

## COUNCIL COMMUNICATION

<b>Meeting Date:</b> December 1, 2020	<b>Agenda Item:</b> 10B	<b>Agenda Location:</b> Consent Calendar	<b>Goal(s):</b>	<b>Legal Review:</b> 	<input type="checkbox"/> 1st Reading <input checked="" type="checkbox"/> 2nd Reading
<b>Subject:</b> An ordinance amending Ordinance 3555 regarding the City Council Policy for reimbursement of expenses for travel, training, subsistence, and other business expenses.					
<b>Recommended by:</b> Joyce Hunt <i>JH</i>				<b>Approved by:</b> Kevin S. Woods <i>KW/RK</i>	
<b>Presenter(s):</b> Joyce Hunt, Assistant City Manager					<b>Ordinance previously introduced by:</b> <u>Matkowsky</u>

**SYNOPSIS:**

This ordinance adds new language to the policy that Councilmembers inform Council in advance of travel out-of-state to attend training programs, conferences, and events where the Councilmember is representing the City.

**RECOMMENDATION:**

Staff recommends Alternative No. 1, to adopt the proposed changes to the City Council Expense Reimbursement Policy.

**BUDGET/STAFF IMPLICATIONS:**

None.

**ALTERNATIVES:**

1. Approve the ordinance as recommended.
2. Approve the ordinance with amendments recommended by City Council.
3. Do not approved the ordinance.

**BACKGROUND (ANALYSIS/NEXT STEPS/HISTORY):** (includes previous City Council action)

At the October 20, 2020 Planning Session, City Council discussed this change to the the Expense Reimbursement Policy, also known as the Travel Policy, and requested it be brought back for formal action.

INTRODUCED BY: Matkowsky

AN ORDINANCE AMENDING ORDINANCE 3555 REGARDING THE CITY COUNCIL POLICY FOR REIMBURSEMENT OF EXPENSES FOR TRAVEL, TRAINING, SUBSISTENCE, AND OTHER BUSINESS EXPENSES.

WHEREAS, Section 4.6 of the City Charter provides that the members of the Council may be paid for bona fide expenses incurred in service on behalf of the City; and

WHEREAS, the City Council adopted Ordinance 2670 on July 9, 2001, establishing a policy regarding reimbursement of expenses for travel, training, subsistence, and other business expenses associated with being a Councilmember; and

WHEREAS, Ordinance 2670 was subsequently amended to update reimbursement for meals related to conventions, training, conferences, and seminars and to address the use of City-issued credit cards for business-related expenses; and

WHEREAS, Ordinance 2775 consolidated the previous changes into one document and provided additional clarification with respect to reimbursement for regularly scheduled dinner meetings, awards, or recognition banquets; and

WHEREAS, Ordinance 2951 provided clarification with respect to expense advances, expense reports, and use of City credit cards; and

WHEREAS, Ordinance 3088 provided clarification with respect to the submission of expense reports, allowable expenses, use of Personal Digital Assistants (PDAs), and changed the reference to Council credit cards with Purchasing cards; and

WHEREAS, Ordinance 3094 provided Councilmembers with four options for obtaining cellular phone and data service on PDAs, specified the calculation of per diem, identified non-meal tips and gratuities as separate from per diem, allowed reimbursement by Expense Report of personal expenses on City Purchasing Cards during travel, authorized the City Manager to develop forms and procedures to implement the policy, and removed the requirement for Councilmembers to clear one advance before requesting another; and

WHEREAS, Ordinance 3161 provided additional clarification with respect to conference attendance, reimbursable expenses, and expense reports; and

WHEREAS, Ordinance 3190 removed reference to the Purchasing Card Approval Statement since approvals are now performed electronically rather than manually; and

WHEREAS, Ordinance 3286 revised several terms to provide clarity and reflect current practices in the travel industry and to add a provision for a stipend for the one-time purchase of a laptop, netbook, or tablet by Councilmembers; and

WHEREAS, Ordinance 3324 deleted a sentence regarding appointment of representatives to the National League of Cities (NLC) policy and steering committees by City Council since that designation is now done by NLC; and

