



# Memorandum

**TO:** RULES AND OPEN  
GOVERNMENT COMMITTEE

**FROM:** Richard Doyle,  
City Attorney  
Lee Price, MMC  
City Clerk

**SUBJECT:** Meeting Schedule for Discussion of  
the Council Expenditure and  
Reimbursement Policy

**DATE:** May 11, 2007

## BACKGROUND

During the May 9, 2007 Rules and Open Government Committee, staff was directed to report back to the Committee with an overview of a schedule for discussion of the draft Council Expenditure and Reimbursement Policy. The Committee requested that the schedule enable the Committee to accomplish the following objectives:

1. Discuss each policy element in detail
2. Discuss the overall policy during a one-hour time certain session
3. Present a comprehensive draft policy for City Council consideration prior to June 30, 2007

## ANALYSIS

Based upon those parameters, staff is recommending Committee consideration of the following schedule:

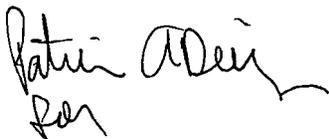
| Date   | Meeting                 | Topic  | Time         |
|--------|-------------------------|--|--------------|
| May 16 | Rules & Open Government | 1. Schedule<br>2. Admission to Events<br>3. Constituent Outreach<br>4. Food and Beverage<br>5. Membership Dues       | 3:15 to 4:00 |
| May 23 | Rules & Open Government | 1. Advertising<br>2. Grants & Charitable Contributions<br>3. Publications & Subscriptions<br>4. Employee Recognition | 3:15 to 4:00 |

| Date    | Meeting                 | Topic  | Time         |
|---------|-------------------------|--|--------------|
| June 6  | Rules & Open Government | 1. Review of Comprehensive Policy<br>2. Expense and Reimbursement Procedures | 2:00 to 3:00 |
| June 19 | City Council            | Presentation and discussion of draft policy                                  | TBD          |

The Committee's goal is to have all members present for the discussion of each policy element. To achieve this goal, the Committee meetings may extend past 4:00 if necessary to conclude the discussion of agenda topics each week, provided at least two Committee members are able to continue their participation. Therefore, each Committee member is requested to keep their schedule flexible following Rules and Open Government Committee meetings for the next few weeks to accommodate the conclusion of each week's discussion topic to meet the June 30 goal.

**CONCLUSION:**

Staff is prepared to proceed with the Committee on a detailed discussion of each policy element necessary to develop a comprehensive Council expense and reimbursement policy.



Richard Doyle  
City Attorney



Lee Price, MMC  
City Clerk



# Memorandum

TO: RULES AND OPEN  
GOVERNMENT COMMITTEE

FROM: RICHARD DOYLE  
City Attorney

LEE PRICE, MMC  
City Clerk

SUBJECT: Council Expenditure and  
Reimbursement Policy

DATE: April 20, 2007

## BACKGROUND

On January 1, 2006, AB 1234's requirement that all local governments adopt a Reimbursement Policy for local officials became effective. On October 3, 2006, the City Council referred the development of a comprehensive Council Expenditure and Reimbursement Policy to the Rules Committee. On January 18, 2007, the City Attorney and the City Clerk distributed a memo to the Rules and Open Government Committee that provided an overview of the various categories of Council expenditures, current expenditure practices, and the issues raised by the current practices. On January 24, 2007, the Committee requested additional information about the Council's car allowance procedures and allowable expenses under the ordinance governing privately financed Officeholder Accounts. A supplemental memo addressing those issues was distributed on January 26, 2007.

On January 31, 2007, the Rules and Open Government Committee discussed the memo and directed the City Clerk and City Attorney to return to the Committee on February 28, 2007 (later deferred to March 7, 2007 and April 25) with an analysis of the types of expenditures that cannot be paid from public funds but that can be paid from Officeholder Accounts.

This memo also discusses the attached draft of a comprehensive Council Expenditure Policy.

