



DATE: March 21, 2017

CATEGORY: Consent

DEPT.: Finance and Administrative Services/
Council Procedures Committee

TITLE: **Adopt a Resolution Modifying
Council Policy A-2 Governing
Expenses of the Council**

RECOMMENDATION

Adopt a Resolution of the City Council Modifying City Council Policy A-2, City Council Policy Governing Expenses of the Council. (Attachment 1 to the Staff Report).

BACKGROUND

The Council Procedures Committee (CPC) is a standing Council Committee that meets on an as-needed basis to discuss issues relating to City Council policies and/or procedures. As part of the review and approval of the Council Budget for Fiscal Year 2015-16, the Council requested a review of City Council Policy A-2, City Council Policy Governing Expenses of the Council (Policy A-2). Policy A-2 was last revised on April 24, 2007, primarily to incorporate and update the policy for aspects related to AB 1234 requirements related to reimbursement policies and ethics.

The CPC met on February 23, 2016, to discuss modifications to Council Policy A-2 and provided the direction recommended in this report.

ANALYSIS

Staff reviewed the existing Policy A-2 to incorporate the basic direction provided by the CPC and Council. Staff updated and restructured the policy to conform the policy to current practices and standards. In addition, some modifications were proposed to increase efficiency and ease of processing of expenses by staff.

A summary of items addressed in the revised policy as proposed to the CPC are as follows:

- General clean-up language to modernize the policy and additional explanations and clarifications for reimbursement throughout the policy.
- Removing specific amounts allocated to each Councilmember by category and reference (e.g., telecommunications, travel and expenses, per term, etc.) and referencing the amounts as adopted annually by the Council. Thereby, not requiring the policy to be revised if there are changes in amounts included in the adopted budget.
- Providing an allowance for Communication Costs (telephones, fax lines, cell phones, data plans, computers, Internet access, etc.) instead of a reimbursement based on actual expenses.
- Specifying that Councilmembers are eligible for management development funds similar to other unrepresented employees.
- One City logo item is included as part of the City Council budget.

The report to the CPC included the intent to provide an allowance for all Communication Costs. However, after further advice from the City's external tax consultant, an allowance can be provided for cellular or data services on a nontaxable basis, whereas an allowance for other Communication Costs (e.g., telephones, fax lines, computers, Internet access, etc.) would be a taxable fringe benefit. Any allowance needs to represent a reasonable reflection of the amount of the actual expense.

The CPC reviewed the proposed amendments and is recommending the changes to staff's original proposal as follows:

- Section 6.b.—Clarify the one City logo item per year is at the discretion of the Mayor.
- Section 6.c.—Provide an allowance for cell phones and data plans, but continue with actual reimbursement for other Communications Costs.
- Section 10.a.—Keep the current “within 60 days” for submittal of City expense report forms to the Finance and Administrative Services Department.

These changes are included in the revised draft policy shown to mark changes (see Exhibit A to the Resolution) and as a clean version for ease of reading (see Attachment 2).

Staff recommends the amount of the allowance be identified each fiscal year with the review of the Council's budget by the CPC or other Council committee and is proposing the allowance to be effective at the beginning of each fiscal year on July 1.

FISCAL IMPACT

There are no specific anticipated budgetary impacts to this recommendation.

ALTERNATIVES

1. Decline to accept the CPC recommendations.
2. Propose other revisions to the policy.

PUBLIC NOTICING – Agenda posting.

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PJK/7/CAM
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- Attachments:
1. Resolution Modifying City Council Policy A-2 – City Council Policy Governing Expense of the Council
 2. Council Policy A-2 – City Council Policy Governing Expense of the Council (clean draft as proposed)
 3. [CPC Agenda – February 23, 2016](#)