WHEREAS, Ordinance 3385 clarified the provision regarding reimbursement of costs associated with Councilmembers and guests attending various dinner meetings, ceremonial or recognition banquets, or other similar type meetings when the Councilmembers are representing the City; and

WHEREAS, Ordinance 3555 changed the per diem from a conference-based per diem to the Internal Revenue Service (IRS) per diem and to simplify the stipends received by Council for business use of personal vehicle; purchase of a laptop; netbook; or tablet for City use; and cell phone; and

WHEREAS, this ordinance adds new language to the policy that Councilmembers inform the Council in advance of travel out-of-state to attend training programs, conferences, and events where the Councilmember is representing the City.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THORNTON, COLORADO, AS FOLLOWS:

1. That Ordinance 3555 is hereby amended as shown in the attached Council Policy.
2. This ordinance shall take effect upon final passage.

INTRODUCED, READ, PASSED on first reading, ordered posted in full, and title ordered published by the City Council of the City of Thornton, Colorado, on November 17, 2020.

PASSED AND ADOPTED on second and final reading on \_\_\_\_\_, 2020.

CITY OF THORNTON, COLORADO

\_\_\_\_\_  
Jan Kulmann, Mayor

ATTEST:

\_\_\_\_\_  
Kristen N. Rosenbaum, City Clerk

THIS ORDINANCE IS ON FILE IN THE CITY CLERK'S OFFICE FOR PUBLIC INSPECTION.

APPROVED AS TO LEGAL FORM:

\_\_\_\_\_  
Luis A. Corchado, City Attorney

PUBLICATION:

Posted at City Hall, Margaret W. Carpenter Recreation Center, and Thornton Active Adult Center after first and second readings.

Published on the City's official website after first reading on November 18, 2020, and after second and final reading on \_\_\_\_\_, 2020.

CITY OF THORNTON  
COUNCIL POLICY

Approved: May 27, 2003 Ordinance No. 2775  
Amended: July 25, 2006 Ordinance No. 2951  
Amended: January 13, 2009 Ordinance 3088  
Amended: April 28, 2009 Ordinance 3094  
Amended: March 8, 2011 Ordinance 3161  
Amended: March 20, 2012 Ordinance 3190  
Amended: February 24, 2014 Ordinance 3286  
Amended: January 27, 2015 Ordinance 3324  
Amended: May 24, 2016 Ordinance 3385  
Amended: April 28, 2020 Ordinance 3555

EXPENSE REIMBURSEMENT POLICY

1.0 Purpose:

1.1 To identify the conditions, limits and procedural matters under which travel, training, subsistence, and other business costs in the process of conducting official City business. Such attendance and reimbursement of expenses is authorized in accordance with the guidelines and procedures outlined herein.

2.0 Scope:

2.1 Councilmembers may incur expenses to attend training programs, conferences, NLC Steering Committee conferences, professional meetings and other costs in the process of conducting official City business. Councilmembers will inform the City Council in advance of travel out-of-state to attend training programs, conferences, and events where the Councilmember is representing the City. Such attendance and reimbursement of expenses is authorized in accordance with the guidelines and procedures outlined herein.

3.0 Policy:

3.1 General Guidelines: It is the policy of the City to reimburse Councilmembers on an actual expense basis for all reasonable expenses incurred while on authorized City business. Only expenses incurred by Councilmembers in the conduct of City business are eligible for reimbursement under this policy. Unless otherwise authorized by City Council, attendance at a national conference held the last quarter of the year by term-limited, out-going Councilmembers will not be reimbursed by the City.

- 3.2 Expense Advances: An expense advance may be secured by submitting an expense advance request to the Finance Director or designee. The amount requested should be a minimum of \$50. Such advances should not be paid more than one (1) month prior to the first day of travel. An expense report indicating how advanced funds were spent must be submitted no later than 60 days following the incurrence of the expense.

Any outstanding expense advances not cleared within 60 days may be deducted from the Councilmember's next paycheck(s) and the amount included as taxable wages to the Councilmember pursuant to IRS regulations as is appropriate.