## ANALYSIS

### A. Expenditures from Officeholder Accounts.

San Jose Municipal Code section 12.06.860 limits the uses of Councilmember Officeholder Accounts to "facilitate the performance of the incumbent officeholder". Examples of such expenses set forth in the ordinance are: newsletter expenses,

subscriptions to publications, taking constituents to dinner to discuss City business, travel expenses on City business, and attending community events.

Some of the above expenses, such as subscriptions and travel expenses, may also be paid for with City funds. Using these funds for campaign expenses and salaries for Councilmember staff is specifically prohibited.

In 2004, at the suggestion of the Blue Ribbon Task Force on Ethics Ordinance the Council amended the San Jose Municipal Code to add Part 8 to Chapter 12.06 (the "Officeholder Accounts Ordinance"). The Officeholder Accounts Ordinance authorizes a separate Mayor's Officeholder Account in recognition of the local, regional, and national governmental and political responsibilities of the Office of the Mayor.

San Jose Municipal Code section 12.06.83 sets forth the permitted uses of the Mayor's Officeholder Account which are very broad. The Mayor's Officeholder Account can be used for "any political, legislative, governmental or other lawful purpose." Examples specified in the ordinance are: fundraising for the Officeholder Account, donations to tax-exempt charitable, civic or service organizations, and political campaign contributions (except for campaigns for City office). The ordinance prohibits expenditures for the Mayor's own campaign for office, as well as salaries for the Mayor's office personnel.

The types of expenses that may be paid from the Officeholder Account that cannot be paid for with public funds are as follows:

- Mass mailing expenses;
- Meals with constituents (unless otherwise allowed under the City's Food and Beverage policy);
- Travel expenses that are not covered by the Council Travel Policy;
- Advertisements in local publications that are for political or personal ends;
- Sponsorships of personal, political, or religious causes;
- Admission to local political fundraisers; and
- Donations to local political or religious causes.

#### **B. Draft Expenditure and Reimbursement Policy.**

The attached Draft Policy is for discussion purposes only. The categories of expenses that we have addressed in prior memoranda, and how the draft policy deals with them, are discussed below. We will incorporate the discussion and guidance from the Committee with proposed recommendations and discussion topics for the procedural issues in our next draft.

One of the purposes of adopting a comprehensive Expenditure Policy is to have in one policy all the authority for expenditures on and by the Council Offices. These different

authorizations currently exist in various places, such as the City Charter, the Municipal Code, miscellaneous resolutions and policies. As such there are policies that overlap and gaps in authorization.

The Draft Policy would not supersede existing conflicting authority unless those ordinances or resolutions are amended or repealed. However, the policy will provide clear authority in circumstance where there is no express authority for the expenditure.

### Personnel/Staff

As discussed above, the Draft Policy is intended to reflect all expenditures on and by Council Offices. Therefore, even though the authority for Council member salaries is set forth in the Charter, and Council Salary Ordinance, the policy also refers to those expenditures in order to be comprehensive.

The Draft Policy also specifically authorizes the payment of salary and benefits for Council staff who must be hired and compensated pursuant to the City's policies and procedures, and specifically authorizes the City Clerk to administer personnel and timekeeping functions of the Council Offices.

**Discussion Topic:** If the Council wishes to authorize the expenditure of City funds for consultants hired by individual Council members, this specific expenditure should be included in the policy, along with a process for ensuring public benefit. We would recommend that such a policy specify the types of services allowed to be paid for with City funds and require that any agreement for services not specified in the policy be approved by the Council as a whole. We would also recommend that the City Clerk be specifically authorized to enter into contracts on behalf of individual Councilmembers,

### Car Allowance

**Discussion Topic:** Should the policy for car allowances for Council members be clarified?

The current policy, established by Resolution 59263, adopted on June 26, 1986, provides a \$350 per month car allowance to those Councilmembers who elect not to drive a City car. At that time, the City maintained an "executive fleet" of vehicles and the allowance was meant as an incentive to encourage the use of private cars and reduce the use of the City's fleet.

In the years since Resolution 59263 was adopted, City Policy Manual Section 1.8.1, "Use of City and Personal Vehicles" has been revised several times, including most recently in December 2004, in response to an internal audit of the use of the City's fleet.

