**POLICY TITLE: Compensation and Reimbursement Policy**

**POLICY NUMBER: 4029**

**A. Purpose and Scope:**

The purpose of this compensation and reimbursement policy is to ensure that expenditures made by District elected and appointed officials and staff members are for actual and necessary expenses incurred in the performance of official District duties.

1. This “Compensation and Reimbursement Policy” may be referred to as the “Policy”.
2. This Policy applies to any “member” of a “legislative body” as defined in GC §54952 (The Ralph M. Brown Act). Thus, this Policy applies to each member of the Board of Directors. Additionally, this Policy applies to each member of a committee appointed by the Board of Directors, provided that prior approval for a particular expense reimbursement has been separately approved by the Board of Directors. This Policy also applies to District staff members.
3. This Policy will use the term “Board Member” to refer to the Board President and each member of the Board of Directors. Additionally, to the extent that the Board of Directors has separately approved reimbursement to any member of an appointed committee for a particular expense reimbursement, that member shall be entitled to reimbursement for expenses in the same manner as a “Board Member”.

**B. Policy:**

The Bethel Island Municipal Improvement District believes it is important that elected and appointed officials remain informed and trained in issues affecting the affairs of the District and that attendance at official District related events, gatherings or “meetings”, as defined in GC §54952.2(c), are of significance to the District and to its citizens.

The Bethel Island Municipal Improvement District’s elected and appointed District officials shall be entitled to reimbursement for their actual and necessary expenses associated with their official duties while attending such events in a manner and in the amounts as set forth in this Policy.

1. This Policy shall be formally adopted by the Board of Directors and any changes or amendment to it shall also be adopted by the Board of Directors.

**C. Definitions:**

For the purposes of this policy, the following definitions shall apply:

1. “Actual and necessary expense” shall mean those expenses for which there is a practical need based on costs normally incurred in prevailing business practices to conduct the “official duties”;
2. “Reimbursement” shall mean all forms of payment for expenses incurred by District officials in the course of their official duties whether paid directly by the District or paid with a District issued credit card or advanced by District officials with personal funds and later reimbursed from District funds;
3. “Attendance” shall mean the physical presence at the majority of a meeting, event or occurrence unless presence for a lesser period is authorized by the Board of Directors to include but not limited to the participation in a teleconference;
4. “Length of time” shall mean attendance no longer than 10 working days at any event, meeting, conference, institute, or retreat unless specially authorized by the Board of Directors at a public meeting.

**D. Official Duties, Authorized Activities:**

The following types of occurrences generally constitute the performance of “official duties” for public purposes for which a ticket or pass may be purchased for members of the Board of Directors or for which such members may receive reimbursement, so long as: (i) the other requirements of this policy are met; (ii) all expenditures are approved by the Board of Directors at a public meeting prior to such payment or reimbursement; and (iii) provided that the distribution is posted on a form provided by the California Fair Political Practices Commission on the District’s website within thirty (30) days after the distribution. In all other cases, consistent with Section 18944.1 of the Regulations of the Fair Political Practices Commission, as may be amended from time to time; tickets or passes provided to member of the Board of Directors shall be treated as income to the member and reported as such, consistent with applicable state and federal income tax laws, and such distribution shall be posted by the District on its website within thirty (30) days after the distribution on a form provided by the California Fair Political Practices Commission. The transfer by an official of any ticket or pass distributed pursuant to this Policy to any other person, except members of the official’s immediate family solely for their personal use, is prohibited.

1. Expenses incurred by the Board Member when there is a reasonable connection with a District adopted policy position, purpose or goal;
2. Attending meetings or events at the direction or request of the Board of Directors;
3. Communicating with representatives of local, regional, state and national government on District-adopted policy positions and/or other matters of community concern;
4. Communicating with representatives of business or community interests at the local, regional, state, and national level on policy positions adopted by the District;
5. Participating in local, regional, state and national organizations who activities affect the District’s interests;
6. Attending events for which the District is a sponsor or participant or affects the District’s interests;
7. Attending educational seminars designed to improve the official’s skill and information levels related to District business;
8. Promoting public service or morale by recognizing and honoring such service on the part of District employees, members of the community, and other individuals;
9. Participation in an approved at home, in-person or online ethics course to meet the requirements of GC §53234-53235.2;
10. The performance of such other official duties that affect the District’s interests;
11. Any other expenditure that the Board of Directors deems to constitute the performance of an “official duty”.