- 3.3 Allowable Expenses: Reasonable expenses incurred while conducting City business shall be reimbursed as authorized in the following classifications:

TYPE OF EXPENSE	REIMBURSEMENT LIMITED TO	OTHER INFORMATION
3.3.1 Air Travel	Economy Round-Trip Fare with assigned seats for flights available for the desired date and time when reservation is made plus bag fee not to exceed two bags. First-Class Fare not reimbursable unless authorized by City Council. Seating upgrades for extra leg room and priority boarding, unless needed to accommodate a medical condition, shall be at the expense of the Councilmember.	Alternative routes for personal business are permitted. However, any difference between the total travel cost and the cost for City business travel will be paid by the individual.
3.3.2 Bus, Rail – Instead of Air Travel	Reimbursement not to exceed Lowest Round-Trip Fare available at the time the reservation is made.	Alternative routes for personal business are permitted. However, any difference between the total travel cost and the cost for City business travel will be paid by the individual.

TYPE OF EXPENSE	REIMBURSEMENT LIMITED TO	OTHER INFORMATION
3.3.3 Auto Rental	Actual Cost will be covered for minimum nights required to attend the function, including one night before and one night after any event.	Alternative routes for personal business are permitted. However, any additional miles not related to City business must be reimbursed by the individual.
3.3.4 Parking	Actual Cost	
3.3.5 Private Car – Instead of Air Travel	Rate per mile as established yearly by the Finance Director based on IRS standard mileage rate; reimbursement not to exceed round-trip airfare at the time the reservation is made.	Documentation of actual miles driven required. Alternative routes for personal business are permitted. However, any additional miles not related to City business must be reimbursed by the individual.
3.3.6 Private Car –Travel outside of 25 mile radius of City	Over most direct route; rate per mile as established yearly by the Finance Director based on IRS standard mileage rate from personal residence to destination and back as per MapQuest or other equivalent program.	
3.3.7 Taxi or Shuttle	Actual Cost plus reasonable tip.	
3.3.8 Lodging	Actual double-occupancy (one or two-beds) rate for minimum nights required to attend the function, including one night before and one night after any event.	Staying beyond the time required to attend the function will be paid by individual unless stay over results in significant airfare savings to the City, as demonstrated in writing by the Councilmember.

TYPE OF EXPENSE	REIMBURSEMENT LIMITED TO	OTHER INFORMATION
<p>3.3.9 Meal Expenses – Related to conventions, training, conferences, and seminars requiring an overnight stay*.</p>	<p>Per diem for Meals and Incidental Expense as established by the General Services Administration for the destination City except for Washington D.C. which shall be provided in the annual stipend memo. Per diem is available for the minimum number of days required to attend the event, including travel hours. Per diem amount includes meals, room service, taxes and tips for persons who provide services, and incidental expenses for tips to porters, baggage carriers, and hotel staff. Per diem does not include taxicab fares, laundry expenses.</p> <p>Per diem will be provided for each breakfast, lunch, and dinner unless they are paid for separately by the City or are meals that are part of a basic registration fee. Per diem will not be reduced for complimentary meals provided by the hotel the Councilmember is staying at or as part of the event.</p>	<p>City will pay for banquet meals for a Councilmember’s spouse or adult live-in companion at CML, NLC, and US Conference of Mayors that are part of the listed program.</p> <p>Per diem above IRS established “high-low substantiation method” will be included in taxable wages each year.</p> <p>*The NLC, US Conference of Mayors, or CML conference held in Metropolitan Denver is excepted.</p>
<p>3.3.10 Tips for Baggage Handling, Valet, Doormen &amp; Bellhops</p>	<p>Reasonable tips and gratuities shall be reimbursed.</p>	<p>Amounts will be included in taxable wages each year as required by the IRS.</p>
<p>3.3.11 Registration Fees</p>	<p>Actual Cost for Councilmember only. <b>Exception:</b> spouse or adult live-in companion registration for the CML Annual Conference</p>	

