



REPORT TO CITY COUNCIL

To: Honorable Mayor and Members of the City Council

From: Grant Yates, City Manager

Prepared by: Nancy Lassey, Finance Administrator

Approved by: Jason Simpson, Assistant City Manager

Date: March 12, 2019

Subject: Revised Lake Elsinore City Council Policy No. 300-3 "City Credit Cards, Meals, and Travel Expenses"

Recommendation

Adopt Resolution No. 2019-___ entitled, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, CALIFORNIA; ADOPTING REVISION TO COUNCIL POLICY NO. 300-3, CITY CREDIT CARDS, MEALS, MEETINGS, AND TRAVEL EXPENSES

Background and Discussion

For best practices, the Government Finance Officers Association (GFOA) recommends that governments formally adopt financial policies that provide guidelines with strategic intent for financial stewardship. Financial policies should define boundaries, manage risk, clarify intent, promote governance accountability, and define shared understanding. As a means to develop guidelines that assist in management of the City's resources, the City established the City Council Policy No. 300-3 in 2006. This policy provides guidance in the use of City issued credit cards, as well as costs for meals, meetings, and travel.

In line with GFOAs best practices, as new issues may arise and new experiences gained, policies should be reviewed and revised as needed. The Finance Department researched California's Government Code and the Government Finance Officers Association (GFOA) best practice policies recommendations (endorsed by the National Advisory Council on State and Local Budgeting (NACSLB) budget practices).

In 2012, California's Assembly Bill 23 (AB 23) went into effect. AB 23 amended the state's open meeting law by adding Section §54952.3 to the California Government Code. This provision is related to the legislative body's compensation and stipend, which stipulates that actual costs for travel, meals, or lodging is not considered compensation or stipend while payments based on per diem rates are.

Thus, the presented revision incorporates new understanding by removing payments based on per diem rates and providing reimbursements or payments based on actual costs related the Elected Official's travel and meetings while conducting official City business. Additionally, the policy incorporates revision related to procedures that promote improved internal controls, use of City issued credit cards, and use of City owned vehicles.

Fiscal Impact

Fiscal impact resulting from adoption of the revised Policy No. 300-3 is possible savings in use of general fund monies because reimbursement is based on actual costs rather than per diem rates.

Exhibits

A: Resolution Adopting Revised City Council Policy No. 300-3

B: City Council Policy No. 300-3