TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER DEPARTMENT: ADMINISTRATIVE SERVICES

DATE: MARCH 13, 2006 CMR: 166:06

SUBJECT: ADOPTION OF REVISED CITY COUNCIL AND BOARDS AND COMMISSION MEMBERS TRAVEL AND MISCELLANEOUS EXPENSE REIMBURSEMENT POLICY

RECOMMENDATION
Staff recommends that Council approve:

1. The revised City Council and Boards and Commission Members Travel and Miscellaneous Expense Policy; and,
2. Resolution of the Council of the City of Palo Alto Amending the Expense Reimbursement Policy for City Council Members, Board Members, and Commissioners.

BACKGROUND
On January 1, 2006 Assembly Bill (AB) 1234 went into effect. This bill requires a governing body to adopt or revise a written policy concerning which occurrences qualify members to receive reimbursements of expenses for travel, meals and lodging. It imposes related requirements, including filing of expense reports, which become public record. It also eliminates stipends payments for meeting expenses, since there is no accountability built in to this process. In addition, the new law requires elected officials and officials that serve on boards or commissions subject to the Brown Act to take two hours of ethics training every two years if they receive compensation or are reimbursed expenses.

In July 1995, Council adopted a Travel, Conference and Miscellaneous Expense Policy for City Council Members. In accordance to the new law, staff amended (redlined) the Policy (Exhibit A). The current policy addresses most of the requirements of AB 1234; therefore, the City has been in compliance since January 2006. However, the policy must be amended to address expenses not included in the current policy and to include boards and commission members and their existing compensation.
DISCUSSION
The emphasis of the new law is for reimbursements to be based on actual and necessary expenses incurred in the performance of official duties. Some of the key changes in the revised policy include:

- Requirement to only reimburse for expenses included in the Council-approved Policy
- Requirement to set limits on reimbursements
- Inclusion of board and commission members in policies
- Lodging reimbursement to be limited to highest group or governmental rates
- Officials provide a brief report on meetings attended at the expense of the local agency at the next meeting
- Officials submit expense reports that are subject to public record request
- Biannual ethics training requirement
- Penalties for misuse of public resources or falsifying expense reports in violation of expense reporting policies
- Loss of reimbursement privileges in case of misuse
- Civil penalties for misuse of public resources
- Prosecution for misuse of public resources, pursuant to Section 424 of the California Penal Code
- Elimination of stipend payments for meeting expenses

Staff will work with officials on the ethics training plan to ensure compliance by January 2007.

POLICY IMPLICATIONS
The recommended changes will comply with AB 1234 and amend the current Council Travel and Miscellaneous Expense Policy.

RESOURCE IMPACT
The financial resources required to implement the policies are contained within the current budget.

ENVIRONMENTAL REVIEW
There are no direct environmental impacts of this policy.

PREPARED BY: 

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DEPARTMENT HEAD APPROVAL:  

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Director, Administrative Services
CITY MANAGER APPROVAL:

EMILY HARRISON
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ATTACHMENTS
Attachment A: Resolution
   Exhibit A: City of Palo Alto City Council and Boards and Commissions for Travel Policy

Attachment B: Policies and Procedures 1-02: Travel Policy