 24 hours must be in long term parking or private economy lots. Reasonable and standard baggage handling fees will be reimbursed.

Reasonable and necessary charges for public transportation, taxi, or shuttle service are reimbursable at actual cost with receipts. Car rental is allowed when it is determined it is the most economical and reasonable mode of transportation during travel. Itemized original receipts must be submitted with vehicle rental reimbursement claims. If a personal car is used the Councilmember can seek reimbursement for mileage at the Internal Revenue Service (IRS) rates presently in effect.

4.0 LODGING:

Lodging expenses will be reimbursed or paid for when travel on official City business reasonably requires an overnight stay. Extended stays and extra nights, often for personal travel, are the responsibility of the Councilmember. If possible, lodging in

connection with a conference or organized educational activity should be secured using the group rate provided by the conference or activity sponsor. In situations where conference group rates are not available, the IRS per diem rates for lodging can be used as a guide.

Non-reimbursable lodging expenses include, but are not limited to, costs for an extra person staying in the room, costs related to late check out or uncanceled reservations, and in-room pay-per-view movie rentals. Original itemized receipts must accompany claims for lodging reimbursements.

5.0 PER DIEM, MEALS AND TRAVEL RELATED EXPENSES:

5.1 Per Diem

Councilmembers are encouraged to request a per diem based upon the IRS per diem rates for meals and incidental expenses in the area the Councilmember is traveling. Per diem rates may be deducted for applicable meals included in conference or seminar registration and program fees. The per diem will be provided to the Councilmember in advance, when possible, and will only be calculated for the time of official travel. Extended stays for personal travel will not be eligible for per diem. Receipts are not required to claim the meal and incidental expenses per diem.

5.2 Meals

Meal expenses and associated gratuities should be moderate, considering community standards and the prevailing restaurant costs of the area. The City will not pay for or reimburse alcohol/personal bar expenses, or meals for guests or spouses. The IRS per diem rates can be used as a guide for reimbursement.

5.3 Incidental Expenses

Incidental expenses must be related to the purpose of the approved travel and not for personal reasons. For instance, when approved travel lasts for more than one week, laundry/dry cleaning expenses may be reimbursed. An attempt to list all potential incidental expenses is challenging, but Councilmembers are aware that all expenses will be identified on a travel expense report. Incidental expenses should be pre-authorized whenever possible as details of the travel are assembled.

6.0 Travel Expense Report:

A travel expense report will be generated for all official travel by members of the City Council. Reimbursement requests, identified on the report, must be submitted within 60 days of the original transaction or the completion of travel to be reimbursed. Documentation of all receipts detailing the amount paid, the items/services received and the date must be submitted with the Travel Expense Report. Requests for reimbursement will be processed within the normal Accounts Payable schedule.

Section 4. The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions and replace City Council Policy and Procedure 1201-8 with the language adopted by this resolution.

PASSED AND ADOPTED this 27th day of March, 2023.

ATTEST:

City Clerk of the City of
San Clemente, California

Mayor of the City of San
Clemente, California

STATE OF CALIFORNIA)
COUNTY OF ORANGE) §
CITY OF SAN CLEMENTE)

I, LAURA CAMPAGNOLO, City Clerk of the City of San Clemente, California, do hereby certify that Resolution No. _____ was adopted at a regular meeting of the City Council of the City of San Clemente held on the _____ day of _____, _____, by the following vote:

AYES:

NOES:

ABSENT:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of San Clemente, California, this _____ day of _____, _____.

CITY CLERK of the City of
San Clemente, California

Approved as to form:

Elizabeth A. Mitchell, City Attorney



POLICY AND PROCEDURE

Subject: Legislative Body Reimbursement	Index: Finance Number: 1201-8
Effective Date: April 18, 2023	Prepared By: Finance and Administrative Services
Supersedes: Same Policy: May 15, 2007	Approved By: City Council

1.0 **PURPOSE and PROCESS:**

The City of San Clemente travel and expense policy is intended to be consistent with all provisions of California State law, specifically California Government Code 53232. Where and if discrepancies between California State law and these policies exist, the provisions of California State law will prevail. All Councilmember travel expenditures in excess of \$250 require approval by the City governing body. The estimated travel expenses will be placed on the consent agenda of a City Council meeting prior to travel whenever possible. If travel is more urgent and justified, the travel expenses will be placed on the consent agenda of a City Council meeting immediately following the travel.

2.0 **APPLICABILITY:**

City Councilmembers are entitled to payment or reimbursement for the following:

1. Official meetings with representatives of regional, state and national government on City adopted policy positions.
2. Advocacy for City of San Clemente issues, when approved by the City Council.
3. Attending educational seminars designed to improve skills and knowledge. Associated expenses, supported with original itemized receipts, for registration, tuition, and parking are reimbursable.
4. Participation in regional, state and national organizations whose activities affect the City's interests.
5. Implementing an adopted strategy for attracting or retaining businesses which will typically involve at least one staff member.

