

RESOLUTION NO. 2012-02

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BEAUMONT-CHERRY VALLEY RECREATION AND PARKS DISTRICT AMENDING THE DIRECTOR COMPENSATION, EXPENDITURES AND REIMBURSEMENT POLICY PREVIOUSLY ADOPTED PURSUANT TO RESOLUTION 2009-06

WHEREAS, the Board of Directors (“Board”) of the Beaumont-Cherry Valley Recreation and Parks District (“District”) established a policy regarding director compensation, expenditures, and reimbursement by Resolution 2009-06, effective October 14, 2009; and

WHEREAS, the Board desires to amend the written policy titled “Authorized Expenditures and Reimbursements,” adopted pursuant to Resolution 2009-06, in order to more clearly state the District requirement that reimbursement requests be submitted no later than thirty (30) days after the expenditure; and

WHEREAS, pursuant to Government Code section 61047(a), the Board may provide for each of its members to receive compensation in an amount not to exceed \$100 for each day of service, as defined by Government Code section 61047(e), not to exceed six (6) days of service in a month; and

WHEREAS, pursuant to Government Code section 61047(b), the Board may provide for its members to receive their actual and necessary traveling and incidental expenses incurred while on official business subject to the requirements of Government Code sections 53232.2 and 53232.3; and

WHEREAS, pursuant to Government Code section 53232.2, the Board must adopt a written policy which specifies the types of occurrences that qualify a member to receive reimbursement of expenses relating to travel, meals, lodging and other actual and necessary expenses and may also specify the reasonable reimbursement rate for those expenses.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BEAUMONT-CHERRY VALLEY RECREATION AND PARKS DISTRICT:

SECTION 1. Each of the members of the District Board of Directors shall receive compensation in the amount of \$100 for each day of service.

SECTION 2. The District hereby adopts the written policy for reimbursement of the expenses of the members of the Board of Directors, attached hereto as Exhibit "A" and incorporated herein by reference. This policy amends and supersedes the previous policy adopted pursuant to Resolution 2009-06.

SECTION 3. Any member of the Board of Directors may waive any or all of these payments.

**PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE
BEAUMONT-CHERRY VALLEY RECREATION AND PARKS DISTRICT**
this 9th day of May, 2012, by the following votes:

AYES: 4

NOES: 0

ABSTAIN: 1

ABSENT: 0

APPROVED:

A handwritten signature in blue ink, appearing to be "G. M. S.", with a long horizontal flourish extending to the right.

Board Chairman

ATTEST:

A handwritten signature in blue ink, appearing to be "Dan Sushman".

District Secretary

EXHIBIT "A"

BEAUMONT-CHERRY VALLEY RECREATION AND PARKS DISTRICT

POLICY NO. 2012-02

AUTHORIZED EXPENSES AND REIMBURSEMENTS

This policy amends and supersedes that policy previously adopted pursuant to Resolution 2009-06 and any previously-existing policy regarding authorized expenses and reimbursements.

Authorized Expenses

District funds, equipment, supplies (including letterhead), titles, and staff time must only be used for authorized District business.

District titles may be used for identification purposes only as long as any communication made in connection therewith does not imply agency participation in or endorsement of a communication. Expenses incurred in connection with the following types of activities generally constitute authorized expenses, as long as the other requirements of this policy are met:

1. Communicating with representatives of regional, state and national government on District adopted policy positions;
2. Attending educational seminars designed to improve officials' skill and information levels;
3. Participating in regional, state and national organizations whose activities affect the District's interests;
4. Recognizing service to the District (for example, thanking a longtime employee with a retirement gift or celebration of nominal value and cost);
5. Attending District events;
6. Implementing a District-approved strategy, which typically should involve at least one staff member; and
7. Events such as those listed herein for which a stipend is expressly authorized under this policy.

All other expenditures require prior approval by the Board of Directors. Unless approved otherwise by the Board, Board Members may receive reimbursement for budgeted purposes only up to the pro-rata share of the budgeted purposes. For example, if the annual budget includes \$5,000 for educational seminars for the

Board, each Board Member may receive reimbursement for only up to \$1,000 worth of educational seminars.

The following expenses also require prior Board of Directors approval:

1. International and out-of-state travel;
2. Expenses exceeding \$1,000 per trip.

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

1. The personal portion of any trip;
2. Political or charitable contributions or events;
3. Family expenses, including partner's expenses when accompanying official on agency-related business, as well as children- or pet-related expenses;
4. 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;
5. Non-mileage personal automobile expenses, including repairs, traffic citations, insurance or gasoline; and
6. Personal losses incurred while on District business. Any questions regarding the propriety of a particular type of expense should be resolved by the approving authority before the expense is incurred.

Stipends

Consistent with Government Code section 61047, Directors shall be entitled to receive one hundred dollars (\$100) for each day of service ("daily meeting stipend") for each day of service, as defined in this policy. Such stipend is in addition to any reimbursement for meals, lodging, travel and expenses consistent with this policy.

