



Agenda Item # \_\_\_\_\_

# Staff Report

## City of Manhattan Beach

**TO:** Honorable Mayor Ward and Members of the City Council

**THROUGH:** Geoff Dolan, City Manager

**FROM:** Marcie Scott, Human Resources Director  
Bruce Moe, Finance Director  
Robert V. Wadden, Jr., City Attorney

**DATE:** April 4, 2006

**SUBJECT:** Consideration of a Resolution Adopting an Elected Officials' Expense Reimbursement Policy Pursuant to Assembly Bill 1234.

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**RECOMMENDATION:**

Staff recommends the City Council consider Resolution No. 6024 adopting an elected officials' expense reimbursement policy pursuant to Assembly Bill 1234 (AB 1234).

**FISCAL IMPLICATION:**

The adoption of this policy will have no fiscal impact as the amounts allowed for reimbursement by the policy are already budgeted.

**BACKGROUND:**

AB 1234, recently adopted by the state legislature, requires local agencies that provide expense reimbursement to members of its legislative body to adopt a written policy on the procedures and requirements for expense reimbursement. The City has an existing travel reimbursement policy that applies to all City employees. However the role of an elected official often requires travel to, and communication with, constituents; the costs of which are not covered by the current travel policy. Further, the legislation requires elected and appointed officials who receive expense reimbursements to attend a 2-hour ethics training course by January 1, 2007. Staff will continue to provide notices of upcoming training options that meet this requirement.

**DISCUSSION:**

Serving as an elected official requires frequent communication and interaction with constituents whether it is through phone discussions, personal meetings, group meetings, and/or email messages, as a few examples. Elected officials should not be expected to personally absorb the expense of conducting City business or using training or other resources which primarily benefit the City. The resolution attached will apply to all elected officials at the City of Manhattan Beach. It provides a process for reimbursement of expenses as a result of official City business that are not covered in the travel policy.

The City currently provides a reimbursement allowance of \$400 per month for use of a personal car to attend any City-related activity that might include Council meetings, Committee meetings, official appearances on behalf of the City and meetings with residents or business owners regarding City matters. This is intended to cover the costs of fuel, insurance and wear and tear on the vehicle.

The City also provides \$75 per month for use of personal telecommunication devices which are required to perform the duties of an elected official, which may include cellular telephone, land line telephones, internet connections, computer and facsimile machine. This is intended to contribute toward the amortized costs of the hardware and service charges.

Staff proposes to provide an expense report form at the first Council meeting of each month, covering the personal vehicle and telecommunications expenses for the prior month. Councilmembers should complete, sign and submit the form to the City Clerk, indicating they've met a minimum standard of usage of personal vehicles (at least 30 miles per month) and telecommunications devices (at least 3% of usage per month) for the conduct of City-related business. The reimbursement will be processed in the second pay period of the month or the pay period following submittal of the expense form. The expense reimbursement will continue to be processed as a taxable reimbursement. The City Treasurer's expense form process will be handled in a similar fashion.

Another requirement of the law is that elected and appointed officials provide brief reports of meetings they attended, and for which they received expense reimbursement, at their next regular meeting. The new law defines "meeting" by the Brown Act definition, meaning any congregation of a majority of the members of a legislative body at the same time and place to hear, discuss or deliberate upon any item that is within the subject matter jurisdiction of the City Council. Staff has modified the standing City Council agenda item of "Other Council Business" to include committee and travel reports. This would be the appropriate time for a Councilmember to provide an oral report of meeting attendance. Officials may also provide a written report if they wish. This requirement also applies to appointed Commissioners and will be addressed at the commissions as appropriate.

**ALTERNATIVES:**

The Council may wish to modify Resolution No. 6024 after deliberations, but a policy addressing AB 1234 must be adopted.

ATTACHMENT:     Resolution No. 6024  
                          Administrative Instruction 06—Travel and Attendance at Conferences and  
                          Meetings

RESOLUTION NO. 6024

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
MANHATTAN BEACH, CALIFORNIA, ADOPTING AN ELECTED  
OFFICIALS' REIMBURSEMENT POLICY

THE CITY COUNCIL OF THE CITY OF MANHATTAN BEACH, CALIFORNIA, DOES  
HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The City Council hereby makes the following finding:

(a). The recent passage of Assembly Bill 1234 requires that any City which reimburses  
elected officials for their out of pocket expenses must adopt an expense reimbursement policy;

(b). It is in the best interest of the health, safety and welfare of the citizens of  
Manhattan Beach that elected officials have access to training and other resources which will enable  
them to be more effective representatives;

(c). Elected officials should not be expected to personally absorb the expense of  
conducting City business or using training or other resources which primarily benefit the City.

