

ORDINANCE NO. 3056

ORDINANCE OF THE CITY OF CHULA VISTA ADOPTING A
CITY COUNCIL POLICY REGARDING REIMBURSEMENT
OF EXPENSES FOR LEGISLATIVE BODY MEMBERS

WHEREAS, the California legislature recently passed AB 1234 which, among other things, requires cities to implement policies governing expense reimbursement to legislative body members; and

WHEREAS, as a charter city, the City of Chula Vista (City) has been granted plenary “home rule” authority over local “municipal affairs,” pursuant to California Constitution article XI, section 5 and the City exercises this authority over issues related to the compensation of City officers and employees; and

WHEREAS, the Charter of the City of Chula Vista (City Charter) allows the City to reimburse expenses incurred by the Mayor and City Council members (*see*, City Charter §§302 and 304(c)), and by board and commission members, when authorized by the City Council (*see*, City Charter §601(b)); and

WHEREAS, on its face, AB 1234 applies to charter cities; and

WHEREAS, the City has determined that it would be in its best interests for public and fiscal policy reasons to adopt a policy governing expense reimbursement of legislative body members and has prepared such a policy (Policy); and

WHEREAS, the City finds that the Policy complies with AB 1234, in the event that AB 1234 could be constitutionally applied to charter cities; and

WHEREAS, the Mayor and City Council members currently receive auto allowances and the City finds that those allowances reasonably reflect actual and necessary expenses incurred by the Mayor and City Council members, respectively, in their official City duties, and that those allowances are beneficial to the public; and

WHEREAS, the City Council has considered all information related to this matter, including that presented by staff, and any information provided during the public meeting at which this Policy was considered.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Chula Vista does ordain as follows:

Section I:

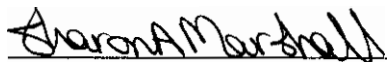
1. The City adopts the City Council Policy on Expense Reimbursement to Legislative Body Members, attached as Exhibit 1 to this Ordinance.
2. This Policy is adopted pursuant to the City’s constitutional home-rule authority over its municipal affairs related to compensation of City officials and employees.

- 3. The auto allowances paid to the Mayor and City Council members and incorporated in the Policy reasonably reflect actual and necessary expenses incurred by the Mayor and City Council members, respectively, in their official City duties, and that those allowances are beneficial to the public.
- 4. In certain instances, as specified in the Policy, the purchase of meals by legislative body members for third parties is an actual and necessary expense of a member's official City duties.

Section II: This ordinance shall take effect and be in full force thirty days from its adoption.

Presented by

Approved as to form by



Ann Moore
City Attorney



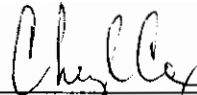
Ann Moore
City Attorney

PASSED, APPROVED, and ADOPTED by the City Council of the City of Chula Vista, California, this 9th day of January 2007, by the following vote:

AYES: Councilmembers: Castaneda, McCann, Ramirez, Rindone, and Cox

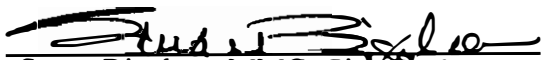
NAYS: Councilmembers: None

ABSENT: Councilmembers: None



Cheryl Cox, Mayor

ATTEST:



Susan Bigelow, MMC, City Clerk

STATE OF CALIFORNIA)
COUNTY OF SAN DIEGO)
CITY OF CHULA VISTA)

I, Susan Bigelow, City Clerk of Chula Vista, California, do hereby certify that the foregoing Ordinance No. 3056 had its first reading at a regular meeting held on the 19th day of December, 2006 and its second reading and adoption at a regular meeting of said City Council held on the 9th day of January 2007.

Executed this 9th day of January 2007.



Susan Bigelow, MMC, City Clerk

**COUNCIL POLICY
CITY OF CHULA VISTA**

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DATED: 02/08/07

AMENDED BY:

BACKGROUND

As a charter city, the City of Chula Vista ("City") has been granted plenary "home rule" authority over local "municipal affairs," pursuant to California Constitution article XI, section 5. The City exercises this authority over issues related to the compensation of City officers and employees. The Charter of the City of Chula Vista (the "City Charter") allows the City to reimburse expenses incurred by the Mayor and City Council members [see, City Charter §§302 and 304(c)], and by board and commission members, when authorized by the City Council [see, City Charter §601(b)].

Recent California state legislation (Assembly Bill No. 1234, Chapter 700, effective January 1, 2006, and codified at Government Code §§53232 through 53232.4) requires cities to adopt a written policy regarding expense reimbursements paid to elected and appointed officials. That legislation specifically provides that its provisions apply to charter cities. [Cal.Gov. Code §53232(c).] In the event that the provisions of Assembly Bill No. 1234 could be constitutionally applied to charter cities, this expense reimbursement policy satisfies the requirements of that legislation.