The City of San Clemente will not reimburse Councilmembers for personal travel (or the personal portion of any trip); political or charitable contributions or events; family expenses including partner, children or pet expenses when accompanying a member on City business; entertainment expenses, including theater, movies (either in-room or at the theater), sporting events (including tickets, gym, massage and/or golf related expenses) or other cultural events; personal automobile expenses including repairs, traffic citations, insurance or personal losses incurred while on City business.

3.0 TRANSPORTATION:

When traveling, Councilmembers will use the most economical mode and class of transportation reasonably consistent with scheduling needs and space requirements. This includes the use of the most direct and time efficient route. In the event a more expensive transportation form or route is used, the cost borne by City will be limited to the cost of the most economical, direct, efficient, and reasonable transportation form. Government and group rates must be used when available.

When possible, airfares should be purchased using the Enhanced Local Government Airfare Program offered by the League of California Cities (www.cacities.org/travel), the California State Association of Counties (<http://www.csac.counties.org>) and the State of California which are presumed to be the most economical and reasonable for purposes of reimbursement under this policy. When reimbursement for airport parking is requested, any airport parking more than 24 hours must be in long term parking or private economy lots. Reasonable and standard baggage handling fees will be reimbursed.

Reasonable and necessary charges for public transportation, taxi, or shuttle service are reimbursable at actual cost with receipts. Car rental is allowed when it is determined it is the most economical and reasonable mode of transportation during travel. Itemized original receipts must be submitted with vehicle rental reimbursement claims. If a personal car is used the Councilmember can seek reimbursement for mileage at the Internal Revenue Service (IRS) rates presently in effect.

4.0 LODGING:

Lodging expenses will be reimbursed or paid for when travel on official City business reasonably requires an overnight stay. Extended stays and extra nights, often for personal travel, are the responsibility of the Councilmember. If possible, lodging in connection with a conference or organized educational activity should be secured using the group rate provided by the conference or activity sponsor. In situations where conference group rates are not available, the IRS per diem rates for lodging can be used as a guide.

Non-reimbursable lodging expenses include, but are not limited to, costs for an extra person staying in the room, costs related to late check out or uncanceled reservations, and in-room pay-per-view movie rentals. Original itemized receipts must accompany claims for lodging reimbursements.

5.0 PER DIEM, MEALS AND TRAVEL RELATED EXPENSES:

5.1 Per Diem

Councilmembers are encouraged to request a per diem based upon the IRS per diem rates for meals and incidental expenses in the area the Councilmember is traveling. Per diem rates may be deducted for applicable meals included in conference or seminar registration and program fees. The per diem will be provided to the Councilmember in advance, when possible, and will only be calculated for the time of official travel. Extended stays for personal travel will not be eligible for per diem. Receipts are not required to claim the meal and incidental expenses per diem.

5.2 Meals

Meal expenses and associated gratuities should be moderate, considering community standards and the prevailing restaurant costs of the area. The City will not pay for or reimburse alcohol/personal bar expenses, or meals for guests or spouses. The IRS per diem rates can be used as a guide for reimbursement.

5.3 Incidental Expenses

Incidental expenses must be related to the purpose of the approved travel and not for personal reasons. For instance, when approved travel lasts for more than one week, laundry/dry cleaning expenses may be reimbursed. An attempt to list all potential incidental expenses is challenging, but Councilmembers are aware that all expenses will be identified on a travel expense report. Incidental expenses should be pre-authorized whenever possible as details of the travel are assembled.

6.0 Travel Expense Report:

A travel expense report will be generated for all official travel by members of the City Council. Reimbursement requests, identified on the report, must be submitted within 60 days of the original transaction or the completion of travel to be reimbursed. Documentation of all receipts detailing the amount paid, the items/services received and the date must be submitted with the Travel Expense Report. Requests for reimbursement will be processed within the normal Accounts Payable schedule.



POLICY AND PROCEDURE

Subject: Legislative Body Reimbursement	Index: Finance Number: 1201-8
Effective Date: May 15, 2007	Prepared By: Finance and Administrative Services
Supersedes:	Approved By:

1.0 **PURPOSE:**

Expense reimbursement policies and procedures for members of the legislative body are hereby established to provide a common understanding of the circumstances in which such persons are entitled to reimbursement for travel outside the local area; to provide for the reimbursement of expenses incurred while members of the legislative body are conducting City business; and to ensure that all requests for reimbursement are in accordance with AB 1234, Government Code Section 53232 and existing City policies and generally accepted accounting practices.

2.0 **ORGANIZATIONS AFFECTED:**

Elected City Council Members
Appointed Members of City Commissions and Committees
Any other "Brown Act" Legislative Bodies

3.0 **REFERENCES:**

Government Code Section 53232
AB 1234

4.0 **POLICY:**

4.1 **Reimbursement** – Members of the legislative body will be reimbursed for all business expenses incurred while conducting City business provided that all required documentation is presented to substantiate the expenses. Reimbursements will be made for:

- Meetings with government and business leaders.
- Conferences, training and educational trips, including visiting other governments to discuss and observe best practices.
- Lobbying trips.
- Business-related trips where a benefit to the City can be defined.
- City business-related reading and educational materials and governmental organization memberships.