SECTION 2. The City Council hereby adopts the following Expense Reimbursement  
Policy effective January 1, 2006:

**ELECTED OFFICIALS' EXPENSE REIMBURSEMENT POLICY**

Elected officials of the City of Manhattan Beach are authorized to receive expense reimbursement for  
the activities and in the amounts authorized by this policy without the need for any further Council  
action. Any activity or amount of expense reimbursement not provided for in this policy shall require  
City Council approval.

**I. Activities For Which Expenses May Be Reimbursed**

Any elected official for the City of Manhattan Beach may receive reimbursement for the expense of  
attending any training or conference related to municipal government, including but not limited to:  
seminars; conferences; League of California Cities' sponsored activities; National League of Cities  
sponsored activities; official (nonpolitical) banquets or honorary dinners; any training which relates in  
any way to the services or role of municipal government; lobbying activities on behalf of the City.  
Elected officials may also receive reimbursement for attending any intergovernmental activity (such as  
those sponsored by the South Bay Council of Governments) and for activities related to their City  
assignments.

Elected officials may be reimbursed for actual and reasonable expenses with regard to communicating  
and meeting with their constituents provided that they have made an effort to use City resources before  
advancing their own personal funds. Examples of such activities would be sending newsletters or  
bulletins to constituents, holding "town hall" type meetings, or informal meetings with residents.  
Provided, however, such activity shall be directly related to performance of the elected official's duties  
as a City official and not political or primarily related to the elected official's reelection activity.

Where available, elected officials must use government and group rates for travel and lodging. If an  
activity has published room rates available to those attending reimbursement for lodging for that activity  
shall not exceed the published room rate.

Any reimbursable activity must be consistent with the rules of the Fair Political Practices Commission,  
the "Brown Act," The Political Reform Act and other applicable statutes and regulations. Any activity  
conducted in violation of any such regulation or law shall not be eligible for reimbursement.

## **II. Types of Expenses Which May Be Reimbursed**

While traveling on City business, elected officials shall continue to comply with all provisions of the City's Administrative Instruction A-06 (Travel and Attendance at Conferences and Meetings) which is incorporated herein by reference. No elected official may receive any amount as reimbursement which exceeds the actual expense incurred. Other expenses which may be reimbursed at actual cost shall include: meals where City business or purposes are being discussed or promoted; printing and postage for City related non-political materials (provided that City in-kind services are not available); coffee and light snacks or refreshments for non-political town hall or other meetings with residents related to City business.

## **III. Limit on Expense Reimbursement For Elected Officials' Use of Their Own Vehicles and Telecommunications Devices.**

### (a.) Vehicle Reimbursement

No elected official shall receive more than four hundred dollars (\$400) in a calendar month for their use of their own vehicle in conducting City business regardless of the number of miles driven, except in circumstances as defined in the City's travel reimbursement policy, A-06 provision I (2). Any elected official logging at least thirty (30) miles in conducting City business in any calendar month shall be reimbursed the sum of \$400 for that month provided that a form approved by the City Manager is submitted documenting said use.

For purposes of this policy subsection the term "conducting City business" shall include mileage driven to and from any City related activity including: Council meetings; Commission meetings; Committee meetings; seminars; conferences; meetings of intergovernmental groups; official appearances on behalf of the City; City related banquets or other formal occasions; meetings with residents or business owners regarding City matters; site visits related in any way to City business; and lobbying activities. No elected official shall be entitled to claim reimbursement for mileage related to an activity which violates any FPPC regulation, the "Brown Act," the Political Reform Act or any other applicable regulation or law.

### (b.) Telecommunications Reimbursement

No elected official shall receive more than seventy-five dollars (\$75) in a calendar month for their use of their personal telecommunications devices in conducting City business. The term "telecommunications devices" shall include, but not be limited to cellular phones, land line telephones, internet connections, palm pilots, "Blackberries," "Treos" or similar devices and any wireless service connected therewith. Any elected official devoting at least three percent (3%) of the use of such devices to conducting City business in any calendar month shall be reimbursed the sum of seventy-five dollars (\$75) for that month provided that a form approved by the City Manager is submitted documenting said use.

For purposes of this policy subsection the term "conducting City business" shall include communications regarding any City related activity including: communications with residents, City staff, other government agencies or elected officials, review of documents related to City business, research regarding City related issues, review of relevant legislation, service on City subcommittees or any other City related communications on any telecommunications device. No elected official shall be entitled to claim reimbursement for expenses related to an activity which violates any FPPC regulation, the "Brown Act," the Political Reform Act or any other applicable regulation or law.

## **IV. Expense Reports Required**

No elected official may receive reimbursement for any expense unless he or she has submitted an expense reimbursement report in a form approved by the City Manager which documents the purpose, type and amount of the expense for which reimbursement is being requested. Each such report shall be accompanied by receipts (where appropriate) for the amounts being requested.

