

RESOLUTION NO.

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE APPROVING REVISIONS TO CITY COUNCIL POLICY 0-38, CITY COUNCIL EXPENDITURE AND REIMBURSEMENT POLICY, TO PROVIDE UPDATES FOR CLARIFICATION AND LANGUAGE CONSISTENCY; TO PROVIDE SUBSTANTIVE UPDATES TO SECTIONS ENTITLED ADMISSION TO EVENTS, TRAINING AND PROFESSIONAL DEVELOPMENT (FORMERLY MEMBERSHIP DUES), EMPLOYEE RECOGNITION, AND UNAUTHORIZED EXPENDITURE OF PUBLIC FUNDS; AND TO REORGANIZE INFORMATION FOR GRANTS, MONETARY CONTRIBUTIONS, AND IN-KIND CONTRIBUTIONS

WHEREAS, the City Council of the City of San José initially adopted City Council Policy 0-38, “City Council Expenditure and Reimbursement Policy” by City Council action on October 16, 2007; and

WHEREAS, on June 23, 2009, the City Council amended City Council Policy 0-38 to clarify the policy with respect to City Sponsored Events, admission to events, advertising, constituent outreach, employee recognition, travel, and contributions to certain organizations; and

WHEREAS, on April 7, 2020, the City Council amended City Council Policy 0-38 to include advertisements related to Public Service Announcements during a declared national, state or local emergency; and

WHEREAS, the City Council desires to approve proposed changes to City Council Policy 0-38 to provide updates for clarification and language consistency; to provide substantive updates to sections entitled Admission to Events, Training and Professional Development (formerly Membership Dues), Employee Recognition, and Unauthorized

Expenditure of Public Funds; and to reorganize information for grants, monetary contributions, and in-kind contributions;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN JOSE THAT:

The revised City Council Policy 0-38 entitled, "City Council Expenditure and Reimbursement Policy," which revised policy is attached hereto as Exhibit "A" and incorporated herein by this reference as though fully set forth herein, is hereby approved and shall, as of the date and time of adoption of this Resolution, replace City Council Policy 0-38, initially approved by the City Council on October 16, 2007, and last amended on April 7, 2020.

ADOPTED this _____ day of _____, 2024, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

MATT MAHAN
Mayor

ATTEST:

TONI J. TABER, MMC
City Clerk

EXHIBIT A
City of San José, California

COUNCIL POLICY

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| TITLE CITY COUNCIL EXPENDITURE AND REIMBURSEMENT POLICY (REVISED) | PAGE 1 of 9 | POLICY NUMBER 0-38 |
| EFFECTIVE DATE October 16, 2007 | REVISED DATE April 7, 2020 | |
| APPROVED BY COUNCIL ACTION 10/16/2007: Item 3.5, Res. No. 74056; 6/23/2009, Item 2.42, Res. No. 75052; 4/7/2020, Item 2.24, Res. No. 79462 | | |

PURPOSE

The purpose of this policy is to clarify and establish guidelines regarding proper expenditures and reimbursements for Members of the City Council and their offices.

The Mayor and Councilmembers must be reimbursed for expenditures incurred in the performance of their duties or functions of office. (Charter Section 408) The office staff to the Members of the City Council must also be reimbursed for actual and necessary expenditures incurred while performing official business of the City when such expenditures are authorized or approved. (Charter Section 902)

The City Clerk will perform all administrative functions on behalf of the Mayor's Office and each Council Office, including the review and approval of expenditures, negotiation and execution of contracts and requests for reimbursement made consistent with this Policy, the San José Municipal Code, and the negotiation and execution of contracts made consistent with this and all other City policies regarding procurement and contracts. The Mayor and Council Offices are only authorized to expend funds, and the City Clerk is only authorized to approve such expenditures, to the extent adequate funds have been appropriated by Council ~~for such expenditure~~. The City Clerk may authorize a designee to perform these functions.

SCOPE

This comprehensive policy clarifies the authorized use of City funds to pay for all Mayor and Council Office expenditures. This policy incorporates by reference existing expenditure and reimbursement policies that apply to the Mayor, Councilmembers, and their office staffs, and establishes the parameters for other expenditures and reimbursements unique to public office.