These revisions provided limits on the use of City vehicles, but did not contemplate that a Council member could elect to drive a City car instead of receiving the car allowance.

For example, under the current policy, standard vehicles cannot be driven home. Thus, Councilmember would have to drive his or her own vehicle to City Hall and check out a City car on an as-needed basis during the day for City business.

In order to harmonize these apparently inconsistent policies, the Council could either: (1) change the car allowance resolution to remove the ability of a Councilmember to elect of use of a City car; or (2) change the Use of City and Personal Vehicle Policy to provide an exception for Councilmembers. We recommend that the resolution be modified to remove the election.

### Office Supplies/Equipment

The Draft Policy specifies that office supplies and equipment are an authorized expenditure of City funds and that the City Clerk is authorized to review and approve such expenditures on behalf of the Council Offices pursuant to the City's procurement policies.

### Admission to Events

As discussed in our previous memoranda, there are legal and public perception issues associated with the expenditure of public funds for admission to events. The draft policy specifies certain events, admission to which would be an authorized expense. These events include City events, City-sponsored events, and events that have been designated by the Council as having a public benefit. Unless admission to an event is specified as an authorized expenditure, or has otherwise been authorized by the Council, it would not be an allowable expense. The Council would not be able to authorize payment for attendance at political or religious events, since any benefit to the City may be outweighed by the public perception that the Councilmember is benefiting personally or politically. Such a restriction would also make unnecessary the complicated analysis of where the funding is going so that the legal prohibitions on spending public funds for religious or political purposes are not violated. At the end of the fiscal year, the Clerk would report the total expenditures for events by office.

**Discussion Topics:** Are there additional types of events that should be added to the list of authorized events and what should be the criteria and process for payment of admission to events not previously approved by the Council? Should admission for Council and Mayor staff at these events be considered authorized expenditures? If so, should there be a limit on the number of staff that may attend, or the number of events they may attend?

### Membership Dues and Publication Subscriptions.

The expenditure of public funds on dues and subscriptions should also benefit the City, and consideration should be given as to whether certain dues or subscriptions could be perceived by the public as an unwarranted perk.

Councilmembers are members of certain organizations, such as the League of California Cities; the National League of Cities, the U.S. Conference of Mayors, and the Association of Bay Area Governments, by virtue of the City's membership in these organizations. Since no separate membership fee is required, those memberships are not listed in the Draft Policy.

We recommend that the Council specify, as appropriate expenditures, a list of approved organizations and the public purpose served by City paid membership in that organization. A similar list should be provided for subscriptions. If an organization or publication is not on the pre-authorized list, Council approval of the proposed expenditure would be required. At the end of each fiscal year, the Clerk would report the total expenditures for each office.

Alternatively, the Council can specify a dollar limit on such expenses and criteria for appropriate expenditures, so as to give Council members clear guidelines as well as flexibility in their choice of materials and organizations to assist them in serving the City.

**Discussion Topic:** What public purpose is served for each listed organization or publication? What should be the criteria and process for adding an organization or publication to the list?

### Advertisements

The concern about the use of City funds to pay for advertisements placed by individual Councilmembers is the public perception that the ads are used to enhance the Councilmember's name recognition and political image. The draft policy limits Council expenditures on advertisements to announcements of a City sponsored event, program, activity, or facility and for staff recruitment. It also provides that any advertisements paid with public funds properly attribute the City and if an individual Member of the Council is noted in the advertisement that all members be included in a roster format of equal font type and size, similar to the FPPC's mass mailing regulations.

**Discussion Topic:** Are there any other types of advertisements that should be authorized?

### Constituent Outreach

In order to set clear parameters for which types of expenditures on constituent outreach is of benefit to the City and which should be restricted due to perception of political or personal benefit to the Councilmember, we recommend that constituent outreach be defined, and the types of allowable expenses be specified. The types of expenses that may arise when a member of the Council participates in constituent outreach may range from providing food or beverages in meetings with constituents, sending communications to constituents, providing food, beverage or other supplies for events in

the district, and/or giving recognition and commendation to constituents. The Draft Policy specifically prohibits gifts to constituents.