SECTION 3. The City Clerk shall make this Resolution reasonably available for public inspection within thirty (30) days of the date this Resolution is adopted.

SECTION 4. This resolution shall take effect immediately.

SECTION 5. The City Clerk shall certify to the adoption of this Resolution and thenceforth and thereafter the same shall be in full force and effect

PASSED, APPROVED, and ADOPTED this 4th day of April, 2006.

Ayes:  
Noes:  
Absent:  
Abstain:

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Mayor, City of Manhattan Beach, California

ATTEST:

\_\_\_\_\_  
City Clerk



## Administrative Instruction Manual

*Policy #:* A-06  
*Department Responsible:* Finance  
*Date Revised:* May 1, 2002  
*Approved By City Manager:* Geoff Dolan

**SUBJECT:** Travel and Attendance at Conferences and Meetings

**PURPOSE:** To provide direction regarding travel and attendance at conferences and meetings and provide guidelines for being reimbursed for travel.

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### **GENERAL POLICY:**

Allowing City staff to attend conferences and meetings promotes the exchange of ideas, assists staff in keeping up-to-date with new laws and practices in their field, and enhances their abilities to improve services to the community. It is necessary that the City establish policies with regard to attendance at conferences and meetings, and procedures regulating travel and prior approval of attendance and reimbursable expenditures.

### **PROVISIONS:**

A. Definitions:

1. Local Travel is official travel within 60 miles from the City of Manhattan Beach that can be accomplished within a one day time period.
2. Non-Local Travel is official travel involving at least one over-night absence from the normal place of duty. If a location is less than 60 miles distance from the City of Manhattan Beach it may be classified as either local or non-local travel.
3. Conference is a seminar, workshop, and training program where the employee is away from work for more than one day.
4. Meeting is a lunch/dinner meeting, seminar, workshop, and training program where the employee is away from work one day or less and overnight accommodations are not required.
5. Mileage is the reimbursable expense incurred through the use of a private vehicle on official City business (subject to the restrictions outlined within this Administrative Instruction). The mileage basis for calculating reimbursements shall be the distance between City Hall and the destination, or the distance between the traveler's home and the destination, whichever is less.

B. Prior approval of the Department Head shall be obtained for all local or non-local travel. The City Manager shall approve Department Head travel.

C. Requests for travel (local and non-local) shall be made on the City's Travel/Conference/Meeting Request form (see attached). The submitted form must have the following attachments: completed travel meal worksheet, conference/class itinerary, lodging information and transportation modes information. For local meetings where no additional out-of-pocket expenses will be incurred, a Direct Payment form may be used to request registration payments

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**This Instruction can be viewed on the City of Manhattan Beach Intranet**

in lieu of the Travel/Conference/Meeting Request and Expense Report. In addition, lunches for local travel will not be reimbursed unless the City is being reimbursed from a grant or other funding source. However, if the meeting cost includes lunch then it is reimbursable.

- D. Reimbursement for local travel with a total cost of \$50 or less may be paid by Finance from petty cash. A copy of the Travel/Conference/Meeting Request form or a monthly expense report with supporting documentation shall serve as the reimbursement form. The Department Head must approve the form prior to reimbursement.
- E. Post-travel expense reports shall be submitted within 30 days after completion of travel.
- F. Post-travel expense reports require Department Head approval. The City Manager shall approve expense reports for Department Head travel. The Department Head's designee may approve reimbursement to the employee of \$50 or less.
- G. Advance payments for travel shall be limited to airfare, hotel, and conference registration. When applicable, advances will be paid directly by the City to the travel agency, airline, hotel, or the conference. If requested, per diem meal expense may be advanced if travel exceeds 3 days, but any advance to the employee will be held until 5 days before departure for travel (unless otherwise approved by the Finance Director). Requests should be submitted early to allow Finance sufficient time to process the payment one week before departure. Check the Accounts Payable payment schedule for check issuance dates.
- H. All travel arrangements requiring hotel and airfare reservations must be submitted on the approved form for advance approval by the Department Head and Finance Department. Conference materials, including a description of the conference/meeting, discount airfares, hotel selections, meals, etc., shall be submitted with the form.
- I. Transportation:
  - 1. Local – The normal mode of transportation for local travel will be by automobile, either City-owned or private. Employees are encouraged to carpool or take public transportation whenever feasible to reduce pollution and to eliminate duplication of mileage reimbursements when applicable.
  - 2. Non-Local – All non-local travel on City business will be via the most economical and time-efficient mode. Use of a personal vehicle requires the advance approval of the Department Head on the travel request form. If a personal vehicle is used, mileage reimbursement will be made at the City's prevailing rate to a maximum of the lowest available airfare (a comparison must accompany the travel request).