PURPOSE AND SCOPE

The purpose of this policy is to adopt and implement procedures for reimbursing City Council members, and certain other City officials, for actual and necessary expenses incurred by them in the performance of official City duties.

This policy applies to any "member" of a "legislative body," as defined by the Brown Act. (See, California Government Code §§53232.1 and 54952.) Except that, with respect to expenditures incurred by an appointed member of a Board or Commission, this policy applies, only to the extent that the expenditures have received authorization by the City Council.

This policy will use the term "Member" to refer to the Mayor and each member of the City Council. In addition, to the extent the City Council has approved reimbursement to any Board or Commission member, such a member shall be entitled to reimbursement for expenses in the same manner as a "Member;" if the expense has not been authorized by the City Council, the Member is not entitled to reimbursement, pursuant to the Chula Vista City Charter.

POLICY

I. GENERAL RULE.

A Member is entitled to reimbursement for actual and necessary expenses incurred in the performance of official City duties provided that the amount of the expenses does not exceed: (i) the

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reimbursement rates set forth in this policy; or (ii) the amount budgeted for such expenses. If a Member has a question regarding this policy, or whether a particular expense is reimbursable, the Member is encouraged to contact the Finance Director, or Assistant Finance Director, before the expense is incurred.

II. EXPENSE CLASSIFICATIONS.

A. Authorized Expenses

City funds, equipment, supplies (including letterhead), titles, and staff time must only be used for authorized City business. Actual and necessary expenses incurred in connection with the following types of activities generally constitute expenses authorized for reimbursement, as long as the other requirements of this policy are met:

1. Communicating with representatives of regional, state and national government on policy matters adopted by, or of concern to, the City; including, when appropriate and when the communication takes place over the course of a meal, the purchase of the meal for the representative;
2. Attending educational seminars and conferences designed to improve Members' skill and information levels;
3. Participating in regional, state and national organizations whose activities affect the City's interests;
4. Attending City events;
5. Implementing a City-approved strategy for attracting or retaining businesses to the City, which will typically involve at least one staff member;
6. Meetings such as those listed above for which a meeting stipend is expressly authorized under this policy;
7. Organizational memberships and reading and educational materials related to City affairs;
8. Attending meetings or events at the direction or request of the City Council;
9. Expenses incurred by the Member for which there is a reasonable connection with a policy matter adopted by, or of concern to the City;
10. Communicating with representatives of business or community interests at the local

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regional, state and national level on policy positions adopted by, or of concern to, the City, including, when appropriate and when the communication takes place over the course of a meal, the purchase of the meal for the representative.

Expenses reimbursed under this policy shall be considered to have been incurred in compliance with this policy.

B. Expenses Requiring Prior Approval

Any expenditures not specified above for which a Member seeks reimbursement from the City, must have been approved by the City Council prior to the expenses being incurred.

C. Expenses Not Eligible for Reimbursement

Examples of personal expenses that the City will not reimburse include, but are not limited to:

1. The personal portion of any trip;
2. Political or charitable contributions;
3. Family expenses, including partner's expenses when accompanying official on City-related business, as well as children- or pet-related expenses;
4. Entertainment expenses, including theater, movies (either in-room or at the theater), sporting events (including gym, massage and/or golf related expenses), or other cultural events;
5. Non-mileage personal automobile expenses, including repairs, traffic citations, insurance or gasoline; and
6. Personal losses incurred while on City business.

The approving authority should resolve any questions regarding the propriety of a particular type of expense before the expense is incurred.

III. MEETING STIPENDS

Certain Members may receive a stipend, as authorized by the City or other applicable law, for attendance at certain meetings. Such compensation is in addition to any reimbursement for meals, lodging, travel and expenses consistent with this policy.

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IV. COST CONTROL GUIDELINES

To conserve City resources and keep expenses within community standards for public officials, expenditures should adhere to the following guidelines. In the event that expenses are incurred which exceed these guidelines, the cost borne or reimbursed by the City will be limited to the costs that fall within the guidelines.

A. Transportation.

The most economical mode and class of transportation reasonably consistent with safety, scheduling needs and cargo space requirements must be used, using the most direct and time-efficient route. Charges for rental vehicles may be reimbursed under this provision if it is determined that the use of a rental vehicle is more economical or efficient than other forms of transportation. In making such determination, the cost of the rental vehicle, parking and gasoline will be compared to the combined cost of such other forms of transportation. Government and group rates must be used when available.

1. Airfare. Travelers must utilize governmental airfare rates, when available. If no government or group rate is available, the Member shall make reasonable efforts to obtain the most economical airfares and the most efficient route. The air travel shall be booked as far in advance as possible, so as to receive the lowest fares possible. In any event, a Member shall not be entitled to reimbursement for any expenses to the extent they exceed the cost generally available to the public. When traveling by air, reimbursement shall be authorized for reasonable and actual costs and gratuities incurred for baggage handling.

