

CHAPTER 5.10
MAYOR AND COUNCIL DISCRETIONARY FUNDING

§ 5.10.010. Policy.

1) SCOPE

This policy only applies to discretionary funding allocated by the Mayor and Council to be expended by the Mayor and Council in fiscal years when discretionary funding is explicitly adopted in the annual operating budget.

- A) This policy shall apply when City Councilmembers act in their official capacity as members of the Council.
- B) This policy shall apply when City Councilmembers are requesting funds from their discretionary spending allocations.

2) PURPOSE

~~A)~~ The City hereby expressly acknowledges its responsibility to wisely administer limited public resources and to expend them only when there will be a substantial benefit to the City and its residents. To conserve City resources and keep expenses within community standards for public officials, expenditures shall adhere to the rules and guidelines set forth in this policy and shall govern reimbursement to City Councilmembers for actual and necessary expenses incurred in the performance of official duties.

3) DEFINITIONS

“Community Benefit” means an activity or service that is open and accessible to all members of the public, regardless of race, gender, sexual orientation, religious affiliation, etc., taking place within the City of Stockton sphere of influence, including nearby County jurisdictions, which has a clear impact for the residents of the City of Stockton.

“Personal Benefit” means a value or profit obtained by the individual Councilmember, not the general public, that directly improves the economic or political condition of that person.

“Sponsorship Event” means a ticketed event which gives exclusive seating, meals, drinks, or other benefits to only ticketed participants.

4) Authorized Expenditures

A) Community Applications

Expenses incurred by Councilmembers are authorized to expend discretionary funds or may be reimbursed from their discretionary funds for expenditures made in connection with sponsorship

for community activities or events constitute authorized and reimbursable expenses under if the following conditions are met:

- i) The event ~~i) H~~ has a ~~C~~community ~~B~~benefit.
- ii) The event is not ~~ii) C~~annot be religious or political in nature.
- iii) The expenditure does not ~~iii) C~~annot be have a ~~P~~personal ~~B~~benefit.
- iv) The party seeking financial support through discretionary funds completed and submitted an application with the following information:
 - a) The name of the party requesting the funds, including, as applicable, the organization structure;
 - b) Event information, including the date and location;
 - c) Description of the community benefit, including an explanation of what City residents of Stockton will be directly impacted by the event;
 - d) The amount of requested;
 - e) To whom the amount will paid to;
 - f) Completed W-9; and
 - g) Signed acknowledgement form.

B) Travel Reimbursement for Mileage

Councilmembers are authorized to expend discretionary funds or may be reimbursed from their discretionary funds for expenditures made on travel-related expenses if the following conditions are met:

- i) The travel is made for the following purpose:
 - a) Communication or meeting with constituents.
 - ~~ii)b) To A~~attend local events that have a ~~C~~community ~~B~~benefit.
 - ~~iii)c) A~~To attend City-sponsored events.
- ~~ii)v)~~Events and meetings shall not be political or religious in nature.
- iii) All conditions of Council Policy Chapter 2.04 have been met.

C) Membership Reimbursement

Councilmembers are authorized to expend discretionary funds or may be reimbursed from their discretionary funds for expenditures made for membership expenses if the following conditions are met:

- i) The membership ~~H~~ has a ~~C~~community ~~B~~benefit.
- ii) The membership is ~~C~~annot ~~a~~be ~~P~~personal ~~B~~benefit.
- iii) The membership is not political or religious in nature.

D) Sponsorship Events

Councilmembers are authorized to expend discretionary funds or may be reimbursed from their discretionary funds for expenditures made for Sponsorship Events if the following conditions are met:

- i) The event or the proceeds of the event have a Community Benefit.
- ii) The event is not religious or political in nature.
- iii) The expenditure does not have a Personal Benefit.
- iv) Additional tickets may be purchased for participants other than the Councilmember expending their discretionary funds. If additional tickets are purchased, the Councilmember will include a list of all participants in their request for expenditure form.

53) COMPLIANCE WITH LAWS

Councilmembers should be aware that some expenditures may be subject to reporting under the Political Reform Act and other laws. In addition, all agency expenditures are public records subject to disclosure under the Public Records Act.

