

CITY OF LOS ALAMITOS
Council Chamber
3191 Katella Ave., Los Alamitos CA 90720

BUDGET STANDING COMMITTEE AGENDA
SPECIAL MEETING

Monday, April 22, 2024 – 5:00 PM

NOTICE TO THE PUBLIC – This Agenda contains a brief general description of each item to be considered. Except as provided by law, action or discussion shall not be taken on any item not appearing on the agenda. Supporting documents, including staff reports, are available for review at City Hall in the City Clerk's Office or on the City's website at www.cityoflosalamitos.org once the agenda has been publicly posted.

Each matter on the agenda, no matter how described, shall be deemed to include any appropriate motion, whether to adopt a minute motion, resolution, payment of any bill, approval of any matter or action, or any other action. Items listed as "for information" or "for discussion" may also be the subject of an "action" taken by the Budget Standing Committee at the same meeting.

Any written materials relating to an item on this agenda submitted to the Budget Standing Committee after distribution of the agenda packet are available for public inspection online at www.cityoflosalamitos.org.

It is the intention of the City of Los Alamitos to comply with the Americans with Disabilities Act (ADA) in all respects. If, as an attendee, or a participant at this meeting, you will need special assistance beyond what is normally provided, please contact the City Clerk's Office at (562) 431-3538, extension 220, 48 hours prior to the meeting so that reasonable arrangements may be made.

1. CALL TO ORDER

2. ROLL CALL

Mayor Pro Tem Shelley Hasselbrink
Council Member Tanya Doby

3. ORAL COMMUNICATIONS

At this time, any individual in the audience may come forward to speak on any item within the subject matter jurisdiction of the Budget Standard Committee. Remarks are to be limited to not more than five minutes per speaker.

4. CONSENT CALENDAR

All Consent Calendar items may be acted upon by one motion unless a Committee Member requests separate action on a specific item.

A. Approval of Minutes (Finance)

Approve the Budget Standing Committee Special Meeting Minutes of March 11, 2024.

Recommendation:

Approve the minutes of the Special Meeting of March 11, 2024.

5. DISCUSSION ITEM

A. Preliminary Draft Budget for Fiscal Year 2024-25 and Fiscal Year 2025-26 (Finance)

This report provides the Budget Standing Committee with the preliminary draft budget for Fiscal Years 2024-25 and 2025-26.

Recommendation:

Review and discuss the preliminary budget for Fiscal Years 2024-25 and 2025-26 and provide direction to staff.

B. City Council Travel Policy (Administration)

This item updates the Travel Policy specific to City Council and Appointed Officials.

Recommendation:

Recommend City Council adoption of the revised Administrative Regulation 6.2 - City Council Travel Policy.

C. Future Discussion Items (Finance)

This report provides the Budget Standing Committee with a discussion of additional items for future meetings.

Recommendation:

Review and discuss additional items.

6. CLOSED SESSION

A. CONFERENCE WITH LABOR NEGOTIATOR (Administration)

City Negotiator: Chet Simmons, City Manager
Employee Organization: Teamsters Local 911
Authority: Government Code Section 54957.6

B. CONFERENCE WITH LABOR NEGOTIATOR (Administration)

City Negotiator: Chet Simmons, City Manager
Employee Organization: Executive Management, Non-Represented
Authority: Government Code Section 54957.6

C. CONFERENCE WITH LABOR NEGOTIATOR (Administration)

City Negotiator: Chet Simmons, City Manager
Employee Organization: Police Officers Association
Employees Authority: Government Code Section 54957.6

7. ITEMS FROM STAFF AND THE COMMITTEE

At this time, Committee Members and Staff may also report on items not specifically described on the Agenda that are of interest to the community, provided no action or discussion is taken except to provide Staff direction to report back or to place the item on

a future Agenda.

8. ADJOURNMENT

I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing Agenda was posted at the Los Alamitos City Hall, 3191 Katella Ave. and online at www.cityoflosalamitos.org not less than 72 hours prior to the meeting.

Craig Koehler, Finance Director
Dated: April 18, 2024

MINUTES OF THE BUDGET STANDING COMMITTEE OF THE CITY OF LOS ALAMITOS

SPECIAL MEETING

Monday, March 11, 2024 – 5:00 p.m.

1. CALL TO ORDER

The Budget Standing Committee met for a Special Meeting at 5:15 p.m., Monday, February 12, 2024, with Mayor Pro Tem Hasselbrink and Council Member Doby presiding.

2. ROLL CALL

Present: Committee Members: Mayor Pro Tem Hasselbrink
Council Member Doby

Absent: Committee Members: None

Present: Staff: Chet Simmons, City Manager
Craig Koehler, Finance Director
Chelsi Wilson, Administrative Services Manager
Ron Noda, Deputy City Manager,
Development Services Director

3. Oral Communications

There is none to report.

4. CONSENT CALENDAR

A. Approval of Minutes

Motion/Second: Doby /Hasselbrink

Unanimously Carried: The Budget Standing Committee approved the Minutes of the Special Meeting of February 12, 2024.

