

RESOLUTION NO. 398

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY OF THE CITY OF REDLANDS ADOPTING AN EXPENSE AND USE OF PUBLIC RESOURCES POLICY

Whereas, the Board of Directors (the "Board") of the City of Redlands Redevelopment Agency (the "Agency") takes its stewardship over the use of its limited public resources seriously; and

Whereas, public resources should only be used when there is a substantial benefit to the Agency and the City of Redlands; and

Whereas, such benefits include: (1) the opportunity to discuss the Agency's concerns with state and federal officials; (2) participating in regional, state and national organizations whose activities affect the Agency; (3) attending educational seminars designed to improve officials' skill and information levels; and (4) promoting public service and morale by recognizing such service; and

Whereas, (1) legislative and other regional, state and federal agency business is frequently conducted over meals; (2) sharing a meal with regional, state and federal officials is frequently the best opportunity for a more extensive, focused and uninterrupted communication about the Agency's policy concerns; and (3) each meal expenditure must comply with the limits and reporting requirements of local, state and federal law; and

Whereas, this policy has been established to provide guidance to the Board on the use and expenditure of Agency resources, as well as the standards against which those expenditures will be measured; and

Whereas, this policy satisfies the requirements of Government Code sections 53232.2 and 53232.3; and

Whereas, this policy supplements the definition of actual and necessary expenses for purposes of state laws relating to permissible uses of public resources; and

Whereas, this policy also supplements the definition of necessary and reasonable expenses for purposes of federal and state income tax laws; and

Whereas, this policy also applies to any charges made to an Agency or City credit card used by Board members and advances provided to Board members of the Agency;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY OF THE CITY OF REDLANDS AS FOLLOWS:

Section 1. Authorized Expenses. Agency funds, equipment, supplies (including letterhead), titles and staff time must only be used for authorized Agency business. The following types of expenses generally constitute authorized expenses, provided the other requirements of this policy are met:

- A. Communicating with representatives of regional, state and national government on Agency adopted policy positions;
- B. Attending educational seminars designed to improve officials' skill and information levels;
- C. Participating in regional, state and national organizations whose activities affect the Agency's interests;
- D. Recognizing service to the Agency (for example, thanking a longtime official or employee with a retirement gift or celebration of nominal value and cost);
- E. Attending Agency events;
- F. Implementing an Agency-approved strategy for attracting or retaining businesses to the City of Redlands, which will typically involve at least one staff member;

All other expenditures, including international and out-of-state travel, require prior approval by the Agency's Board of Directors.

Examples of personal expenses that the Agency will not reimburse include, but are not limited to:

- A. The personal portion of any trip;
- B. Political or charitable contributions or events;
- C. Family expenses, including partner's expenses when accompanying the Board member on Agency-related business, as well as children or pet related expenses;
- D. Entertainment expenses, including theater, movies (either in-room or at the theater), sporting events (including gym, massage and/or golf

related expenses), or other cultural events;

- E. Non-mileage personal automobile expenses, including repairs, traffic citations, insurance or gasoline;
- F. Alcohol and personal bar expenses; and
- G. Personal losses incurred while on Agency business. Any questions regarding the propriety of a particular type of expense should be resolved by the Board before the expense is incurred.

Section 2. General Standards/Cost Control. The intent of this policy is to emphasize economy and practicality with reasonable subsistence and accommodations while on Agency business. The policy is not intended to address every issue, exception or contingency that may arise in the course of Agency travel or attendance at meetings. Accordingly, the basic standard that should prevail is to use good judgment in the use and stewardship of Agency funds. Any deviations from the policy should be approved by the Board of Directors. To conserve Agency resources and keep expenses within community standards for public officials, Board members should adhere to the guidelines provided within this policy.

Section 3. Procedures for Requesting Training/Travel on Agency Business.

1. Mandatory Use of the Training/Travel Request Form

- 1. Completion of the Training/Travel Form prior to traveling on Agency business is required whether or not one expects to receive an advance or reimbursement for business related training/travel expenses. Not only does this document serve as authorization to travel on Agency business, but it also serves as a summarization of the total cost of attending conferences, meetings and seminars, and provides documentation of cash advances, vendor payments and credit card purchases. The completed form should provide:
 - a. The purpose of the expenditure(s);
 - b. The benefits of such expenditure to the Agency;
 - c. The anticipated amount of the expenditure(s) (for example, hotel rates, meal costs, and transportation expenses); and
 - d. The dates of the expenditure(s).