If the traveler receives a car allowance, the first 150 miles of round trip travel are exempt from reimbursement. Mileage in excess of 150 miles on a single trip will be reimbursed at the City's prevailing rate. For the purposes of calculating mileage, the traveler should consider all mileage accrued for a single destination or purpose that is accumulated over more than one day of travel (e.g., if a traveler has a conference that is for 3 days, and he/she

accumulates 200 miles driving to and from home over those 3 days, then he/she will be reimbursed for 50 miles, 200 miles minus the 150 mile allowance).

The traveler will not be reimbursed for additional lodging and meal expense caused by the differential of travel time by automobile. The traveler may be required to take leave such as vacation if the travel time differential between air and car are significant and City time is utilized for excessive travel time. Any traveler utilizing his/her own vehicle must maintain the minimum limits of automobile insurance required by the City (see the Risk Manager for the minimum limit).

Allowance for air travel will be round trip coach fare to the City specified. Travelers are expected to book their air reservations at least 30 days in advance of the flight whenever possible to obtain any special reduced flight fares. Each department will arrange ticketing for all air travel using an agency of their choice. It is the responsibility of the Department to review air travel expenses for appropriateness. The employee is responsible and accountable for obtaining the lowest reasonable airfare. City authorized travel shall be scheduled to be economical to the City, not to maximize frequent flyer miles.

Reasonable ground transportation charges (taxi or bus) between the airport and the business meeting site shall be allowed, as will any reasonable transportation costs between the traveler's home and airport provided receipts accompany the post-travel expense report.

Rental cars may be considered on a case-by-case basis and require Department Head approval prior to traveling. The vehicle type may be limited based on the number of passengers. The City is self-insured, therefore, do not request additional insurance coverage. Check with the General Services Manager for the most current list of authorized rental agencies.

If an airline ticket is partially or totally unused, it shall be returned to the booking travel agency within 10 days of the return of the traveler to the City. If an airline ticket exchange or change results in a fare increase, the documentation for the original fare and fare increase must be submitted with the final expense report. Only additional surcharges for business reasons will be reimbursed. If a fare decrease results, the original and modified tickets shall be returned to the issuing travel agency within 10 days for credit processing. If a non-refundable airline ticket is unused, it shall be turned into the Finance department for potential future use on other City business.

- J. Lodging is allowed only for non-local travel, unless prior Department Head approval is received. Lodging expense will be advanced and paid by the City directly to the hotel unless there is not sufficient time to process a check, in which case the hotel reservation may be guaranteed with the City's credit card or the traveler's credit card, with the expense being reimbursed upon return. Travelers are expected to select a hotel that is specified by the conference or seminar they are attending with corresponding reduced rates. The City will not reimburse for any extra charges incurred by guests. If the employee stays in a non-conference hotel, the rate should be the same or less than the conference hotel rate.



- K. Meal allowance when on travel status (i.e., non-local travel) is \$38 per day. Travelers shall receive a reduced per diem if one or more meals are included in the conference cost or are otherwise covered. Allowances are as follows:

Breakfast	\$5.00
Lunch	\$11.00
Dinner	\$22.00

Receipts for Meals are not required. If the traveler wishes to spend an amount in excess of the per diem granted, that expense is not reimbursable.

- L. The City will reimburse reasonable incidental business expenses associated with travel such as airport shuttle, airport parking, tips, business telephone calls, etc. when accompanied by receipts. The City will not reimburse the traveler for items that are personal in nature, such as dry cleaning, theater tickets, cocktails, personal care items, in-room movies, etc.
- M. Personal travel (i.e., vacations, extended weekends, travel with spouse, family, or companion etc.) combined with business travel is permitted. Any costs associated with the personal portion of travel are not reimbursable. If the personal travel results in a higher airfare or additional expense to the City for the business related travel, the traveler will reimburse the City for the actual additional costs. Under no circumstances will the City reimburse an employee traveler for additional expenses incurred as the result of the simultaneous travel of a spouse, fellow employee, or other companion.
- N. Attendance at meetings (one day or less away from work - Local Travel) may be requested in advance on the Travel/Conference/Meeting Request form (or a Direct Payment form if in accordance with "Procedures" section "2" above). The individual may pay the expense out-of-pocket with the City reimbursing the individual once a monthly expense report with supporting documentation has been completed and signed by the Department Head. Whenever possible, the City shall directly prepay any meeting registration fees.
- O. Department Heads are responsible for tracking and reporting all travel, meeting and conference expenses outlined within this Administrative Instruction. Each department shall maintain a ledger containing information on all departmental travel, which will include the name of the employee, the nature of the travel, location, and cost. Reports to the City Manager will be required periodically.

Department Heads are accountable for all travel/training/conference expenses for his/her department. Authorization for travel/training/conference shall take into account the training and professional needs of the City, Department and individual. Any exceptions must be pre-approved by the Department Head. Department Heads have the authority to use their discretion but are responsible for all expenditures and budgetary controls.