5. CLOSED SESSION

A. CONFERENCE WITH LABOR NEGOTIATOR (Administration)

City Negotiator Chet Simmons, City Manager

Employee Organization: Teamsters Local 911

Authority: Government Code Section 54957.6

B. CONFERENCE WITH LABOR NEGOTIATOR (Administration)

City Negotiator Chet Simmons, City Manager
Employee Organization: Executive Management, Non-Represented
Authority: Government Code Section 54957.6

C. CONFERENCE WITH LABOR NEGOTIATOR (Administration)

City Negotiator Chet Simmons, City Manager
Employee Organization: Police Officers Association
Authority: Government Code Section 54957.6

The Budget Standing Committee adjourned from Closed session at 6:11 p.m. with no reportable action.

6. DISCUSSION ITEMS

A. Mid-Year General Fund Budget Review and Financial Update for Fiscal Year 2023-24

Staff provided the Committee with a review of the Mid-Year General Fund budget for Fiscal Year 2023-24 and a projection for the fiscal year ending June 30, 2024.

Staff also provided a list of additional appropriations recommended for approval. The report and appropriations will be presented to the Council at the March 18, 2024 meeting.

7. ITEMS FROM STAFF AND THE COMMITTEE

None.

8. ADJOURNMENT

The meeting was adjourned at 6:15 p.m.

Craig Koehler, Finance Director

City of Los Alamitos

BUDGET STANDING COMMITTEE AGENDA REPORT

MEETING DATE: April 22, 2024

ITEM NUMBER: 5A

To: Budget Standing Committee Members

Presented By: Craig Koehler, Director of Finance

Subject: Preliminary Draft Budget for Fiscal Year 2024-25 and Fiscal Year 2025-26

SUMMARY

This report provides the Budget Standing Committee with the preliminary draft budget for Fiscal Years 2024-25 and 2025-26.

RECOMMENDATION

Review and discuss the preliminary budget for Fiscal Years 2024-25 and 2025-26 and provide direction to staff.

BACKGROUND

Conducting a preliminary analysis of all appropriations for the upcoming fiscal year is customary. This process updates the Budget Standing Committee on the forecasted fiscal status of the City's General Fund. Los Alamitos implemented a two-year budget cycle beginning with the Fiscal Year 2021-22 Budget. This budget cycle will include projections for Fiscal Year 2024-25 and an estimate for Fiscal Year 2025-26 that will aid with future planning.

DISCUSSION

The Mid-Year Budget review and projection for the Fiscal Year ending June 30, 2024, was presented to the Council on March 18, 2023. Since then, Finance has compiled cost information to create draft budgets for each department. Increases reflect the proposed MOU salary and benefit changes and normal O&M increases. Meetings with the departments and the City Manager were conducted to review the draft budgets.

Fiscal Year 2024-25 and Fiscal Year 2025-26 Budget Overview

The new draft budget again reflects two fiscal years. As shown below, projected revenues (including transfers) for FY24-25 and FY25-26 are \$24.7 million and \$25.4 million, respectively.

	2022-23 Estimate	2023-24 Adopted	2023-24 Estimate	2024-25 Proposed	I
REVENUE SUMMARY					
PROPERTY TAXES	5,067,346	5,085,144	5,076,966	5,436,347	
OTHER TAXES	11,989,957	11,884,304	11,220,874	11,561,286	
UTILITY USER TAXES	2,307,629	1,799,000	2,255,290	2,283,000	
FRANCHISE FEES	1,079,585	655,300	851,222	864,200	
LICENSES & PERMITS	830,148	1,075,300	1,075,300	1,123,480	
FINES & FORFEITURES	550,833	696,000	711,663	1,031,975	
INVESTMENT EARNINGS	150,028	300,000	800,000	650,000	
OTHER AGENCIES	5,454	12,200	156,101	11,000	
CHARGES FOR CURRENT SERVICE	852,239	764,818	713,631	1,237,531	
MISCELLANEOUS	512,302	50,000	57,617	100,000	
TOTAL REVENUE	23,345,521	22,322,066	22,918,664	24,298,819	
TRANSFERS IN	1,216,043	870,000	870,000	425,000	
TOTAL REVENUE & TRANSFERS IN	24,561,564	23,192,066	23,788,664	24,723,819	

General Fund Projected Revenues

Fiscal Year 2024-25 and 2025-26 revenue projections by category are presented as follows:

Property Taxes

The most recent report received from HdL (dated September 19, 2023) indicates that property taxes are continuing an upward trend and estimated increases of 3% in FY24-25, followed by 4% growth for FY25-26 through FY28-29. The projections for secured property taxes for FY24-25 and FY25-26 are \$3.0 million and \$3.1 million, respectively. This revenue category encompasses unsecured property taxes, lighting district, and property tax in lieu of VLF. The total property tax revenue projection for FY24-25 is \$5.4 million, estimated to be \$5.46 million for FY25-26.

Other Taxes

The revenue category for other taxes includes Sales and Use taxes, Measure Y Local Sales tax, Transit Occupancy tax, and Business Licenses.