In determining whether an expenditure is appropriate to be paid from City funds, the Council finds that the following activities by the Mayor, Councilmembers and their staffs, provide benefit to the City:

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1. Meeting or otherwise communicating with constituents regarding City operations, services, projects, programs and policies; matters pending before the City Council or other governmental agencies; and other issues raised by constituents;
2. Meeting with state and federal officials regarding issues that impact City operations, services, projects, programs and policies, or the community;
3. Participating in local, regional, state, and national organizations whose activities impact City operations, services, projects, programs and policies;
4. Attending educational seminars or conferences to better inform public officials regarding issues that impact City operations, services, projects, programs and policies, or to improve their skills; and
5. Recognizing and promoting public service in the community.

DEFINITIONS

For the purposes of this Policy, the following terms shall be defined as specified:

Advertising

“Advertising” or “advertisement” means the payment for the placement of a message in any newspaper, magazine, or event program, or on any broadcast system, or electronic medium. However, “Advertisement” does not include the listing of contributors in an event program.

City Sponsored Event

“City Sponsored Event” means either: an event to which the City has contributed funding or in-kind services in addition to the- funding provided by the Mayor or Councilmember; ~~an event approved by the City Council under the Special Events Policy, Council Policy 0-xx;~~ or an Special E-event designated-sponsored by the City Council.

Constituent

“Constituent” means residents of, and businesses, civic, cultural, and educational institutions within, the City of San José.

Constituent Outreach

“Constituent Outreach” means communications with constituents to promote civic involvement and public awareness of City operations, services, programs, policies, and matters pending before the City Council and to elicit input from constituents regarding such matters.

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Consultant

“Consultant” means an independent contractor, in compliance with the federal Internal Revenue Service Guidelines, hired by the City to provide professional services to the Mayor or a Councilmember.

Gift

“Gift” means the voluntary transfer of any thing, service, payment or value, paid for with City funds without the City receiving a benefit in return.

Public Service Announcement

“Public Service Announcement” means a message in the public interest disseminated with the objective of raising awareness of federal, state, local or City resources, services, programs and policies, or of raising awareness of and changing public attitudes and behavior towards a social issue.

EXPENDITURES AND REIMBURSEMENTS

A. MAYOR AND COUNCILMEMBER COMPENSATION

Mayor and Councilmember compensation is an authorized City expenditure.

The Mayor and Councilmembers receive a salary and benefits which include medical insurance, dental insurance, life insurance, retirement benefits and car allowance. The salaries and benefits are established by ordinance, after the Salary Setting Commission has made its recommendation to the Council in accordance with the City Charter Section 407.

Since the car allowance is intended to cover vehicle wear and tear and fuel costs, mileage reimbursement is not an authorized expenditure for the Mayor and Councilmembers.

B. MAYOR AND COUNCIL OFFICE STAFF COMPENSATION

The salaries and benefits of the Mayor and City Council support staff are authorized expenditures as long as the staff is hired and compensated pursuant to the City’s policies and procedures.

C. RETENTION OF CONSULTANTS

The Mayor and Councilmembers may retain a Consultant to provide services to assist in the conduct of City business, including but not limited to the following services:

- Event planning for City Sponsored Events;
- Web site design for the Councilmember’s official City website; and
- Research on specific City or redevelopment issues.

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The Mayor or Councilmember must provide a description of the scope of services for the Consultant to the Office of the City Clerk, ~~and, if the request is for a Consultant to provide research on specific City issues, with a copy to the City Manager.~~ The City Clerk is authorized to execute all consultant agreements on behalf of the Mayor or Councilmembers following all applicable City contracting policies and procedures.

D. OFFICE SUPPLIES, SERVICES AND EQUIPMENT

Acquisition of office supplies, services and equipment used solely for the conduct of City business by the Mayor and Councilmembers is an authorized expenditure, subject to the review and approval of the City Clerk, and consistent with all City contracting policies and procedures. Office Supplies and Equipment remain the property of the City of San José at all times.

Expenditures for cell phones or cell phone usage, on City business are subject to the City's Cellular Telephone Policy found at City Administrative Policy 1.7.4.

Expenditures for space acquisition or modifications of the Mayor or Councilmembers' office spaces are subject to the provisions of Council Policy 2-4, Council Office Space Acquisition and Modification.

E. ADMISSION TO EVENTS

Admission to the following events for the Mayor and Councilmembers and their staffs are authorized expenditures:

1. City Sponsored Events; ~~and-~~
2. Fundraising eEvents where the proceeds of the event benefit a civic, cultural, educational, or charitable organization providing services to San Josee residents or businesses; or Events where the Mayor or Councilmember is presenting a ceremonial or commendation or providing remarks, for:
 - a. ~~In addition to the admission price for t~~The Mayor or Councilmember only (~~admission for one Council staff person may attend in lieu of the Mayor or Councilmember~~); or
 - b. The Mayor or Councilmember and their spouse, or partner, or other immediate family member; or of the Mayor or Councilmember, to attend with the Mayor or Councilmember, is also an allowable expenditure. Admission to an event attended by a
 - a.c. The Mayor or Councilmember and one Council staff person in lieu of the Mayor or Councilmember is also an allowable expenditure.