**E. Unofficial Duties, Unauthorized Activities:**

The District will not reimburse Board Members for expenses incurred outside the scope of the Board Member’s duties or pay for such expenses including, for example and not limited to, the following:

1. The personal portion of any trip. The District need only reimburse the Board Member for destination roundtrip travel cost and non-personal costs incurred during the event duration. Should trip arrangement be made for spouse or family members, reimbursement to the District for any advanced expenses should be received by the District prior to the trip;
2. Political contributions or events;
3. Charitable contributions or events, except that tickets or passes to charitable non-profit and other non-profit events may be reimbursed or paid for if the requirement of Section D (Official Duties, Authorized Activities), above, are met;
4. Family expenses, including the expenses for a “significant other” when accompanying a Board member on agency related business, as well as children or pet related expenses;
5. Entertainment expenses, including theater, movies (either in room or at the theater), sporting events (including gym, massage and/or golf related expense), or other non-city related cultural events;
6. Personal alcohol related bar expenses;
7. Non-mileage personal automobile expenses, including repairs, traffic citations, insurance or gasoline;
8. Expenses for which Board Members receive reimbursement from another agency;
9. Personal losses incurred while on District business;
10. Travel insurance.

Any questions regarding the propriety of a particular type of expense should be resolved by the District Managerapproving authority before the expense is incurred.

**F. Compensation for Attendance at Meetings**

Compensation for meeting attendance, for elected and appointed members of the Board of Directors shall be as follows:

As provided in Article 3, Section 42 of the Bethel Island Municipal Improvement District Act (Statutes of California, 1960 First Extraordinary Session, Chapter 22), “Each officer shall receive such compensation as the board shall, by ordinance, establish.” No ordinance has been established setting officer compensation; the current compensation rate for Board Members is zero.

**G. Cost Control**

To conserve District resources and keep expenses within community standards for public officials, expenditures should adhere to the following policy. In the event that expenses are incurred which exceed this policy, the cost borne or reimbursed by the District will be limited to the costs that fall within the guidelines, unless prior approval from the Board of Directors is obtained at a public meeting.

**H. Transportation**

Board Members 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. When attending conferences or meetings that are of such distance that is more economical to take commercial transportation, if a Board Member proposes to drive his/her car in those cases, commercial air fare will be paid and not automobile mileage.

1. Airfare. Airfares that are reasonable and economical shall be eligible for purposes of reimbursement. Government and group rates shall be used when available.
2. Automobile Mileage Reimbursement. For all Board Member’s and District staff, automobile mileage is reimbursed at Internal Revenue Service (“IRS”) rates in effect at the time of travel. These rates are designed to compensate the driver for gasoline, insurance, maintenance, and other expenses associated with operating the vehicle. The amount does not include bridge and road tolls, or parking expenses which are also reimbursable.
3. Car Rental. Rental rates that are reasonable and economical shall be eligible for purposes of reimbursement. Government and group rates shall be used when available.
4. Taxis/Shuttles. Taxis or shuttle fares may be reimbursed, including a 15 percent gratuity per fare, when the cost is equal or less than the cost of car rentals, gasoline and parking combined, or when such transportation is necessary for time efficiency.

**I. Lodging**

Lodging expenses will be reimbursed or paid for when travel on official District business reasonably requires an overnight stay. 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. Travelers must request government rates, when available. If the group rate is not available, reimbursement at the IRS rate in effect at the time of travel shall apply (IRS Publication 463).

**J. Meals**

Receipts for expenses for meals shall be required. Actual expenses shall be reimbursed subject to the maximum per diem for the meal as set by the IRS rate in effect at the time of travel. (See GC §53232.2(c)and IRS Publication 463). The District will not pay or reimburse for alcohol/personal bar expenses.

**K. Miscellaneous Expenses**

Board Members will be reimbursed for bridge and road tolls, airport parking, baggage handling fees, and parking expenses incurred while on District business (receipts are required). Long term airport parking must be used for travel exceeding 24 hours. Baggage handling fees for up to $1 per bag and gratuities of up to 15 percent will be reimbursed.

**L. Expense Report Content and Submission Deadline**

All expense reimbursement requests must be submitted on an expense report form provided by the District. This 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. 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. Officials must submit their expense reports within five (5) calendar 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. Inability to provide such documentation in a timely fashion may result in the expense being the responsibility of the Board Member.

In the event the Board Member does not attend the trip and non-refundable expenses have been incurred for registration, lodging and/or travel, the non-attending official shall submit a written explanation of the reasons for non-attendance to the District Manager. The District Manager shall determine if the public funds advanced must be reimbursed to the District. Any decision of the District Manager may be appealed to the Board of Directors.

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

**M. Reports to the Board of Directors**

At the following regular board meeting, elected or appointed officials shall briefly report, either orally or in writing, on meetings attended at District expense. If multiple Board Members attended, a joint report may be made. This requirement does not extend to District staff members. Privileged District information is not required to be shared with the public to meet the requirements of this Section.

**N. Publication of Expenditures**

No later than September 30th of each year, the District Clerk shall cause to be published a report of all expenditures made for or reimbursed to each Board Member on the District’s web site. Said report shall include salaries, stipends, benefits and related costs, reimbursements for incurred expenses, and any compensation paid to Board Members. The information contained in the published disclosure shall be for the fiscal year ending June 30th of each year.

**O. 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.

**P. 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 reporting the expenses as income to the 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. Criminal prosecution for misuse of public resources.