Meetings And Service Subject To Daily Stipend

To be entitled to a daily stipend under this policy, the event in question must be one of the following (a "day of service"):

- (1) A meeting of the District, its subcommittees (or advisory bodies) or an agency of which the District is a member agency (i.e., a JPA that the District belongs to), when such meeting is conducted pursuant to the Ralph M. Brown Act, (Gov. Code, §§ 54950 et seq.).

- (2) Representation of the District at a public event.
- (3) Representation of the District at a public meeting or a public hearing conducted by another public agency.
- (4) Representation of the District at a meeting of a public benefit nonprofit corporation on whose board the District has membership.
- (5) Participation in a training program on a topic that is directly related to the District. For purposes of this paragraph ethics training required by Government Code Section 53234 (AB 1234) shall be deemed a topic that is directly related to the District.

In order to be for service to be deemed a “day of service” under paragraphs (2), (3), (4) or (5), the District’s Board must approve the Member’s participation at a District Board meeting, and the Member seeking a stipend must deliver a report to the Board regarding the Member’s participation in the applicable event at the next District Board meeting following the event. The Board may pre-approve a set number of service days for a flexible schedule committee or other kind of duty, so long as the service day is verifiable and reported to the Board.

Aggregate Limits

A Member of the Board of Directors shall not receive stipends exceeding \$600 in any given month.

Cost Control

To conserve District resources and keep expenses within community standards for public officials, expenditures should adhere to the following guidelines. In the event that expenses are incurred that exceed these guidelines, the cost borne or reimbursed by the District will be limited to the costs that fall within the guidelines. The General Manager may authorize District staff to utilize one or more travel agencies or services for purposes of District authorized travel.

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. Charges for rental vehicles may be reimbursed under this provision if more than one District official is attending an out of town conference, and it is determined that sharing a rental vehicle is more economical than other forms of transportation. In making such determination, the cost of the rental vehicle, parking and gasoline will be compared to the combined cost of such other forms of transportation. Government and group rates must be used when available. In

addition, Board members may elect to rent a vehicle in-lieu of traveling by air, in which case, such rental shall be reimbursed as set forth below.

Airfare. Airfares that are equal or less than those available through the Enhanced Local Government Airfare Program offered through the League of California Cities (www.cacities.org/travel), the California State Association of Counties (<http://www.csac.counties.org/default.asp?id=635>) and the State of California are presumed to be the most economical and reasonable for purposes of reimbursement under this policy. Those rates can be accessed from the state's website without being a member of these programs by going to <http://www.catravelmart.com/default.htm> and clicking on "Discount Travel Fares for Official Business." The District reserves the discretion (but not the obligation) to reimburse airfare at a reasonable rate deviating upward if that rate is supported as the average market rate (as determined by at least three differing airline rates).

Automobile. Automobile mileage is reimbursed at Internal Revenue Service rates presently in effect (see www.irs.gov). For 2006, the rate is 44.5 cents per mile. 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. The Internal Revenue Service rates will not be paid for rental vehicles; only receipted fuel expenses will be reimbursed.

Car Rental. Rental rates that are equal or less than those available through the State of California's website (<http://www.catravelmart.com/default.htm>) shall be considered the most economical and reasonable for purposes of reimbursement under this policy.

Taxis/Shuttles. Taxis or shuttles fares may be reimbursed, including a 15 percent gratuity per fare, when the cost of such fares is equal or less than the cost of car rentals, gasoline and parking combined, or when such transportation is necessary for time-efficiency.

Lodging. Lodging expenses will be reimbursed or paid for when travel on official District business reasonably requires an overnight stay.

Conferences/Meetings. If such lodging is in connection with a conference, lodging expenses must not exceed the group rate published by the conference sponsor for the meeting in question if such rates are available at the time of booking. If the group rate is not available, see next section.

Other Lodging. Travelers must request government rates, when available. A listing of hotels offering government rates in different areas is available at <http://www.catravelmart.com/lodguideframes.htm>. Lodging rates that are equal or less to government rates are presumed to be reasonable and hence reimbursable for purposes of this policy.

In the event that government rates are not available at a given time or in a given area, lodging rates that do not exceed any of the following shall be presumed to be reasonable and therefore reimbursable:

Option #1 (Median Hotel Cost): Lodging rates that do not exceed the median retail price for lodging for that area listed on websites like www.priceline.com or an equivalent service shall be considered reasonable and hence reimbursable.

Option #2 (Flat Cap). Lodging rates that do not exceed \$200 per night are presumed reasonable and hence reimbursable.

Option #3 (IRS Rates). Lodging rates that do not exceed the IRS per diem rates for a given area are presumed reasonable and hence reimbursable. (See Publication 1542 at www.irs.gov or www.policyworks.gov/perdiem)

Meals

Meal expenses and associated gratuities are reimbursable at the higher of: (1) the following individual meal rates; or (2) the most recent IRS rates:

Individual meals:

Breakfast	\$12
Lunch	\$18
Dinner	\$35

District officials may combine one or more of the amounts set forth above in order to create a maximum daily reimbursable limit of \$65. For example, an official may skip breakfast and order a lunch costing \$24 and a dinner costing \$41. The official may be reimbursed for all \$65 worth of meals for that day.