Sales & Use Taxes

A report from HdL, dated January 18, 2024, reported data for the quarter ending September 2023. The projection and estimate for Sales & Use Taxes for Fiscal Year 2024-25 and FY25-26 is \$3.9 million.

Measure Y Local Sales Tax

According to the latest report from HdL dated January 18, 2024, estimates for Measure Y Local Sales Tax for FY24-25 are \$6.3 million, and FY25-26 \$6.5 million.

Transient Occupancy Tax

Transit Occupancy Tax (TOT) includes TOT tax from three hotels. The estimate for FY24-25 is \$630,00, and for FY25-26, \$640,000.

Business Licenses

Business Licenses are projected to reflect strong business activity for FY24-25 and FY25-26, at \$750,000 and \$787,000. A cost recovery study and review of all fees is being conducted and are expected to be completed later this

Utility User Tax

Utility User tax is projected to be \$2.3 million and reflects taxes paid by the following utilities:

- Electricity 6% (LAMC 3.20.080)
- Gas 6% (LAMC 3.20.090)
- Telecommunications 5% (LAMC 3.20.070)
- Water 6% (LAMC 3.20.100)

Franchise Fees

As the Public Utilities Commission allows, franchise fees levied on utilities are passed directly to customers and itemized on their bills as city fees. The utility collects the payment and remits it to the city. Franchise fees include cable, refuse, electric, gas, water, and pipeline, projected to be approximately \$800 thousand for FY24-25 and FY25-26.

Licenses & Permits

Licenses & Permits are expected to reflect continued strong activity for building and construction. Estimates for FY24-25 and FY25-26 are \$1.1 million. A Cost Recovery Study is being conducted and is expected to be completed later this year. However, the U.S. BLS 12-month CPI adjustment as of March 2024 recommends and supports a CPI adjustment of 4%, which is being recommended and has been factored into the estimates.

Fines & Forfeitures

Revenue from Fines and Forfeitures includes red light cameras, parking fines, and other moving violations. It is expected to return to a normalized level next fiscal year. Estimates are \$1.0 million for FY24-25 and FY25-26.

Charges for Services

The Recreation Department's various programs, classes, and special events generate the majority of revenue for this category. The Aquatics Program has been added to Recreation's full menu of programs, and the newest category to be added is Los Alamitos Youth Baseball (LAYB). Estimated revenues total \$1.2 million for FY24-25 and FY25-26.

General Fund Proposed Expenditures

The proposed expenditures represent further restructuring of the City's internal operations to meet the goals outlined in the departments and the City. Projected expenditures (including transfers out) for FY24-25 are \$23.4 million and \$23.8 million for FY25-26. In addition to maintenance and operational increases, a breakdown of the individual departmental expenditures is below. Salaries reflect the proposed MOU adjustments currently being

negotiated and additional proposed positions.

The table below reflects the Preliminary General Fund Budget for department expenditures for FY24-25 and FY25-26.

	2022-23 Estimate	2023-24 Adopted	2023-24 Estimate	2024-25 Proposed
EXPENDITURE SUMMARY				
CITY COUNCIL	67,974	66,895	67,662	56,907
ADMIN - CITY MGR, CITY CLK, HR	1,026,560	1,493,294	1,482,544	1,709,900
FINANCE	808,622	1,011,972	984,414	1,219,465
CITY ATTORNEY	331,909	196,000	226,000	226,000
POLICE	7,674,351	8,345,059	7,699,162	8,208,997
DEVELOPMENT SERVICES	4,651,578	5,003,100	5,616,238	5,695,455
RECREATION	2,397,878	2,458,757	2,504,856	3,489,050
NON-DEPARTMENTAL	2,013,010	2,582,631	3,160,900	1,279,500
TOTAL EXPENDITURES	18,971,882	21,157,708	21,741,776	21,885,274
TRANSFERS OUT	1,725,500	1,521,500	1,521,500	1,605,000
TOTAL EXPENDITURES & TRANSFERS OUT	20,697,382	22,679,208	23,263,276	23,490,274

Council

The Council budget has been revised to reflect the transfer of many line-item expenditures to the Administration budget, including supplies, postage, advertising, employee service awards, commission appreciation, and meeting cablecasting, to better align with operations. In addition, travel and training and dues and subscriptions have been detailed to reflect specific events and charges that would be applicable. Overall, the Council budget is projected to decrease by approximately \$10,000.

Administration (City Manager, City Clerk, Human Resources)

Administration includes the City Manager, City Clerk, Administrative Manager, two Management Analysts, a Deputy City Clerk, and a Department Secretary. Expenditures for Administration for FY24-25 and FY25-26 are projected to be approximately \$1.7 million, respectively.

Finance

The Finance Department consists of four full-time staff members: Finance Director, Finance Manager, Accountant, Senior Finance Assistant, and Part-Time Clerical Assistant. The Finance Manager position is currently vacant and will be covered through contract staffing until successful recruitment can be made. Total department expenditures for Finance for FY24-25 and FY25-26 are projected to be \$1.2 million.

Police

The Police budget consists of ten divisions: Administration, Patrol, Investigation, Records,

Communication, Community Outreach, Youth Programs, Traffic, Emergency Preparedness, and the K-9 Unit, now being reported separately. The total department expenditure for FY24-25 is projected to be \$8.2 million and \$8.3 million for FY25-26.