2. Approval of the training/travel form may be made by the Redlands

City Manager or his/her designee and must be obtained prior to submittal to the Finance Department.

B. Methods of Payment for Training/Travel Expenses

1. The Agency will pay all legitimate expenses of training/travel for Agency-related business, including transportation, lodging, registration fees, meals, and any other expenses incurred for official Agency business and in accordance with these guidelines. There are four methods of payment that may be used for training/travel-related expenses, individually or in combination:

a. Direct payments to vendors by check may be used to pay for specific costs related to the trip, usually for registration fees, lodging, and airfare.

b. The Agency does not issue individual credit cards to Board members, however payments by an Agency or City credit card may be used to prepay travel expenses, including registration fees, lodging and airfare, or may be used to cover business expenses as they arise on the trip. Agency and City credit cards shall not be used for personal expenses, even if the Board member subsequently reimburses the City.

c. Reimbursement for out-of-pocket expenses incurred by the Board member is allowed and is preferred to a cash advance for expenses where a specific dollar amount is not known in advance.

d. Cash advances may be paid to a Board member prior to his/her trip to cover expenses expected to arise on the trip. Cash advances should only be made for the maximum allowable meal allowance per day, as defined herein, and any other expenses where the dollar amount is known in advance rather than based on estimation.

Section 4. Allowable Types of Expenses

A. Transportation. The most economical mode and class of transportation reasonably consistent with scheduling needs and cargo space requirements must be used, using the most direct and time-efficient route. In the event that a more expensive transportation form or route is used, the cost borne by the Agency will be limited to the cost of the most economical, direct, efficient and reasonable transportation form unless otherwise approved by the Board of Directors.

1. Any charge for an unused reservation shall be considered the personal responsibility of the Board member, unless failure to cancel the reservation

was due to circumstances beyond the Board member's control. Final determination on whether such an expense becomes the personal responsibility of the Board member will be made by the Board of Directors.

2. Automobile mileage is reimbursable at Internal Revenue Service rates presently in effect (see www.irs.gov). These rates are designed to compensate the driver for gasoline, insurance, maintenance, and other expenses associated with operating the vehicle. This amount does not include bridge and road tolls, which are also reimbursable with receipts.

3. Airport parking may be used during travel on official Agency business and is reimbursable with receipts. In accordance with the intent and standards set forth in this policy, the most economical mode should be used. (i.e. long-term parking whenever reasonably practicable). Any other parking required during the course of official Agency business is reimbursable with receipts.

4. If car rental is required, a Board member may use an Agency or City credit card or receive reimbursement upon return from his/her trip. When determining the type of rental car to be used, consideration should be given to the economic standards set forth in this policy and the appropriate use and stewardship of Agency funds.

5. If local ground transportation is needed during a trip, the use of public transit such as airport shuttles, buses, streetcars and subways is appropriate. Use of hotel courtesy buses and local shuttles is allowed and encouraged. Use of taxis is allowed when other public transit or common carriers are not reasonably available. Reimbursement requests may include tips incurred as part of the ground transportation costs. Receipts are required. If a receipt is unavailable, the Board member shall submit a reimbursement request that includes a memorandum to the Redlands City Manager and Finance Director indicating the type of ground transportation used, the distance traveled, the amount, and the reason a receipt is not being submitted. (Note: Cash advances for ground transportation will only be given when the cost is known and documented prior to travel. If amounts are unknown, reimbursement for out-of-pocket expenses is appropriate).

B. Lodging. Lodging costs will be reimbursed or paid for when travel on official Agency business reasonably requires an overnight stay. If such lodging is in connection with a conference, lodging costs should not exceed the group rate published by the conference sponsor for the meeting in question. For overnight stays in other contexts, reasonable rates for a given area will be reimbursed. Consideration will be given to the distance from the hotel to the training or meeting site. Any charge for an unused reservation shall be considered the personal responsibility of the Board member, unless failure to cancel the reservation was due to circumstances beyond the Board member's control. Final determination on whether such an expense becomes the personal responsibility of the Board

member will be made by the Board of Directors.