**Discussion Topic:** The Draft Policy defines "constituent outreach", and provides a section to clearly specify the authorized uses. What expenditures should be authorized for constituent outreach, and what is the public benefit of each expenditure?

For example, if the policy authorizes public funding of district events sponsored by a Council Office, it needs to specify the public benefit or purpose of such events. In addition, clear guidelines specifying the use of City funds on communications with constituents should be included in the policy.

**Discussion Topic:** Alternatively, the Council could adopt a policy which does not specifically permit the use of City funds for constituent outreach, but addresses the types of expenditures usually incurred through other provisions of the Policy. For example, the Draft Policy has a provision regarding the purchase of food and beverages. It also addresses advertisements and grants. Under this alternative, if a proposed expenditure does not fit within the list of authorized expenditures, it could still be authorized by Council action as long as it is not on the list of prohibited expenditures.

### Employee Recognition

The City's Food and Beverage Expenditure Policy limits the amount that can be spent on food and beverage at recognition events to \$15 per employee each year. There is no policy that discusses when a gift is appropriate or how much should be spent on a gift to recognize an employee.

**Discussion Topic:** Should the Council change the current policy on food and beverage in employee recognition events and/or adopt a policy on gifts for employee recognition? Should there be a cap on the amount spent each year, or number of events per year, for employee recognition?

### Individual Council Grants

The draft policy allows Councilmember-directed grants to be made only from the Arena Community Fund, pursuant to the guidelines already adopted for processing those grants. All other grants or donations suggested by a Councilmember would need approval by the Council upon a finding of public benefit.

**Discussion Topic:** Should Councilmember-directed grants and donations be allowed to be made from Council Office budgets (in addition to the HP Fund)? If so, what kind of process should be developed to ensure that the public funds are being used appropriately?

### Food and Beverage

The Draft Policy specifies that food and beverages purchased pursuant to the City's Food and Beverage Policy is an allowable expenditure.

**Discussion Topic:** The City's current Food and Beverage Policy is attached as Exhibit B. Are there additional types of events where Council would like the flexibility to pay for food and beverages (e.g. neighborhood meetings) and what should be the criteria and process for payment of these expenditures?

### Travel

The Draft Policy specifies that any expenses incurred related to official travel pursuant to the Council Travel Policy is an allowable expenditure.

### Contributions to Charitable Organizations

Clear guidelines should be established for contributions to charitable organizations including the public benefit received for the contribution, the types of organizations that should receive contributions, and the proper attribution for the contribution.

Cash donations to non-secular charitable organizations would be considered grants under the Draft Policy and treated as specified above. The Draft Policy would authorize the donation of in-kind contributions of City staff time, equipment, city facilities and similar, non-monetary contributions, if the organization is a 501(c) 3 tax exempt organization corporation providing services to San Jose residents, and the organization attributes the donation to the City of San Jose.

**Discussion Topic:** Are the proposed criteria appropriate to address the public benefit and attribution issues?

### Nonauthorized Expenditures

The general rule is that use of public funds should be for a public purpose or public benefit. Certain expenditures should never be paid for from public funds including:

- The personal portion of any trip;
- Political or religious contributions or events;
- Personal losses incurred while on City business; or
- Personal automobile expenses including repairs, traffic or parking citations, insurance or gasoline.

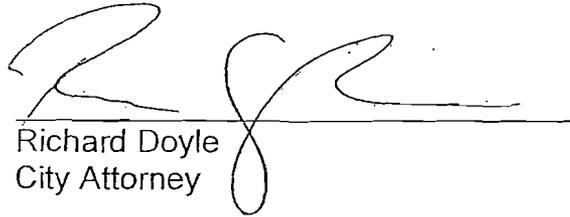
**Discussion Topic:** Are there other expenditures which the Council would not authorize or approve?

**CONCLUSION**

The Draft Policy is intended to elicit the Committee's discussion of and direction on the topics presented. The next draft of the Expenditure Policy will include provisions reflecting that direction, as well as procedures for payment and reimbursement requests.