Development Services

Development Services include Administration, Planning, Neighborhood Preservation, Building Inspection, NPDES, Street, Park, Facility Maintenance, City engineering, and Economic Development. An additional Code Enforcement Officer is proposed to provide a full seven-day week coverage. The Street Department (division 542) reflects salaries and benefits for Park Maintenance (division 543) and Facility Maintenance (division 544), which were previously reported separately. The revision will simplify reporting, as salaries and benefits were split between multiple divisions. The total department expenditures for FY24-25 and FY25-26 are projected to be \$5.7 million, respectively. The Economic Development Division (545) salaries and benefits will continue to be funded and offset by the Economic Development Fund (57). This position will be responsible for Business Licensing and additional oversight of HdL's Business License processing, the Banner Program, Economic Development initiatives, and New Business Programs.

Recreation and Community Services

Recreation and Community Services include divisions for Administration, Community Services, Day Camp, Playgrounds, Sports, Special Classes, and Special Events. Aquatics is now year-round and includes using the pool facilities at the Joint Forces Training Base (JFTB). Due to the expansion of programs, part-time salaries are being increased. A reclassification for a Recreation Supervisor to Management Analyst is proposed to correspond with the additional duties and workload of the position. Total department expenditures for Recreation and Community Services are projected to be \$3.5 million for FY24-25 and \$3.6 million for FY25-26.

Non-Departmental

Non-departmental includes contractual services not associated with other departments, retiree health insurance costs, credit card processing fees, contributions to North SPA, and capital projects funded by Measure Y and General Fund.

Interfund Operating Transfers Out

Interfund transfers from the General Fund are to other funds are to cover Debt Service payments (Fund 31), Vehicle and Equipment Replacement (Fund 50), Technology Replacement (Fund 53), and Self-insurance costs (Fund 54).

Internal Service Charges for FY24-25 are being eliminated, and line-item charges at the department level have been replaced by direct transfers from the general fund to better align with operations. This change will reduce overall departmental expenses, and the transfers will be made directly by the General Fund to create more transparency.

Other Considerations

In connection with the UAL, a report was taken to the Council in November for a plan to pay down the unfunded liability. Council adopted Resolution 2022-23, adopting the PERS Unfunded Accrued Liability Pay-Down Funding Policy. The policy establishes an ADP of at least \$260,000 to address the City's current PERS UAL. Upon completion of the City's annual

independent financial audit, should a surplus be identified and verified, at least 25% of the identified and verified surplus will be used to make an additional ADP payment. This payment is in addition to and does not replace the already directed \$260,000 annual payment. Due to the extreme fluctuations and uncertainty in the CalPERS rate of returns, the Council approved funding the trust established with PARS at \$50,000 monthly. This funding would be in addition to the already approved \$260,000 annual ADP, which, combined with the trust funding, will accelerate the UAL paydown.

FISCAL IMPACT

The projection and estimate for FY24-25 and FY25-26 reflect a surplus. Staff is currently working with the City Engineer to develop estimates for the CIP program, which will be provided in the next draft budget version, along with any other changes recommended by the Budget Standing Committee.

Attachment: None

City of Los Alamitos

BUDGET STANDING COMMITTEE AGENDA REPORT

MEETING DATE: April 22, 2024

ITEM NUMBER: 5B

To: Budget Standing Committee Members

Presented By: Chet Simmons, City Manager

Subject: City Council Travel Policy

SUMMARY

This item updates the Travel Policy specific to City Council and Appointed Officials.

RECOMMENDATION

Recommend City Council adoption of the revised Administrative Regulation 6.2 - City Council Travel Policy.

BACKGROUND

The City Council adopted a City-wide travel and reimbursement policy in February 2023. During the Fiscal Year 2023-24 Budget Adoption process, the Budget Standing Committee requested a policy specific to the City Council. The Council adopted the City Council Travel Policy on August 21, 2023. During the mid-year budget process, the BSC requested the policy come back for further review.

DISCUSSION

The attached policy for the Council's consideration aligns with previously adopted policies. Clerical edits were made for grammar and clarity. Significant changes to specific sections are highlighted below.

Section 12 - Authorized Expenses

The cost of the City Council members' attendance at events organized by the following groups will be covered by the City or will be eligible for reimbursement:

1. Association of California Cities
2. Association of Defense Communities
3. California Federation of Women's Clubs
4. California Local Agency Formation Commission
5. California State University, Fullerton
6. California State University, Long Beach
7. Casa Youth Shelter
8. Cerritos College
9. Crime Survivors
10. Cypress College
11. Food Finders

12. Fullerton College
13. General Federation of Women's Club
14. Joint Forces Training Base, Los Alamitos
15. League of California Cities
16. Los Alamitos Chamber of Commerce
17. Los Alamitos Community Foundation
18. Los Alamitos Education Foundation
19. Los Alamitos Unified School District
20. Orange County Business Council
21. Orange County Chamber of Commerce
22. Orange County Local Agency Formation Commission
23. Orange County Mosquito and Vector Control District
24. Orange County Sanitation District
25. Orange County Water District
26. Precious Life Shelter
27. The Youth Center

Additional authorization for events, meetings, or any other reimbursement will require City Council approval before attendance to receive reimbursement.