C. Meals. Meal expenses, including beverages, and associated gratuities should be moderate, taking into account community standards and the prevailing restaurant costs of the area. The Agency will reimburse Board members up to a maximum amount of \$50 per full day, provided, however, that valid itemized receipts are provided with the Expense Reimbursement Claim Form to the Finance Department. In certain high-cost areas, the maximum daily allowance will be \$65 per day. High cost cities are identified as Los Angeles, San Francisco, Dallas, Chicago, New York City and Washington D.C. For partial days of travel, the maximum meal allowance will be reimbursed with appropriate receipts up to a maximum of \$10.00 for breakfast, \$15.00 for lunch and \$25.00 for dinner. In high cost areas these amounts would be \$13.00, \$20.00 and \$32.00, respectively. The Agency will not pay for alcohol/personal bar expenses which is a principal reason for requiring that meal receipts should be itemized.

D. Telephone/Fax/Cellular Board members will be reimbursed for actual telephone and fax expenses incurred on Agency business. Telephone bills should identify which calls were made on Agency business.

E. Other expenses not already discussed in this policy, but reasonably incurred in the course of official Agency business, may be reimbursed with the approval of the Redlands City Manager or his/her designee and/or the Board. Appropriate documentation should be provided with the reimbursement request. Expenses for which Board members receive reimbursement from another agency are not reimbursable.

Section 5. Expense Report Content and Submission Deadline.

A. Expense reports must document that the expense in question met the requirements of this policy. For example, if the meeting is with a legislator, the Board member should explain whose meals were purchased, what issues were discussed and how those relate to the Agency's adopted legislative positions and priorities.

B. Board members must submit their expense reports on an Expense Reimbursement Claim Form, whether or not they are receiving reimbursement of out-of-pocket expenses or whether they are clearing a cash advance within thirty (30) calendar days of the date the travel/training was completed, accompanied by receipts documenting each expense.

C. The Expense Reimbursement Claim Form should be signed by the Board member(s) who participated in the training/travel, approved by the Redlands City Manager or his/her designee, and submitted to the Finance Department for

review.

D. Following review by the Finance Department, the Expense Reimbursement Claim Form will be returned to the Board member who will then submit the form to the Treasurer for cash reimbursement or to clear a cash advance.

E. Inability to provide such documentation in time required by this policy may result in the expense being borne by the Board member.

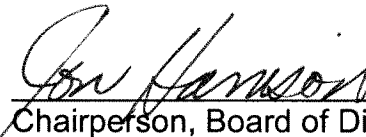
Section 6. Audits of Expense Reports. All expenses are subject to verification of compliance with this policy.

Section 7. Reports to Board of Directors. At the following Board meeting, each Board member shall briefly report, either verbally or by written report on meetings attended at Agency expense. If multiple Board members attended the meeting, a joint verbal or written report may be made. Notice of the report shall be agendized for purposes of reminding the official to report, and for compliance with the Ralph M. Brown Act.

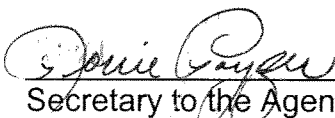
Section 8. Compliance with Laws. Board members should keep in mind that some expenditures may be subject to reporting under the Political Reform Act and other laws. All Agency expenditures are public records subject to disclosure under the Public Records Act.

Section 9. Violation of this Policy. Use of public resources or falsifying expense reports in violation of this policy may result in any or all of the following: (1) loss of reimbursement privileges, (2) a demand for restitution to the Agency (3) the Agency's reporting the expenses as income to the Board member to state and federal tax authorities, (4) civil penalties of up to \$1,000 per day and three times the value of the resources used, and (5) prosecution for misuse of public resources.

ADOPTED, SIGNED AND APPROVED this 17th day of January, 2006.

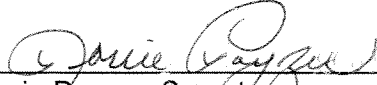

Chairperson, Board of Directors

ATTEST:


Secretary to the Agency

I, Lorrie Poyzer, Secretary of the Redevelopment Agency of the City of Redlands, hereby certify that the foregoing resolution was duly adopted by the Redevelopment Agency at a regular meeting thereof held on 17th January, 2006, by the following vote:

AYES:	Members Gilbreath, Peppler, Gil, Gallagher; Chairperson Harrison
NOES:	None
ABSENT:	None
ABSTAIN:	None



Lorrie Poyzer, Secretary
Redevelopment Agency