Such amounts will be annually adjusted to reflect changes in the cost of living in accordance with the Consumer Price Index for All Urban Consumers in the Los Angeles-Anaheim-Riverside area.

IRS Rates. In lieu of the rates for the individual meals set forth above, meals will be reimbursable, on a per day basis, based on the then applicable rates specified in the Internal Revenue Service guidelines. (Publication 1542 at www.irs.gov or www.policyworks.gov/perdiem.) For example, for 2006, the standard per diem rate for meals and incidental expenses in the continental United States is \$39. However the rate for Los Angeles, San Francisco, and San Diego areas is \$64.

Telephone/Fax/Cellular

District officials will be reimbursed for actual telephone and fax expenses incurred on District business. Telephone bills should identify which calls were made on District business. For cellular calls when the official has a particular number of minutes included in the official's plan, the official can identify the percentage of calls made on public business.

Internet

District officials will be reimbursed for Internet access connection and/or usage fees away from home, not to exceed \$15.00 per day, if Internet access is necessary for District-related business.

Airport Parking

Long-term parking must be used for travel exceeding 24-hours.

Other

Baggage handling fees of up to \$1 per bag and gratuities of up to 15 percent will be reimbursed. Expenses for which District officials receive reimbursement from another agency are not reimbursable.

Cash Advance Policy

From time to time, it may be necessary for a District official to request a cash advance to cover anticipated expenses while traveling or doing business on the District's behalf. Such request for an advance should be submitted to the General Manager or designee within 5 days prior to the need for the advance with the following information:

1. The purpose of the expenditure(s);
2. The benefits of such expenditure to the residents of District;
3. The anticipated amount of the expenditure(s) (for example, hotel rates, meal costs, and transportation expenses); and
4. The dates of the expenditure(s).

Any unused advance must be returned to the District treasury within two (2) business days of the official's return, along with an expense report and receipts documenting how the advance was used in compliance with this expense policy.

Credit Card Use Policy

The District does not issue credit cards to individual office holders but may provide a District credit card for selected District expenses. District officials may use the District's credit card for such purposes as airline tickets and hotel reservations by following the same procedures for cash advances. Receipts documenting expenses incurred on the District credit card and compliance with this policy must be submitted within five business days following such use.

District credit cards may not be used for personal expenses, even if the official subsequently reimburses the District.

Expense Report Content And Submission Deadline

All cash advance, credit card and expense reimbursement requests must be submitted on an expense report form provided by the District. All reimbursement requests must be submitted to the District no later than thirty (30) days following the expenditure in order for reimbursement to be approved. Failure to submit the reimbursement request within thirty (30) days of the expenditure shall result in a waiver of the right to claim reimbursement for that expense. The reimbursement form shall include the following advisory:

All expenses reported on this form must comply with the District's policies relating to expenses and use of public resources and must be submitted within thirty (30) days of the actual expenditure. Failure to submit the reimbursement request within thirty (30) days of the expenditure shall result in a waiver of the right to claim reimbursement for that expense. The information submitted on this form is a public record. Penalties for misusing public resources and violating the District's policies include loss of reimbursement privileges, restitution, civil and criminal penalties as well as additional income tax liability.

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 District official should explain whose meals were purchased, what issues were discussed and how those relate to the District's adopted legislative positions and priorities.

District officials must submit their expense reports within 30 days of an expense being incurred, accompanied by receipts documenting each expense. Restaurant receipts, in addition to any credit card receipts, are also part of the necessary documentation. Reimbursements of up to \$25 may be made if a receipt was lost and the District official signs a report, under penalty of perjury substantiating the cost incurred and the fact that the receipt was lost.

Inability to provide such documentation in a timely fashion will result in the expense being borne by the District official.

Audits Of Expense Reports

All expenses are subject to verification that they comply with this policy.

Reports To Governing Board

At the following regular meeting of the Board of Directors, each Board Member shall briefly report, in writing, on meetings attended at District expense. If multiple officials attended, a joint report may be made. Such reports shall be deemed made pursuant to this Policy if such reports are included in the Board agenda packet at the following regular meeting of the Board of Directors.

Compliance With Laws

District officials 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 and other laws. The General Manager shall cause to be prepared and annual summary of expense reimbursements over \$100 and make those available for public disclosure pursuant to Government Code section 53065.5.

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 District, 3) the District's reporting the expenses as income to the elected official 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.

Waiver of Policy

A Board Member or other District official may waive any or all of the payments permitted by these policies, either voluntarily or by failure to timely submit a reimbursement request. However, following such waiver, such Board Member or official shall not be entitled to any payment.

Uncertainty

In the event General Manager is uncertain as to whether any request or practice complies with this policy, he or she may seek resolution from the Board of Directors.