



AGENDA REPORT

CITY OF SAN CLEMENTE

CITY COUNCIL MEETING

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

Meeting Date: November 19, 2024

Agenda Item: 10E

Submitted By: Finance and Administrative Services

Prepared By: Brian Brower, Administrative Services Director

Subject:

CONSIDERATION OF REVISING POLICY AND PROCEDURE 1201-8 RELATING TO LEGISLATIVE BODY REIMBURSEMENT

Fiscal Impact:

The total estimated annual cost of \$39,600 is included in the FY 2024-25 and 2025- 26 Adopted Budget.

Summary:

The proposed revisions to Policy 1201-8 would establish a monthly expense allowance and remove administrative expenses associated with the requirement for Councilmember travel expenditures in excess of \$250 to be placed on the agenda of a City Council meeting prior to travel.

Currently, City Councilmembers are reimbursed for individual expenses related to their duties, such as automobile mileage, parking fees, office supplies, meals, insurance, fuel, and related costs. To provide sufficient reimbursement and improve administrative efficiency, the proposed policy provides a fixed monthly expense allowance to cover the aforementioned costs, eliminating the process associated with individual reimbursement requests for routine expenses.

Background:

Policy and Procedure 1201-8 provides guidelines for Councilmembers to be reimbursed for expenses incurred while performing official duties.

Discussion:

The proposed revisions to Policy 1201-8 provide updated budgetary, authorization, and reimbursement guidelines for travel related to the conduct of City business for City Councilmembers.

The proposed updated policy identifies the types of travel expenses that will be reimbursed, including transportation, lodging, per diem (meals and related expenses), and information about submitting a travel expense report. The update also establishes a monthly expense allowance to provide a more predictable and simplified way to address routine costs, and reduces paperwork and administrative overhead.

The proposed modifications include the following:

- Travel expenses are budgeted equally for each Councilmember within the Travel and Training line item within the Adopted Budget.
- Travel expenses related to City business are not required to be placed on the agenda of a City Council meeting.
- Travel that involves attendance outside of California should be approved by the City Council.
- In the event that a Councilmember is unable to travel, they are responsible for cancelation of the trip. In the event that a Councilmember does not cancel their reservations and the City is charged a fee or unable to receive a credit or refund, the Councilmember shall reimburse the City the full cost of the fee or non-cancelled charges within thirty (30) days of the cancelled or missed travel.
- Clarification of per-diem and meal reimbursement guidelines.
- Establishment of expense allowance for routine/local travel, meetings and office supplies.

The proposed expense allowance for Councilmembers is \$400.00 per month. The proposed allowance for the Mayor is \$450.00 per month to address a higher level of public engagement, representation, and administrative duties associated with the office. The expense allowance is intended to cover routine business expenses for official City Council duties including the following:

- Automobile expenses (fuel, insurance, depreciation, wear and tear, repairs, maintenance, and rental).
- Parking fees.
- Office supplies.
- Meals and incidental expenses .
- Travel expenses within a 50-mile radius of the City.

If adopted, Councilmembers receiving the monthly allowance will no longer be eligible for individual reimbursements for the expenses listed above, as these will be considered covered by the allowance.

Council Options:

- Adopt the revised Policy 1201-8 per staff recommendation.
- Amend and adopt a revised Policy 1201-8.
- Continue the Item and direct staff to provide additional information or make specific changes to the Policy.
- Do not revise Policy 1201-8.

Environmental Review/Analysis:

This is not a “project” under the California Environmental Quality Act.

Recommended Actions:

Staff recommends repealing and replacing in full City Council Policy and Procedure 1201-8 with the revisions reflected in Attachment 1.

Attachment:

1. Proposed revised Policy and Procedure 1201-8
2. Policy and Procedure 1201-8 dated 4/18/23

Notification:

None.



POLICY AND PROCEDURE

Subject: Legislative Body Reimbursement	Index: Finance Number: 1201-8
Effective Date: November 19, 2024	Prepared By: Finance and Administrative Services
Supersedes: Same Policy: April 18, 2023	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 Section 53232. Where and if discrepancies between California State law and these policies exist, the provisions of California State law will prevail. Travel is subject to the dollar limitations set forth in the Annual Budget adopted by Council. Budgeted amounts in the Travel and Training line item will be divided equally among Councilmembers.

2.0 **AUTHORIZED FUNCTIONS:**

Expenses incurred in connection with the performance of official duties at functions described below are eligible:

1. Official meetings with representatives of regional, state and national government on City adopted policy positions.
2. Official meetings, conferences, events for organizations to which the City Council has appointed the Councilmember as a representative, member or liaison.
3. Advocacy for City of San Clemente issues, when directed or otherwise approved by the City Council.
4. Educational seminars designed to improve skills and knowledge related to City Council duties or activities.
5. Participation in regional and state organizations whose activities affect the City's interests, including but not limited to Orange County Division of the League of California Cities (LOCC) and Association of California Cities – Orange County (ACCOC).
6. Participation in national organizations whose activities affect the City's interests, when approved by the City Council.
7. Implementation of an adopted strategy for economic development, attracting or retaining businesses which will typically involve at least one City staff member.

8. Travel that involves attendance outside of California should be approved by the City Council.

3.0 UNAUTHORIZED EXPENSES:

City of San Clemente will not reimburse Councilmembers for personal travel (or the personal portion of any trip); political or charitable contributions or events; campaign activities, events or costs; 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; “pre-boarding”, “upgrade” or “change” fees charged for the convenience of the traveling official.

3.0 TRANSPORTATION DURING AUTHORIZED TRAVEL:

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 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 CANCELLATIONS

In the event a Councilmember is unable to travel according to pre-arranged and/or pre-paid itineraries, the Councilmember shall cancel his or her reservations prior to the cancellation deadline established by the vendor (i.e. hotel, airline, etc.) so as not to incur charges or in order to receive a refund or credit. In the event a Councilmember does not cancel his or her reservations and the City is charged a fee or unable to receive a credit or refund, the Councilmember shall reimburse the City the full cost of the fee or non-cancelled charges within thirty (30) days of the cancelled or missed travel.

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 City maximum full day meal and incidental expenses rate shall be not greater than the maximum federal per diem meal and incidental expenses (M&IE) rate established by the General Services Administration (www.gsa.gov) based on the limit for the city or county to which the official is traveling. 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. A Councilmember may not request reimbursement for any meal which is provided or otherwise available to the Official at a function, whether or not there is an actual charge for the meal. For example, if lunch is provided at a function, the traveler may not request reimbursement for eating elsewhere.

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:

Officials shall submit a travel expense report, as provided by the City, to the City Manager or the Manager's designee within sixty (60) days of incurring the expense. Documentation of all receipts detailing the amount paid, the items/services received and the date must be

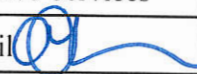
submitted with the Travel Expense Report. Requests for reimbursement will be processed within the normal Accounts Payable schedule.

7.0 Expense Allowance:

Every member of the City Council shall have an expense allowance. The Mayor's expense allowance will be at the rate of \$450.00 per month due to increase responsibilities and all other councilmembers will receive \$400.00 per month. The allowance shall be in lieu of any other automobile or mileage allowance, parking fees, office supplies, meal expenses, insurance, motor fuels and lubricants, depreciation, wear and tear, repairs or maintenance, automobile rental and other similar expense for routine City Council business and travel within 50 miles of the City. For trips greater than 100 miles round-trip, Councilmembers may submit a travel expense report for reimbursement for mileage in excess of the first 100 miles.



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.