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~~; and Additionally, admission to an event for any City required security detail is an allowable expenditure.~~

3. Conferences, meetings or seminars germane to city government, economic development, land use, public safety, parks and recreation services or any other area of municipal governance that the City undertakes.

~~Additionally, admission to an event for any City required security detail is an allowable expenditure. Payment or reimbursement by the City for admission to events which are not authorized above must be approved by the Council in advance of the payment or reimbursement.—At the end of each fiscal year, the City Clerk will report to the Council the total City expenditures for these events by the Office of the Mayor and each Council office.~~

F. MEMBERSHIP DUES TRAINING AND PROFESSIONAL DEVELOPMENT

1. Membership Dues: Membership dues are not an authorized expenditure except for memberships in those governmental associations in which the City's membership extends to its officials, such as ~~the California~~-League of California Cities, ~~the~~-National League of Cities ~~and the National United States~~ Conference of Mayors, and Sister Cities International, and committees, caucuses and constituent groups of those associations.
2. American Leadership Forum Silicon Valley Fellows Program and San Jose Chamber of Commerce Leadership Program: The Fellows Experience Tuition and Leadership San Jose Cohort Training Tuition, respectively, are authorized expenditures. The Personal Commitment Fee is not an authorized expenditure.
3. Staff Retreats: Costs associated with a Mayor or Council Office retreat are an allowable expense if the following criteria are met:
 - a. The majority of the Mayor or Council Office, or a particular team with a specific focus within the Mayor's Office, attends; and
 - b. Expenses are already addressed under this Policy (e.g. Food and Beverage, Office Supplies, and Consultants, etc.); and
 - c. Room or venue rental is chosen for a public purpose:
 - i. If within the City of San José, it is encouraged to host the retreat at a property owned by the City of San José; or

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ii. If outside the City of San José, the property must be owned by the City of San José (e.g. San José Family Camp). Overnight stays are authorized when necessary for the location; and

d. The retreat's purpose is for training, and allowable expenses include but are not limited to:

i. Educational programs or assessments to improve the Mayor or Council Office's ability to perform official duties in support of City business; or

ii. Facilitation of strategic planning for the Mayor or Council Office.

4.—

G. PUBLICATION SUBSCRIPTIONS

Subscriptions to the following types of publications are authorized expenditures:

1. A publication included as part of membership in an organization set forth in Section F, above; or
2. A publication specific to government, land use, municipal finance, economics, public safety, parks and recreation services; or any other area of municipal governance that the City undertakes; or
3. A local publication containing information of general interest to the community.

H. ADVERTISING

The cost of advertising is an authorized expenditure if the advertising relates to ~~the following:~~

1. A City Sponsored Event; ~~or:~~
2. Recruitment of ~~office~~ staff for the ~~office of the~~ Mayor or a Council ~~Officemember;~~ ~~or:~~
3. Purchase of an advertisement from a non-profit entity providing services to San José residents or businesses for fundraising purposes of the non-profit in an event program or directory of the organization; ~~or:~~
4. Public Service Announcements during a declared national, state or local emergency.

Advertisements are subject to the state law restrictions regulating mass mailings. Advertisements in non-subscription newspapers, which are newspapers sent free to all residents in a particular area without the residents requesting it, are prohibited under the state mass mailing law if the

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advertisement features an elected official and more than 200 non-subscription newspapers are sent in a calendar month.

~~Any~~ advertisements paid ~~for from~~with public funds must properly attribute the City by including the City's logo ~~in the advertisement~~ and clearly state that the advertisement is paid for by the City of San José.

~~To be an authorized expenditure, Advertisements permitted under the state law restrictions regulating mass mailings may contain both the Councilmember's name and District designation.~~ The design of ~~such~~ advertisements should ~~also~~ conform to adopted City guidelines regarding the use of the City logo and the City of San José Communications Guide. All advertising must be approved by the Office of the City Clerk prior to release and publication.