Lee Price, MMC  
City Clerk



Richard Doyle  
City Attorney

## DRAFT CITY COUNCIL EXPENDITURE AND REIMBURSEMENT POLICY

### 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 expenses 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 expenses incurred while performing official business of the City when such expenses are authorized or approved. (Charter Section 902)

The City Clerk shall perform all administrative functions on behalf of the Mayor's Office and each Council Office including the review and approval of expenditures and requests for reimbursement made consistent with this Policy, and the negotiation and execution of contracts made consistent with this and all other City policies regarding contracts. 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 expenses.

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:

1. Meeting or communications with constituents regarding: City operations, services, projects, programs and policies; matters pending before the City Council or other governmental agencies; and 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 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.

This policy incorporates by reference existing expenditure and reimbursement policies that apply to the Mayor, Councilmembers, and their office staff, and establishes the parameters for other expenditures and reimbursements unique to public office.

## **DEFINITIONS**

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

### **Advertising**

"Advertising" or "advertisement" shall mean the payment for the placement of a message in any newspaper, magazine, program, or on any broadcast system, or on any electronic medium.

### **Constituent**

"Constituent" means residents of, and businesses, civic, cultural, and educational institutions within the City of San Jose.

### **Constituent Outreach**

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

## **EXPENDITURES AND REIMBURSEMENTS**

### **A. MAYOR, AND COUNCILMEMBER COMPENSATION**

**[NEED DIRECTION FROM COMMITTEE AS TO HOW TO CLARIFY THE CAR ALLOWANCE ISSUE]**

Councilmember compensation is an authorized City expense.

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

### **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**

[NEED DISCUSSION AND COMMITTEE GUIDANCE ON WHETHER THEY WANT THE ABILITY TO RETAIN CONSULTANTS AND FOR WHAT PURPOSES. NEED TO LIST TYPES OF SERVICES COMMITTEE THINKS IS APPROPRIATE TO RETAIN CONSULTANT SERVICES]

The Mayor and Councilmember may retain a consultant for the following services:

1. event planning;
2. web site design;
3. research on specific issues
4. constituent surveys, outreach and engagement

The Mayor or Councilmember must provide a description of the scope of services for the consultant to the Office of the City Clerk. The City Clerk is authorized to execute all consultant agreements on behalf of the Mayor or Council members following all applicable City contracting procedures.

**ALTERNATIVELY:**

Any agreement for the retention of a consultant by any individual Council Office or the Mayor's Office shall be approved by the City Council.

**D. OFFICE SUPPLIES AND EQUIPMENT**

Acquisition of office supplies and equipment used solely for the conduct of City business by the Mayor and Council members is an authorized expenditure, subject to the review and approval of the City Clerk, and consistent with all City contracting procedures..

**E. ADMISSION TO EVENTS**

Admission to the following events for the Mayor and Councilmembers are authorized expenses:

1. An event sponsored by the City;

2. An event which the City or Redevelopment Agency has contributed funding or in-kind services;
3. Local civic, educational, or secular charitable events previously approved by the City Council for which attendance by members of the Council would meet a public purpose, and specifically those listed in Exhibit A.

[ EXHIBIT A INCLUDES A SAMPLE LIST OF SUCH EVENTS. DO ANY EVENTS NEED TO BE ADDED?]

[NEED DISCUSSION AND COMMITTEE GUIDANCE ON WHETHER ADMISSION FOR OFFICE STAFF SHOULD BE INCLUDED AND WHETHER THERE SHOULD BE A LIMIT ON ADMISSION FOR OFFICE STAFF PER EVENT, PER YEAR]

Payment or reimbursement by the City for admission to events which are not listed above or in Exhibit A must be approved by the Council in advance of the payment or reimbursement. The list may be amended by the City Council from time to time. The City Clerk will maintain an updated list of approved events. 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

[NEED DISCUSSION AND COMMITTEE GUIDANCE ON WHAT TYPES OF MEMBERSHIP DUES SHOULD BE PAID FOR FROM PUBLIC FUNDS AND WHAT PUBLIC PURPOSE IS SERVED BY SUCH MEMBERSHIP.]

Payment for membership dues to the following organizations is an authorized expenditure:

- 1.
- 2.
- 3.