64) POLICY VIOLATIONS

- A) Violations of this policy, including falsifying expense reports, may result in any or all of the following:
 - i) Loss of reimbursement privileges;
 - ii) A demand for restitution to the City;
 - iii) Reporting the expense to State and Federal tax authorities as income to the Councilmember;
 - iv) Civil penalties of up to \$1,000.00 per day and three times the value of the resources used;
 - v) Criminal prosecution of misuse of public resources.
- B) Violations of this policy are to be addressed by majority vote of the Mayor and Council in public session.

§ 5.10.020. Process.

1) COMPLIANCE WITH CITY PROCESSES

- A) Requests to expend funds through this policy will be subject to the guidelines and limitations established through the City's internal financial policies and processes.
- B) Requests to expend funds through this policy will be processed administratively in accordance with the City's internal financial policies and processes.

- C) Requests to expend funds will be reviewed by the City Attorney's Office for legal compliance and City Manager's Office for budgetary compliance with the City's internal financial policies and practices.

2) ANNUAL REVIEW

A) All Councilmembers shall annually review the requirements of this Chapter. The Councilmembers shall execute an acknowledgment form by the end of July each fiscal year or within 30 calendar days of any changes to this policy, recognizing the requirements and obligations set forth herein.

B) No discretionary funds may be utilized in a given fiscal year if the requesting Councilmember has failed to execute the acknowledgment form. The forms will be retained by the City Clerk's Office in accordance with applicable policies and procedures.

C) Once a year, but no later than the last day of May, all discretionary expenditures from the preceding year will be presented to the City of Stockton Audit Committee in a public session for review. During this review the Committee will review the expenditures for compliance with this policy and may make appropriate recommendations to the City Council, if any, including any necessary enforcement needed under section 5.10.010(6) of this policy.

2) TIMELINE FOR REQUEST FOR PAYMENT/REIMBURSEMENT

- A) Councilmembers must submit their request for payment 30 days prior to the expense being incurred. The request should be accompanied with letter or invoice documenting the event.
- B) Councilmember must submit their request for reimbursement for expenses within 30 days incurring the expense. The request must be accompanied by an expense report, receipts, and documentation.
- C) The 30-day timelines referenced above are based upon when complete documentation is provided.
- D) Staff will communicate with the requesting Mayor or Councilmember if there are anticipated delays in the 30-day timeline due to unusual volume or technical challenges for City staff to complete the request within the standard timeframe.

§ 5.10.030. Responsibilities.

Mayor and Councilmembers: Compliance with policy; compliance with requirements of internal policies and processes; provide requests and backup documentation to the City Manager's Office.

City Attorney's Office: Review requests for legal compliance with City policies and processes; forward the request to the City Manager's Office for review.

City Manager's Office: Review requests for budgetary compliance ~~with City policies and processes~~; prepare and forward requests for expenditures to the Administrative Services Department.

Administrative Services Department: Process requests for expenditures forwarded from the City Manager's Office.

Audit Committee: Annually review discretionary fund expenditures for compliance.

§ 5.10.040. Relevant authority.

Approved by Motion.

§ 5.10.050. Related administrative directive, city policy, city procedure.

Administrative Directive – Purchasing – Contracts-25, FIN-30;
Council Policy – City Council Travel and Expenses – Title 2, Chapter 2.04; Administrative Directive – Travel and Expense Policy – Title 17, Chapter 17.11; Administrative Directive – Vehicles-Privately Owned on City Business – FIN-10.

§ 5.10.060. Related forms, documents, or links.

Owner's Operator's Mileage Report: http://cosintranet/Intranet/forms/files/Monthly_Mileage.pdf
Owner's Operator's Mileage Report:
<http://cosintranet.ci.stockton.ca.us/Intranet/DailyMileageReimb>

§ 5.10.070. Frequently asked questions.

None applicable.

§ 5.10.080. Update history.

09/27/16 - Adopted by Resolution No. 2016-09-27-1204 10/03/17 - Amended by Resolution No. 2017-10-03-1104