Section 13 - Unauthorized Expenses

Personal expenses that the City will not reimburse include, but are not limited to:

1. The personal portion of any trip.
2. Political contributions or events.
3. Family expenses, including a partner's expenses when accompanying the traveler on City-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. However, where the City is acting in a host capacity, those host-related expenses, including entertainment expenses and meals, may be reimbursed with prior approval from the City Manager.
5. Non-mileage personal automobile expenses, including traffic citations.
6. Mileage expenses to meetings of boards to which the traveler has been appointed and for which the traveler receives a stipend from that organization (e.g. OCFA, OCSD, SCAG, etc.).
7. Personal losses incurred while on City business.

Any questions regarding the propriety of a particular type of expense should be resolved with the City Council before the expense is incurred.

Section 14 - Scheduling Assistance

Appointed Officials are responsible for maintaining their own calendars. The City will maintain a Council Calendar for event invitations the City is aware of. This Calendar is a planning tool and does not cover every possible event. The City will endeavor to provide notification when received of the listed events in Section 12. When a reservation is requested, calendar notices will be sent out as a courtesy.

Section 15 - "No Show" and Reimbursement

Definition of No-Show: A "no-show" occurs when an Appointed Official fails to attend a scheduled event and a reimbursement will not be provided to the City.

Notification Requirements: Appointed Officials are required to provide at least three working days advance notice if they need to cancel a previously requested reservation.

Consequences of No-Show: If an Appointed Official fails to attend a scheduled appointment without providing the required notice, they will be required to reimburse the City the total cost for the reservation within three business days.

Exceptions: Exceptions to the no-show policy may be considered for Appointed Officials who can provide valid documentation of unforeseen circumstances or emergencies that prevented them from attending the event.

Notification of No-Show: In the event of a no-show, the Appointed Official will be notified of the missed event and any associated charges via e-mail from the City Clerk and/or their designee.

Policy Acknowledgment: By requesting the City to reserve your attendance at events, Appointed Officials agree they have read and understood the no-show policy and agree to abide by its terms.

Section 19 - Credit Card Use

This section was removed from the policy.

FISCAL IMPACT

There are no fiscal impacts associated with the adoption of this policy. It is anticipated with a streamlined approach, Council travel and training will decrease over time.

Attachment: 1. City Council Travel Policy (2024)

City of Los Alamitos

Administrative Regulation

Regulation:	6.2
Title:	City Council Travel and Reimbursement Policy
Authority:	Adopted by City Council Minute Order
Date:	August 21, 2023
Revised:	May 20, 2024

1. INTENT AND PURPOSE

The City of Los Alamitos recognizes the value of attendance by City officials at professional conferences, seminars, meetings with other government officials, professional organizations, community organizations, and constituents and ceremonial events and activities that promote or benefit the City. This policy establishes travel authorization, expense, reimbursement, and reporting standards consistent with California Government Code Sections 53232.2 and 53232.3 and adopted City policies.

2. APPLICATION

This policy applies to City Council Members and appointed members of City boards, commissions, and committees.

3. DEFINITIONS

(A) "Appointed Officials" shall refer to those officials appointed as members of City boards, commissions and committees, which constitute legislative bodies (as defined by Government Code Section 54952)

(B) "City" shall refer to the City of Los Alamitos.

(C) "City Council Members" shall refer to the individuals who comprise the governing body of the City.

(D) "City Manager" shall refer to the City Manager of the City of Los Alamitos, or his or her designee.

4. POLICY

The City reimburses City Council Members and Appointed Officials for expenses incurred in connection with business related travel and attendance at meetings and events, in amounts designated in the approved City budget. The establishment of reasonable limits on expense reimbursement assures a prudent and responsible use of public funds to allow officials to attend beneficial conferences, seminars, and meetings.

Absent unusual circumstances and only with the permission of the City Council, expense reimbursements will not exceed the amounts set forth in this policy. "Reimbursement" for purposes of this policy means all forms of payment for expenses incurred by City officials in the course of their official duties whether paid directly by the City (including without limitation, with a City-issued credit card) or advanced by City officials with personal funds and later reimbursed from City funds.

This policy is not intended to address every issue, exception or contingency that may arise in the course of City travel. Accordingly, the basic standard that should always prevail is to exercise good judgment in the use and stewardship of the City's resources. Specific issues not covered here may be directed to the City Manager.

5. TRAVEL REQUESTS AND AUTHORIZATION

A. City Council and Appointed Officials

Overnight travel for City Council Members shall be coordinated and arranged through the City Clerk's Office and is subject to all provisions of this policy except as otherwise noted. Overnight travel for Appointed Officials shall be coordinated and arranged by the corresponding department.

B. City Representation

When total travel expenses for an event (i.e. registration, lodging, auto, air fare, meals, etc.) will cost over \$500, only one City representative shall be entitled to reimbursement for their attendance. The Mayor/Presiding Officer shall have first right to attend events at the City's expense. Second right shall go to the Mayor Pro Tem/Vice Chair and then to the Council Member with the most seniority.