Payment or reimbursement for membership dues which are not listed above must be approved by the Council in advance of the payment or reimbursement. The City Clerk will maintain an updated list of approved organizations. At the end of each fiscal year, the City Clerk will report to the Council the total expenditure for these memberships by the Office of the Mayor and each Council office.

#### G. PUBLICATION SUBSCRIPTIONS

**[NEED DISCUSSION AND COMMITTEE GUIDANCE ON HOW COUNCIL SHOULD TO APPROVE PAYMENT FOR OTHER PUBLICATIONS AND CRITERIA FOR WHICH PUBLICATIONS SHOULD BE PAID FOR BY PUBLIC FUNDS.]**

The Council approves the expenditure in an amount of \$\_\_\_\_\_ each year for publications by each public office as long as the publications meet the following criteria:

1. The publication is included as part of membership in an organization approved by Council pursuant to the Policy; or
2. The publication is a trade publication specific to city government, land use, public safety, park and recreation services; or any other area of municipal governance that the City undertakes; or
3. The publication is a local publication containing information of general interest to the community.

**ALTERNATIVELY:**

Subscriptions to the following publications are authorized expenditures:

1. Publications from the National League of Cities,
2. Publications from United States Conference of Mayors,
3. Publications from League of California Cities,
4. Publications from Association of Bay Area Governments,
5. San Jose Mercury News,
6. Silicon Valley Business Journal,
7. San Jose Magazine,
8. Neighborhood newspapers
- 9.
- 10.

The Office of the City Clerk will maintain an updated list of approved publications. At the end of each fiscal year, the City Clerk will report to the Council the total expenditures for the publications by the office of the Mayor and each Council office.

**H. ADVERTISING**

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

1. A City sponsored event, program, activity, or facility;

2. Recruitment office staff for the office of the Mayor or a Council office;
3. [ANY OTHER APPROPRIATE PURPOSES?]

Any advertisements paid for from public funds must properly attribute the City by including the City's logo in the advertisement. If the name of the Mayor or a particular Councilmember is noted in the advertisement, all the members of the Council must be included in a roster format of equal font type and size.

**I. CONSTITUENT OUTREACH**

**[ NEED DISCUSSION AND COMMITTEE GUIDANCE ON THE TYPES OF COSTS INCURRED AND SHOULD BE AN ALLOWED EXPENDITURE.]**

Costs incurred by the Mayor or any Councilmember in conducting the following constituent outreach activities are authorized expenditures:

1. Noticing meetings or other events with constituents that are open to the public.
2. Providing light refreshments at meetings or other events with constituents that are open to the public.
3. Conducting informal surveys limited to eliciting constituent priorities/needs. 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.

**[ANY OTHER EXPENDITURES?]**

Under no circumstances shall City funds be used to provide gifts to constituents unless approved in advance by the City Council.

**J. EMPLOYEE RECOGNITION**

**[NEED DISCUSSION AND COMMITTEE GUIDANCE ON WHETHER THE COMMITTEE WISHES TO ADOPT A POLICY ON EMPLOYEE RECOGNITION THAT IS DIFFERENT FROM OTHER CITY EMPLOYEES]**

Costs incurred by the Mayor or Council members in recognition of employee performance or service are authorized expenditures as long as such expenditures meet the following parameters:

1. [Specify cost for each employee per year]

and/or

2. [Specify number of events per year]

and/or

3. [Specify type of event or gift]

**K. GRANTS**

**[NEED DISCUSSION AND COMMITTEE GUIDANCE ON WHETHER COUNCIL GRANTS SHOULD CONTINUE SINCE GRANTS ISSUED HAVE BEEN PRIMARILY FROM THE HP GRANTS]**

Councilmember directed grants to local non-profit organizations for educational, cultural, and recreational purposes from the Arena Community Fund ("HP Grant"), subject to the City's procedures for processing those grants, are authorized expenditures.

**L. TRAVEL**

Costs incurred related to official travel by the Mayor, each Councilmember, and their staff pursuant to City Council Policies No. 9-5 and 0-4 are authorized expenditures.