TYPE OF EXPENSE	REIMBURSEMENT LIMITED TO	OTHER INFORMATION
3.3.12 Miscellaneous	Actual cost	Business related description required. Miscellaneous includes access to internet/WIFI while traveling.
3.3.13 Business Meals: Business meeting at breakfast, lunch or dinner.	Actual cost to conduct City business plus tip not to exceed \$2.00 over 20% of the cost of the meal, unless there is a specific restaurant gratuity charge.	Specify individual(s) met with, nature or purpose of meeting; business meals with constituents are not reimbursable. Itemized meal receipts for actual expenses must be included with the expense report or purchasing card statement.
3.3.14 Regularly scheduled dinner meetings; awards or recognition banquets, ceremonial events or meetings where a Councilmember is representing the City for which there is a charge to attend.	Actual cost for Councilmember(s) and actual cost for a guest reimbursed where it is common for guests to attend.	Examples include, but are not limited to: MetroNorth Chamber Banquet, DRCOG Awards Banquet, ADCOG July and December Meetings, and annual school district recognition galas. Sponsorship of tables for fund raising events requires City Council approval.

- 3.4 Receipts: Except for meals covered by per diem, receipts are required to document all expenses. If a receipt was lost or not available, a written statement affirming the reimbursement amount requested and explaining why a receipt was not available, signed by the Councilmember, shall accompany the expense report (see Exhibit A).
- 3.5 Prohibited Reimbursable Expenses: Reimbursement for the purchase of personal items including toiletries, etc., expenses associated with recreation (such as tennis and golf play and tournaments) gifts, and alcoholic beverages are specifically prohibited. Expenses for spouses, guests or family members are not reimbursable, unless specifically identified in this Policy.
- 3.6 Expense Reports/Approval: Expense reports may be submitted monthly, but no less than quarterly. Each expense report must be approved as to compliance with this policy by the City Manager or designee prior to submittal

to the Finance Director for processing. All expense reports may be reviewed by an external auditor on an annual basis.

- 3.7 Other Reimbursable Expenses: In the event a Councilmember has an accounts receivable billing outstanding for 60 days, the City may deduct the amount owing from the Councilmember's next paycheck(s). Examples of items that may show up as an accounts receivable billing are airline tickets for family members, family member's non-reimbursable meal expenses, recreational fees for various conferences, and copying/supplies/voter lists.
- 3.8 Stipends: The City will provide the Mayor and Councilmembers a one-time stipend to purchase a laptop, netbook, or tablet of their choice at the beginning of the term in which elected to office or upon appointment to fill a vacancy. The City will also provide the Mayor and Councilmembers a monthly stipend for business use of personal automobiles which will be adjusted annually based on the IRS mileage rates. The City will also provide the Mayor and Councilmembers a monthly stipend for cell phone and service which will be reviewed annually by the Office of Management and Budget. The amount of such stipends shall be provided in the annual stipend memo.
- 3.9 Use of City Purchasing Cards. The City will provide the Mayor and Councilmembers a Purchasing card to be used to pay for City-related expenses as provided herein (except meals covered by per diem). The use of the City Purchasing card for personal cash advances is specifically prohibited. Councilmembers shall be responsible for reviewing each monthly statement and for acknowledging that all charges appearing on the statement were made in accordance with the provisions of this policy. Use of the City Purchasing card for personal charges is not authorized except where personal and City travel and entertainment charges would be unreasonably difficult to separate. This type of combination charge may be transacted with a Purchasing card if the personal portion is reimbursed to the City via an Expense Report. Purchasing card billing statements may be reviewed by an external auditor on an annual basis. Councilmembers shall report the loss of their Purchasing Card immediately.
- 3.10 Exceptions to this policy may be approved by City Council.
- 3.11 The City Manager is authorized to develop and amend forms and procedures to implement this policy.



**EXHIBIT A**

**CITY OF THORNTON**

**PURCHASING CARD/EXPENSE REPORT  
MISSING RECEIPT**

Please type or print legibly.

I, \_\_\_\_\_ have either misplaced or did not receive an Expense Report/Credit Card receipt(s). This form is submitted in lieu of the original receipt(s).

Please list each expense/purchase separately.

Date	Amount	Description	Supplier (if applicable)

I certify that the amounts shown above were expended for official City of Thornton business.

\_\_\_\_\_  
Employee/Council Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Supervisor Signature for Employees Required

\_\_\_\_\_  
Date