Should a Council Member believe there is a benefit to the City to incur the cost of sending more than one City Council representative to an event, they may request an item be put on the next City Council agenda for approval. Requests for an additional Council Member's and/or Appointed Official's travel will be processed in accordance with the agenda report deadlines established by the City Clerk's Office.

City Council Members and Appointed Officials are able to attend events without approval of the City Council at their own expenses. It is understood representatives attending at their own expense are attending as individuals and shall not speak on behalf of the City.

6. CODE OF CONDUCT

The City promotes freedom of expression and open communication. It is expected that all Council Members and Appointed Officials will follow the outlined code of conduct

when representing the City and will avoid offending, participating in serious disputes, and disrupting workplaces.

A. Compliance with Law

All Council Members and Appointed Officials should comply with all federal, state, and local regulations, including any regulations provided by the event's organization. Council Members and Appointed Officials shall act ethically and responsibly when dealing with the City's finances, partnerships, and public image.

B. Personal Appearance

Council Members and Appointed Officials should follow the City's adopted Administrative Rules and Regulation 1.8: Dress Code and Professional Standards Policy. City officials are encouraged to wear City issued attire when appropriate.

Should a Council Member or Appointed Official wish to purchase additional attire they may do so at their own expense as long as the City seal is not used. Use of City logos is permissible. Logos may be requested from the City Clerk's Office.

C. Job Duties and Authority

All Council Members and Appointed Officials should fulfill their job duties with integrity and respect toward colleagues, other agencies, and the community.

When Council Members and Appointed Officials speak or take action on behalf of the City, they must do so with consideration of the generally accepted practices of the City or upon approval of the City Council. Should a traveler publicly take a position inconsistent with the City's policy or practice, the Council Member/Appointed Official is obligated to make clear he/she does not speak as a City representative.

D. Alcohol and Drug Policy

In compliance with the City's adopted Personnel Resolution, it is policy of the City of Los Alamitos to prohibit the use of alcohol or drugs in connection with the use of City funds, as it constitutes a threat to the safe and efficient performance of public service. With this in mind, the City prohibits the use or being under the influence of alcohol or drugs by any Council Member or Appointed Official while performing City business and/or while on City property.

7. COST CONTROL

To conserve City resources and keep expenses within reasonable standards, City officials must use the most economical mode and class of transportation reasonably consistent with scheduling needs and cargo space requirements, using the most direct and time-efficient route.

Government and group rates must be used when available if they present the least expensive fare.

Incidental Expenses, which shall include bridge, road tolls, parking fees, and other similar costs, are considered reimbursable expenses. Baggage handling fees up to \$50 per bag will also be reimbursed.

Expenses for which travelers receive reimbursement from another agency are not reimbursable.

8. LODGING

Actual lodging costs will be reimbursed or paid for when travel on official City business reasonably requires an overnight stay. When an additional charge is imposed for City business related internet/broadband access, the charge may be reimbursed as part of the room rate.

If the lodging is in connection with a conference or other organized educational activity, lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor, provided that lodging at the group rate is at the time of booking. If the group rate is not available, then travelers shall use comparable lodging that is consistent with the per diem rates for lodging as established in IRS Publication 1542, as amended, or any successor publication.

Travelers must request government rates, when available. Lodging rates that are equal or less than government rates are presumed to be reasonable and reimbursable for purposes of this policy. In the event that government rates are not available at a given time or area, lodging rates that are consistent with the per diem rates for lodging as established in IRS Publication 1542, as amended, or any successor publication, are presumed reasonable and reimbursable.

9. METHOD OF TRAVEL

A. Automobile Travel

- (1) City Vehicle. When using a City vehicle, travelers shall be reimbursed for the actual costs of fuel, oil and emergency repairs.
- (2) Private Vehicle. Automobile mileage is reimbursable at the Internal Revenue Service rates presently in effect. The reimbursable amount shall be based

upon the actual mileage traveled for the purposes of the traveler's official duties. In no case shall the amount of reimbursement exceed the cost of the least expensive ticket available via commercial air travel and, if applicable, the cost of a standard size rental car.

- (3) Rental Vehicle. Travelers shall be reimbursed for the cost of a standard size vehicle with the usual and customary levels of insurance. When demonstrable circumstances dictate necessity, travelers may be reimbursed, at the discretion of the City Manager, for upgrading to a larger vehicle.

B. Air Travel

- (1) Airfare shall be reimbursed at the actual ticket cost as stated on the receipt. The City will only reimburse up to the cost of economy class or equivalent ticket available via commercial air travel.
- (2) Change of flight fees shall not be reimbursable.
- (3) Long-term parking shall be reimbursable for travel exceeding twenty-four (24) hours.

C. Other Transportation

Taxi, bus, train, shuttle, or other similar fares, including associated gratuities of up to 15 percent, shall be reimbursed at their actual cost as stated on the receipt.