I. CONSTITUENT OUTREACH

1. Costs incurred by the Mayor or any Councilmember in conducting the following constituent outreach activities are authorized expenditures:
 - a. Communicating with constituents within the state law restrictions regulating mass mailings; ~~or~~
 - b. Conducting informal surveys limited to eliciting constituent priorities or needs, except that the City will not pay for any such surveys within 12 months of any election in which the requesting official may run. Furthermore, in no event shall the City pay for any polling activities related to any person or issue that is or is expected to be the subject of a political campaign; ~~or~~
 - c. Special events for the purpose of providing information to constituents on City services and programs.
2. City funds may not be used to provide gifts to constituents except as follows:
 - a. The gift is valued at less than \$50.~~00~~, is ceremonial or commemorative in nature, (i.e. flowers, balloons, plants, books, or City merchandise), and is given as a one-time token of appreciation for the Constituent's service to the City; or
 - b. Tickets to City-sponsored events such as State of the City valued at \$50.~~00~~ or less per ticket for recipients of awards or for the recognition of the constituent for service to the City and/or District. In addition, the Mayor may also purchase and provide tickets for economic development purposes to persons or organizations who have or are interested in locating their business operations in the City or in providing service to City of San José residents; ~~or~~

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c. The gift is approved in advance by the City Council.

J. EMPLOYEE RECOGNITION

Costs incurred by the Mayor or Council-members in recognition of their Office's employee performance or service are authorized expenditures ~~provided that such expenditures are consistent with the City's Employee Recognition Policy (City Policy Manual Section 4.1.4).~~ However, ~~t~~The amount a Mayor or Council-member can may spend up to \$50 on employee recognition events, and up to \$35 in non-cash awards (e.g. gift cards) per fiscal year per employee is \$50. Additionally, ~~consistent with City Policy Manual Section 4.1.4, a Councilmember may provide cash awards to an employee up to \$150 per fiscal year.~~

K. GRANTS AND MONETARY CONTRIBUTIONS

~~The Mayor or a Councilmember may or Mayor directed~~ monetary contributions to ~~certain a nonprofit organizations, unincorporated association, or government entity as are~~ authorized expenditures only if the following criteria are met:

1. ~~If~~ the amount of the grant or monetary contribution is:

- a. ~~Over \$500.00;~~ and
- b. ~~_____~~

a. ~~The contribution is given through~~ a written grant agreement is required; or

~~c.~~ b. \$500 or less, the Mayor or Councilmember certifies, using a form supplied by the City Clerk, that the recipient's organization type and the contribution purpose complies with this Policy and any restrictions on the source of funding; and

2. ~~The recipient of the grantee grant or contribution is either:~~

3. ~~_____~~

2. ~~A nonprofit organization, unincorporated association, or government entity provides~~ ing services to San José residents or businesses; ~~;~~ and

4. ~~3.~~ _____ the

If the funding is from the Arena Community Fund, the grant contribution is for an educational, cultural, or recreational purposes, ~~if the funding is from the Arena Community Fund;~~ and/or

a. ~~A nonprofit organization, unincorporated association, or a government entity which provides services to San Jose residents or businesses, if the funding is from the General Fund.~~

5. ~~4.~~ _____ In no event shall grants such contributions be authorized for religious or political purposes; and.

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~~6.5.~~ Any acknowledgement of the contribution by the recipient organization shall attribute the City of San José as the source of ~~the~~ funding; ~~and~~.

~~7.6.~~ Any contribution to an organization proposed by the Mayor or a Council-member who is a member of , or receiving services from, that organization must be approved in advance by the City Council; ~~and~~.

~~8.7.~~ The Mayor and Council-members are prohibited from proposing contributions to organizations on which they serve as Boardmembers.

L. IN-KIND CONTRIBUTIONS

The Mayor or a Councilmember may direct in-kind contributions of City staff time or use of City equipment to a nonprofit organization, unincorporated association, or government entity as authorized expenditures only if the following criteria are met:

1. The recipient provides services to San José residents; and
2. The contribution is for a public purpose; and
3. The Mayor or Councilmember certifies, using a form supplied by the City Clerk, that the recipient's organization type complies with this Policy and the contribution follows all applicable City and administrative policies and procedures; and
4. In no event shall such contributions be authorized for religious or political purposes; and
5. Any acknowledgement of the contribution by the recipient organization shall attribute the City of San José as the source of funding; and
6. Any contribution to an organization proposed by the Mayor or a Councilmember who is a member of, or receiving services from, that organization must be approved in advance by the City Council; and
7. The Mayor and Councilmembers are prohibited from proposing contributions to organizations on which they serve as Boardmembers.