2. Automobile. Each City Council member shall be entitled to an automobile allowance in the amount budgeted each fiscal year; the City Council has determined that the automobile allowances provided to its members are beneficial to the public and reasonably reflect actual and necessary expenses incurred by the City Council members. Each City Council member shall maximize the use of personal automobiles for travel to City business within San Diego County.

To the extent a City Council member uses his or her personal automobile for travel on official City duties, that City Council member's sole entitlement to reimbursement for transportation costs shall be limited to the automobile allowance. However, if a City Council member will be traveling outside San Diego County on City business, by auto, the member may: (i) elect to use a City pool car or rental car, pursuant to City policy; or (ii) receive reimbursement at one-half the then-effective Internal Revenue Service rate for mileage reimbursement, for those miles traveled outside San Diego County, pursuant to City Council policy governing mileage reimbursement.

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3. Car Rental. In the event that car rental is determined to be the most efficient or economical mode of transportation for official duties, the Member shall make reasonable efforts to obtain the most economical car rental rates. In addition to rental rates, when using a rental car, the following actual and reasonable costs shall be reimbursable: gasoline, parking, tolls and insurance coverage purchased from the rental agency for physical damage to the rental car.

4. Taxis/Shuttles. Taxi or shuttle fares may be reimbursed, including a 15 percent gratuity per fare, when the cost of such fares is equal to, or less than, the cost of car rentals, gasoline and parking combined, or when such transportation is necessary for time-efficiency or safety.

B. Lodging.

Lodging expenses will be reimbursed or paid for when travel on official City business reasonably requires an overnight stay. When arranging for lodging, the Member shall make reasonable efforts to ensure that the most economical mode and class of lodging is used.

1. Conferences/Meetings. If lodging is in connection with a conference, lodging expenses must not exceed the group rate published by the conference sponsor for the meeting in question if such rates are available at the time of booking. If the group rate is not available, see next section.

2. Other Lodging. Travelers must request government rates, when available. If there are no facilities available at the government, or in reasonable and safe proximity to the location, the Member shall be entitled to reimbursement for the actual costs of lodging that is comparable in location and quality. In any event, the Member shall not be entitled to reimbursement for any expenses to the extent they exceed the cost available to the general public.

C. Meals

Meals and associated expenses will be reimbursed based on actual costs, not to exceed the published IRS per diem rate for the location where the meals are purchased. When the meal function is an organized event (for example, conferences and other types of activities that fall within the list of "authorized expenditures" above), the Member shall be reimbursed the amount being charged by the event organizer for the meal. The City recognizes that the per person cost may exceed the above rates due to additional costs associated with organizing the event, service charges, and the costs associated with any invited guests.

The City will not pay for alcohol expenses.

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D. Telephone/Fax/Cellular

Members will be reimbursed for actual telephone and fax expenses incurred on City business.

E. Internet

Members will be reimbursed for actual and necessary costs for Internet access connection and/or usage fees away from home, if Internet access is necessary for City-related business.

F. Airport Parking

Actual airport parking expenses will be reimbursed by receipt.

G. Other

To the extent that actual costs incurred in the performance of official duties are actual and necessary but are not otherwise defined above, the Member shall be entitled to reimbursement for expenses that meet the guidelines of this policy. In any event, a Council member shall not be entitled to reimbursement for any expenses to the extent they exceed the cost generally available to the public.

V. CREDIT CARD USE POLICY

Certain Members may be issued City credit cards. Members with City credit cards may only use those cards for official City business consistent with this expense policy. Each credit card holder will, as a part of that individual's expense report, document compliance with this expense policy for all charges made on the credit card.

Receipts documenting expenses incurred on the City credit card and compliance with this policy must be timely submitted.

VI. EXPENSE REPORTS

A. Content And Submission Deadline

All expenditures, credit card expenses and expense reimbursement requests must be submitted on an expense report form provided by the City.

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Expense reports must document that the expense in question met the requirements of this policy. For example, if the meeting is with a legislator, the Member should explain whose meals were purchased, what issues were discussed and how those relate to the City's adopted legislative positions and priorities.

Members must submit their expense reports within a reasonable time of an expense being incurred, as determined by the Finance Director, accompanied by receipts documenting each expense. Restaurant receipts, in addition to any credit card receipts, are also part of the necessary documentation.

B. Audits of Expense Reports

All expenses are subject to verification that they comply with this policy.

VII. Reports to Governing Board

Any Member who attends a Brown Act meeting at the expense of the City, must briefly report on the meeting attended at the next City Council meeting.

If multiple Members attended, a joint report may be made. The report may be made orally or in writing or in writing under the written comments portion of the agenda.

VIII. Compliance with Laws

Members should keep in mind that some expenditures may be subject to reporting under the Political Reform Act and other laws. All agency expenditures are subject to the Public Records Act.