**M. FOOD AND BEVERAGE**

Costs incurred by the Mayor and Council for the purchase of food and beverages pursuant to City's Food and Beverage Expenditure Policy (City Policy Manual Section 5.1.5) are authorized expenditures. [No public funds may be used for the purchase of alcoholic beverage.]

**[NEED DISCUSSION AND COMMITTEE GUIDANCE AS TO WHETHER THE CITY SHOULD PAY FOR FOOD AND BEVERAGE IN CIRCUMSTANCES BEYOND THOSE ALLOWED UNDER THE CURRENT CITY POLICY (E.G. NON TRAVEL RELATED MEALS WITH PERSONS DOING BUSINESS WITH THE CITY). ALSO WHETHER CITY FUNDS SHOULD BE USED TO PURCHASE ALCOHOL]**

**N. Contributions to Charitable Organizations**

Cash contributions to charitable organizations made by individual Council Offices shall be considered a grant and are subject to the provisions of Paragraph K above.

In kind contributions of City staff time, use of City equipment, or use of City facilities may only be paid for with City funds if all of the following conditions are met:

1. The organization is a 501(c) 3 corporation; an unincorporated association; or a political subdivision of the State of California (i.e. school district)
2. The organization provides services to San Jose residents;
3. The organization acknowledges the City of San Jose as the donor.

[NEED DISCUSSION AND COMMITTEE GUIDANCE AS TO WHETHER THE ABOVE CRITERIA ADDRESSES THE ISSUES OF PUBLIC BENEFIT AND APPROPRIATE ACKNOWLEDGEMENT)

#### UNAUTHORIZED EXPENDITURE OF PUBLIC FUNDS

Notwithstanding any provision in this Policy to the contrary, the following costs incurred by the Mayor or City Council 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 expenses, including partner's expenses when accompanying official on City -related business, as well as children – or pet-related expenses;
4. Entertainment expenses, sporting events (including gym, massage and/or golf related expenses), or other cultural events; provided however, that expenses 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.
5. Personal automobile expenses, including repairs, traffic citations, insurance or gasoline; and
6. Personal losses incurred while on City business.

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

#### **PROCESS FOR PAYMENT AND REIMBURSEMENT AND REVIEW**

[THE PROCESS FOR PAYMENT AND REIMBURSEMENT IS TO BE DEVELOPED IN THE NEXT DRAFT]

**Exhibit A**  
**List of Previously Approved Events**

|  |   |
|--|---|
| San Jose Stage Company                                 | National Latino Peace Officers Association        |
| Hispanic Foundation of Silicon Valley                  | Vietnamese American Chamber of Commerce           |
| City Year corps  | Evergreen Youth Action Committee                  |
| Gay and Lesbian Victory Fund and Leadership Institute  | SJPOA Charitable Foundation                       |
| Vietnamese American Community of Northern CA           | Hispanic Association of Real Estate Professionals |
| KTEH Channel 54  | San Jose Silicon Valley Chamber of Commerce       |
| Preservation Action Council of San Jose                | Silicon Valley Charity Ball                       |
| Silicon Valley Toxics Coalition                        | NAACP Friendship Dinner                           |
| YWCA Professional Women's Luncheon                     | Yu-Ai Kai Anniversary reception                   |
| ARIS Disco Ball  | History San Jose                                  |
| Silicon Valley Crime Stoppers                          | Silicon Valley Leadership Group                   |
| Working Partnerships USA                               | Silicon Valley Manufacturing Group                |
| AACI (Asian Americans for Community Involvement)       | American Legion                                   |
| National Coalition of 100 Black Women                  | Bay Area Ridge Trail Council                      |
| Dr. Martin Luther King, Jr. Assn of Santa Clara Valley | SHHH (Self Help for Hard of Hearing People)       |
| National Coalition of 100 Black Men                    | American Coalition for Filipino Vets              |
| Hispanic Chamber of Commerce                           | Vietnam Veterans of America                       |
| American GI Forum                                      | Friends of Guadalupe River and Gardens            |
| JACL (Japanese American Citizens League)               |   |
|  |   |
|  |   |