10. MEALS

Meal expenses and associated gratuities up to fifteen (15) percent will be reimbursed at their actual cost or at the Internal Revenue Service rates currently in effect, as set forth in Publication 1542, as amended, or any successor publication, whichever is less, subject to the following restrictions:

- (1) Breakfast will be reimbursed only when travel begins before 7:00 a.m. and extends beyond 8:00 a.m.
- (2) Lunch will be reimbursed only when travel begins before 12:00 p.m. and extends beyond 2:00 p.m.
- (3) Dinner will be reimbursed only when travel begins before 6:00 p.m. and extends beyond 8:00 p.m.

Meals provided for as part of the cost of the travel, including, but not limited to, conference, complementary, or in-flight meals, are not eligible for travel advances or reimbursement. The City will not pay for alcohol or other personal bar expenses.

11. PER DIEM ADVANCES

City officials who do not have City issued credit cards may claim a per diem of up to \$70 per day for meals and incidental expenses associated with City business where an overnight stay is required. Per diem may not be claimed by City officials with a City-issued Cal Card purchasing card.

City officials may claim per diem upon commencement of travel. For each 24-hour period thereafter, the City official can claim up to the full per diem amount. If there is a period of time of the trip with a duration of less than 12 hours, no more than one-half (1/2) the per diem rate may be claimed.

Eligible City officials must submit receipts on expenses purchased using per diem. Unused daily per diem funds must be returned to the Finance Department within fourteen (14) days of return. Failure to submit unused per diem funds constitutes a violation of this policy.

12. AUTHORIZED EXPENSES

City officials may be reimbursed for actual and necessary expenses incurred in the performance of official duties; provided, however, that reimbursement shall always be at the lesser of the actual cost or the IRS rates currently in effect, unless otherwise approved by the City Council in advance as provided below.

The following types of expenses generally constitute authorized expenses, as long as the other requirements of this policy are met and provided that total expenses incurred by the traveler are within the total amount budgeted for that fiscal year:

- (1) Communicating with representatives of regional, state and national government on City policy positions.
- (2) Attending organized educational seminars, conferences or activities designed to improve the City official's skill and information levels.
- (3) Participating in regional, state and national organizations or associations whose activities affect the City's interests; provided, however, that all such travel must be approved in advance by a majority vote of the City Council in a public meeting.
- (4) Attending City events including chamber of commerce events and the Annual Americana Awards.
- (5) Charitable event tickets.

In addition to previous list of generally authorized expenses, city officials are authorized to attend events or to receive reimbursement for attending California specific events only for the organizations listed below:

- (1) Association of California Cities
- (2) Association of Defense Communities
- (3) California Federation of Women's Clubs
- (4) California Local Agency Formation Commission
- (5) California State University, Fullerton
- (6) California State University, Long Beach
- (7) Casa Youth Shelter
- (8) Cerritos College
- (9) Crime Survivors
- (10) Cypress College
- (11) Food Finders
- (12) Fullerton College
- (13) General Federation of Women's Club
- (14) Joint Forces Training Base, Los Alamitos
- (15) League of California Cities
- (16) Los Alamitos Chamber of Commerce
- (17) Los Alamitos Community Foundation
- (18) Los Alamitos Education Foundation
- (19) Los Alamitos Unified School District
- (20) Orange County Business Council
- (21) Orange County Chamber of Commerce
- (22) Orange County Local Agency Formation Commission
- (23) Orange County Mosquito and Vector Control District
- (24) Orange County Sanitation District
- (25) Orange County Water District
- (26) Precious Life Shelter
- (27) The Youth Center (Los Alamitos)

Additional authorization for events, meetings, or any other reimbursement will require City Council approval at a regularly scheduled Council meeting before attendance to receive reimbursement.

13. UNAUTHORIZED EXPENSES

Personal expenses that the City will not reimburse include, but are not limited to:

- (1) All out of state travel.
- (2) The personal portion of any trip.
- (3) Political contributions or events.

- (4) Charitable event tickets for which the traveler is taking or will take a tax deduction.
- (5) Family expenses, including a partner's expenses when accompanying the traveler on City-related business, as well as children or pet-related expenses.
- (6) 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. However, where the City is acting in a host capacity, those host-related expenses, including entertainment expenses and meals, may be reimbursed with prior approval from the City Manager.
- (7) Non-mileage personal automobile expenses, including traffic citations.
- (8) Mileage expenses to meetings of boards to which the traveler has been appointed and for which the traveler receives a stipend from that organization (e.g. OCFA, OCSD, SCAG etc.)
- (9) Personal losses incurred while on City business.
- (10) Any clothing (including City logo clothing).

Any questions regarding the propriety of a particular type of expense should be resolved with the City Council approval at a regularly scheduled Council before the expense is incurred.

14. SCHEDULING ASSISTANCE

Appointed Officials are responsible for maintaining their own calendars. The City will maintain a Council Calendar for event invitations the City is aware of. This Calendar is a planning tool and does not cover every possible event. The City will endeavor to provide notification when received of the listed events in Section 12. When a reservation is requested, calendar notices will be sent out as a courtesy.