Reimbursement is limited to lodging, telephone charges, transportation, registration fees, meals, parking, airport or train station to hotel transportation, tips and laundry/dry cleaning.

- 4.1.1 Lodging reimbursement is limited to the minimum number of nights required to conduct the assigned City business. If a member of the legislative body chooses to arrive earlier, stay later or upgrade the room, the additional expenses will not be reimbursed by the City.
- 4.1.2 If Lodging is in connection with a conference or organized educational activity conducted in compliance with subdivision (c) of section 54952.2, included but not limited to, ethics training required by Article 2.4, lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor, provided that lodging at the group rate is available to the member of a legislative body at the time of booking. (53232.2 (d))
- 4.1.3 If the group rate is not available, the member of a legislative body shall use comparable lodging that is consistent with the Internal Revenue Service rates for reimbursement of travel and use government and group rates offered by a provider of lodging services when available.
- 4.1.4 Local and long distance telephone charges will be reimbursed only when such calls are made while conducting City business.
- 4.1.5 Transportation reimbursement will be for expenses incurred by the most direct route.
- 4.1.6 Laundry/dry cleaning expenses will be reimbursed only for members attending a seminar or school for more than one week in length.
- 4.1.7 Reasonable actual costs of meals or refreshments provided **while conducting City business** will be reimbursed. Identification of the elected and appointed officials and the nature of the business must be documented. As an alternative to actual costs a “per diem” reimbursement may be selected for reimbursement.
 - 4.1.7.1 Expenses for liquor, spouses, guests or other persons not authorized to receive reimbursement will not be allowed.
- 4.1.8 Costs incurred, as part of travel, but not identified as allowable for reimbursement as part of this policy are considered the individuals responsibility.

4.2 **Per Diem Allowance** – A daily or "per diem" allowance for meals, including the meal tip, has been established at the following rates:

Breakfast	\$9
Lunch	\$12
Dinner	\$25

4.2.1 A "per diem" allowance will not be reimbursed for meals included in the conference or seminar cost. A copy of the conference registration (brochure) and whether meals are included should be attached to the Travel Expense Report.

4.2.2 A "per diem" allowance will not be allowed if the meal is provided as part of the hotel stay.

4.3 **Travel Advance** – Individuals are encouraged to prepay all transportation, lodging and registration costs. The City may provide an advance of City funds if requested.

4.4 **Mileage Reimbursement** – Mileage for personal vehicles may be reimbursed only when the cost is lowest when compared to other means of transportation. If a personal vehicle is authorized for use, a mileage reimbursement will be made at the standard mileage rate published by the Internal Revenue Service. The mileage reimbursement is intended to pay for gas, wear and tear and liability insurance for the personal vehicle.

4.5 **City Manager Credit Card** – A credit card has been made available to the City Manager to pay for business conducted on behalf of the City. The cardholder is responsible for the security and use of all purchases made with the credit card.

5.0 **DEFINITIONS:**
Not Applicable.

6.0 **PROCEDURE:**

6.1 **Legislative Reporting** - Members of the legislative body shall provide brief reports on meetings attended at the expense of the City at the next regular meeting of the legislative body. (53232.3(d))

6.2 **Travel Expense Report** - Requests for reimbursement of authorized expenses must be made on a Travel Expense Report. All requests must be submitted within 60 days of the original transaction or the completion of travel to be reimbursed. Documentation of all *original* receipts or bank card charge slips detailing the amount paid, the items/services received and the date must be submitted with the Travel Expense Report. Requests for reimbursement will be processed within the normal Accounts Payable schedule. Travel expense reports are located in Microsoft Word under the general templates, and general tab.

- 6.3 Travel Advance Requests** - Requests for Travel Advances must be made on a Travel Expense Report. Upon completion of travel, a second Travel Expense Report must be submitted with the proper documentation of expenses for Finance Department reconciliation. In the event that the actual expenses were less than the amount advanced, a refund of the unspent portion of the advance must be turned in with the expense report. If the expenses were greater than the amount advanced, reimbursement will be processed within the normal Accounts Payable schedule.
- 6.4 Credit Card Repayment** – The credit card statement is to be provided with copies of the supporting documents/receipts and list the purpose for all purchases made with the credit card. The expenditure account number for each of the purchases is to be properly listed on the payment request. This information is to be submitted to the City Treasurer for approval. Once approved, the expenses will be submitted to Finance to be processed within the normal accounts payable schedule.
- 6.5 Approvals** – Travel expenses and travel reimbursements must be first approved by the City Manager or Assistant City Manager/Treasurer before reports are sent to the Finance Department for the processing of payment.