



## CITY OF MILPITAS AGENDA REPORT (AR)

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| <b>Item Title:</b>     | <b>Approve Revision to the City's Travel and Expense Reimbursement Policy (SOP) No. 6-1 (Staff Contact: Walter C. Rossmann, 408-586-3111)</b>  |
| <b>Category:</b>       | Consent Calendar-Leadership and Support Services   |
| <b>Meeting Date:</b>   | 10/15/2019   |
| <b>Staff Contact:</b>  | Walter C. Rossmann, 408-586-3111   |
| <b>Recommendation:</b> | Approve the revision of the travel policy regarding reimbursement of expenses for elected officials to be consistent with Article 2.3 Section 53232.2 of the California Government Code. |

### **Background:**

On April 16, 2019, the Council approved the updated City's Travel and Expense Reimbursement Policy (Policy) for employees and City Officials including Council, Commission and Committee members.

In accordance with Article 2.3 Section 53232.2 of the California Government Code, when a reimbursement is otherwise authorized by statute, a local agency may reimburse members of a legislative body for actual and necessary expenses incurred in the performance of official duties, including, but not limited to, activities described in Article 2.4 (commencing with Section 53234). If a local agency reimburses members of a legislative body for actual and necessary expenses incurred in the performance of official duties, then the governing body shall adopt a written policy, in a public meeting, specifying the types of occurrences that qualify a member of the legislative body to receive reimbursement of expenses relating to travel, meals, lodging, and other actual and necessary expenses.

### **Analysis:**

The City of Milpitas' Standard Operating Procedure (SOP) No. 06-01 establishes procedures and guidelines for business-related travel and training expenses of all City officials and employees, including City Council, Commission and Committee members (hereafter "City officials"), in accordance California Government Code Article 2.3 Section 53232.2 as well as Internal Revenue Service (IRS) *accountable plan* requirements. The referenced Government Code Section is applicable to elected officials only and requires that all reimbursement requests be substantiated with receipts up to federal per diem amounts. The IRS requirements help determine what types of allowances or reimbursements can be excluded from taxable wages.

The updated policy reflects recommended changes consistent with California Government Code Article 2.3 Section 53232.2 (see attached redline and clean version). Additionally, staff reviewed the policy for clarity and recommends minor edits.

### **Fiscal Impact:**

The recommended Policy changes may result in minimal savings if elected officials submit receipts for meal reimbursements less than the allowable per diem amounts.

### **California Environmental Quality Act:**

Not applicable.

### **Recommendation:**

Approve revised travel policy (SOP 06-01) regarding reimbursement of expenses for elected officials consistent with Article 2.3 Section 53232.2 of the California Government Code.

**Attachments:**

- A – Proposed Revised Travel and Expense Reimbursement Policy – redline version
- B – Proposed Revised Travel and Expense Reimbursement Policy – clean version
- C – Article 2.3 Section 53232.2 of California Government Code.