15. "NO SHOW" AND REIMBURSEMENT

Definition of No-Show: A "no-show" occurs when an Appointed Official fails to attend a scheduled event and a reimbursement will not be provided to the City.

Notification Requirements: Appointed Officials must provide at least three working days advance notice if they need to cancel a previously requested reservation.

Consequences of No-Show: If an Appointed Official fails to attend a scheduled appointment without providing the required notice, they will be required to reimburse the City the total cost for the reservation within three business days.

Exceptions: Exceptions to the no-show policy may be considered for Appointed Officials who can provide valid documentation of unforeseen circumstances or emergencies that prevented them from attending the event.

Notification of No-Show: In the event of a no-show, the Appointed Official will be notified of the missed event and any associated charges via e-mail from the City Manager and/or his designee.

Policy Acknowledgment: By requesting the City to reserve your attendance at events, Appointed Officials agree they have read and understood the no-show policy and agree to abide by its terms.

16. OTHER EXPENSES

Expenses that do not fall within the scope of this policy shall be approved by the City Council, in a public meeting, before the expense is incurred.

17. DOCUMENTATION OF EXPENSES; EXPENSE REPORTS

Travelers shall submit expense reports on the "EXPENSE REPORT" form provided by the City to the Treasurer within ten (10) days of incurring the expense.

In order to qualify for reimbursement, expense reports must be accompanied by documentary evidence, such as a receipt, canceled check or bill, for each expense. The documentary evidence should show the amount, date, place, and essential character of the expense.

If a traveler cannot produce documentary evidence, he or she shall not be reimbursed.

If the Treasurer finds that the traveler's aggregate reimbursable travel expenses were greater than the amount of any travel advance, the City shall pay the difference between the travel advance and the reimbursable expenses within thirty (30) days of submission of the "EXPENSE REPORT" form; provided, however, that reimbursement shall never exceed the amount authorized by Government Code Sections 53232.2 and 53232.3, this policy, or the adopted amount budgeted by the City Council.

The Treasurer shall review all forms and documentary evidence for appropriateness and compliance with this policy. Any disputed costs should be discussed between the Treasurer and the City Manager, who shall make a final determination as to whether reimbursement shall be made. If the City Manager deems it necessary, he or she may bring the disputed cost to the City Council for discussion in a public meeting, and the City Council's determination shall be final; provided, also, that the City Council Member whose expense is being discussed shall recuse himself or herself from the discussion.

If the City Council cannot come to a decision (e.g. a tie vote), the City Manager's decision shall be final.

All documents related to reimbursable City expenditures are subject to disclosure under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1).

18. TRAVEL ADVANCE POLICY

From time to time, it may be necessary for a traveler to request a cash advance to cover anticipated expenses while traveling or doing business on behalf of the City. Such request for an advance shall be submitted to the Treasurer on the "TRAVEL AUTHORIZATION AND ADVANCE REQUEST" form, as provided by the City. All relevant documentation relating to the proposed expenses must be attached to the form.

- (1) No advance will be authorized in an amount less than one hundred dollars (\$100).
- (2) Any unused advance, or portion of an advance, must be returned to the Treasurer within ten (10) business days of the traveler's return, along with a completed and signed expense report, pursuant to section 15. Travelers who do not return the unused portion of a cash advance within ten (10) business days are ineligible for any additional advances until such time as the unused amount is returned.
- (3) A travel advance shall not, under any circumstances, be considered a personal loan.
- (4) Any expenditure of a travel advance, other than for the approved purpose of the advance, shall be considered a misappropriation of public funds.
- (5) Funds for prepaid items, such as airfare and registration, are not considered cash advances.

19. CITY COUNCIL MEMBER AND APPOINTED OFFICIAL REPORTS

At their next regular meeting, each City Council Member and Appointed Official shall provide a brief report on any meeting attended at the City's expense. If more than one City Council Member or Appointed Official attends the same event as prescribed in Section 5B the Mayor or Presiding Officer shall designate one attendee to give the report. The other attendees will be permitted to briefly report on any topics omitted by that designated City Council Member or Appointed Official.

20. PENALTIES

Pursuant to California Government Code section 53232.4, penalties for misuse of public resources or falsifying expense reports in violation of expense reporting policies, may include, but are not limited to, the following:

- (1) The loss of reimbursement privileges.
- (2) Restitution to the City.
- (3) Civil penalties for the misuse of public resources, pursuant to California Government Code section 8314.
- (4) Prosecution for misuse of public resources, pursuant to California Penal Code section 424.

History:

August 21, 2023 – Adopted by City Council

City of Los Alamitos

BUDGET STANDING COMMITTEE AGENDA REPORT

MEETING DATE: April 22, 2024

ITEM NUMBER: 5C

To: Budget Standing Committee Members

Presented By: Craig Koehler, Director of Finance

Subject: Future Discussion Items

SUMMARY

This report provides the Budget Standing Committee with a discussion of additional items for future meetings.

RECOMMENDATION

Review and discuss additional items.

BACKGROUND

Additional items have come up that warrant review by the Budget Standing Committee:

DISCUSSION

Staff would like the Budget Standing Committee to consider items for future discussion.

FISCAL IMPACT

None.

Attachment: None