LM. TRAVEL

Costs incurred related to official travel by the Mayor, each Councilmember, and their staff, pursuant to City Council Policy No. 9-5, are authorized expenditures.

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1. ~~4.~~ Authorized travel by the Mayor or Councilmembers which is fully paid by another agency and which is related to the Mayor or Councilmember's representation of the City as a member of another governmental entity (such as the Valley Transportation Authority, Metropolitan Transportation Agency, Association of Bay Area Governments, etc.) is subject to the travel and reimbursement policies and procedures of the entity which is paying for the travel.
2. Authorized travel by the Mayor or Councilmembers which is paid for through another City department is subject to provisions of Council Policy 9-5.
3. Authorized travel by the Mayor or Councilmembers for which expenses are split between another entity and the City is subject to the provisions of Council Policy 9-5.

MN. FOOD AND BEVERAGE

Costs incurred by the Mayor and Council for the purchase of food and beverages under the following circumstances are authorized expenditures:

1. Pursuant to the City's Food and Beverage Expenditure Policy (City Policy Manual Section 5.1.5); or
2. Providing food and beverages at meetings or other events with constituents which are open to the public; or
3. Hosting meals for recipients of City commendations immediately prior to or after the Council/Board meeting at which they are honored.

The purchase of alcoholic beverages is not an authorized expenditure.

N. CONTRIBUTIONS TO CERTAIN ORGANIZATIONS

- ~~1. Cash contributions to organizations in an amount over \$500,000 made by individual Council offices are subject to the provisions of Paragraph K above.~~
- ~~2. Cash contributions of \$500.00 or less to organizations made by individual Council offices are only authorized if the following conditions are met:~~
 - ~~a. The contribution is to a nonprofit organization, unincorporated association, or a government entity which provides services to San Jose residents or businesses; and~~
 - ~~b. The Mayor or Councilmember certifies, using a form supplied by the City Clerk, that the recipient's type of organization and the purpose of the~~

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~~contribution is in compliance with this Policy and any restrictions on the source of funding.~~

~~3. In kind contributions of City staff time, or use of City equipment, is only authorized if all of the following conditions are met:~~

~~a. The organization is a nonprofit corporation, an unincorporated association, or a government entity; and~~

~~b. The organization provides services to San Jose residents.~~

~~c. The City Manager or designee has approved the contribution.~~

~~4. In no event shall grants be authorized for religious or political purposes.~~

~~5. Any acknowledgement of the contribution by the recipient organization shall attribute the City of San Jose as the source of the funding.~~

~~6. Any contribution to an organization proposed by a Council member who is a member of that organization must be approved in advance by the City Council.~~

~~7. Council members are prohibited from proposing contributions to organizations on which they serve as Boardmembers.~~

O. UNAUTHORIZED EXPENDITURE OF PUBLIC FUNDS

Unless otherwise specifically allowed under this Policy, the following costs incurred by the Mayor or City Council members are not authorized expenditures and will not be paid for by the City:

1. The personal portion of any trip;
2. Political or religious contributions or events;
3. Family expenditures, including a partner's expenditures when accompanying official the Mayor or Council member on City-related business, as well as child-related, or pet-related expenditures;
4. Entertainment expenditures, sporting events (including gym, massage and/or golf related expenditures), or other cultural events; provided however, that expenditures incurred in the use of the City's box at the Arena, subject to the provisions of City Council Policy 9-11 are authorized expenditures;

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5. Personal automobile expenditures, including repairs, traffic citations, insurance, or gasoline; ~~and~~
6. Personal losses incurred while on City business, such as losses due to theft, accident or gambling; and
- ~~6.7.~~ Office decorations.

Any questions regarding the propriety of a particular type of expenditure should be resolved by the ~~by the~~ City Clerk before the expenditures is incurred.

PROCESS FOR PAYMENT AND REIMBURSEMENT AND REVIEW

All requests for reimbursements and processing of payments must be submitted to the City Clerk. The City Clerk will process requests pursuant to the applicable Section of the City Policy Manual and policies as set by the Finance ~~Administrative Manual~~Department.

All other expenditures allowed by this Policy, but not covered by the City Policy Manual or ~~the~~ Finance ~~Administrative Manual~~Department policies must be submitted to the City Clerk for processing and reimbursement using the Expenditure Reimbursement appropriate F~~orms~~ available on provided by the Finance Department ~~Intranet~~.

~~The City Clerk is only authorized to approve expenditures to the extent adequate funds have been appropriated by Council for such expenditure.~~