

**CITY OF PALM DESERT
STAFF REPORT**

MEETING DATE: December 11, 2025

PREPARED BY: Veronica Chavez, Director of Finance

SUBJECT: RESOLUTION UPDATING POLICY NO. FIN-013 TRAVEL EXPENSE AND REIMBURSEMENT POLICY

RECOMMENDATION:

Adopt a Resolution entitled “A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM DESERT, CALIFORNIA, RESCINDING RESOLUTION NO. 2016-80 AND ADOPTING A REVISED TRAVEL EXPENSE REIMBURSEMENT POLICY FOR OFFICIAL CITY BUSINESS FOR ELECTED AND APPOINTED OFFICIALS AND CITY EMPLOYEES.”

BACKGROUND/ANALYSIS:

The City’s Travel Expense and Reimbursement Policy, last updated in 2016, has undergone a comprehensive revision to reflect current best practices, modernized terminology, and updated legal requirements. The revised policy aligns with AB 1234 and Government Code Sections 53232–53232.4 and is consistent with current administrative procedures. Due to the extent of these revisions, a redline version would not be practical; instead, this summary provides an overview of key updates and structural improvements.

1. Formatting, Grammar, and Structural Improvements

- Policy fully reformatted for clarity, consistency, and improved organization, including a Roman numeral outline and a new Table of Contents.
- Language modernized and standardized, including updated references to covered individuals: “Elected Officials, designated Appointed Officials, and Employees.”
- Terminology aligned with City style and formatting standards, with consistent capitalization of defined terms.
- Readability enhanced through shorter paragraphs, defined examples, and structured bullet points.

2. Updated and Expanded Definitions

The 2025 revision significantly expands and refines definitions to improve accuracy and clearly identify eligibility and reimbursable activities.

New Definitions:

Advance/Travel Advance; Designated Appointed Official; Independent Contractor; Mileage Reimbursement; Official City Business; Reasonable and Necessary; Reimbursable Expense.

Updated Definitions:

- *Elected Official* now refers solely to City Councilmembers.
- *Employee* definition revised to clarify exclusion of independent contractors.

- *Meals and Incidental Expenses (M&IE)* expanded to include gratuities and local travel between lodging and dining.
- *Conference Rate* and *Per Diem* updated to align with GSA standards.

Removed Definitions:

Terms such as Agency, Government Rate, and Conference/Seminar were removed or integrated within the policy text. Local Travel/Local Meetings references were replaced with cross-references to the Local Meetings Policy.

3. Policy Scope and Purpose

- Clarifies that the policy applies only to *overnight* official City business travel; local meetings and training are governed separately.
- Reinforces compliance with AB 1234 and Government Code requirements.
- Specifies eligibility for reimbursement (Elected Officials, designated Appointed Officials, and Employees).
- Strengthens transparency expectations and reporting obligations for elected officials.

4. Authorized and Eligible Travel Activities

- Expands reimbursable activities to include educational trips and best-practice site visits.
- Identifies lobbying-related travel subject to state reporting requirements.
- Clarifies approval requirements:
 - Out-of-state travel requires City Council approval in an open meeting.
 - In-state travel may be administratively authorized if budgeted.
- Establishes that annual budget adoption may serve as prior authorization for recurring travel.

5. Approvals, Authorizations, and Travel Advances

- Introduces required forms: Travel Pre-Authorization Form and Travel Expense Report Form.
- Defines approval hierarchy:
 - Employees → Department Head
 - Elected & Appointed Officials → City Clerk or City Manager
 - Out-of-State Travel → City Council
- Establishes Finance Director review for compliance and authorizes the City Manager to modify reimbursements to maximize efficiency and City benefit.
- Adds procedures for travel advances and prepayments, with reconciliation due within 30 days.

6. Reimbursable and Allowable Expenses

The policy has been reorganized to consolidate rules and modernize standards.

a. Airline Travel

- Requires coach class and the lowest practical fare.
- Adds documentation requirements to demonstrate cost-effectiveness.
- Allows reasonable baggage fees and preapproved travel insurance.
- Requires proof of travel within 30 days.

- b. Registration Fees
 - City prepayment preferred; reimbursement requires proof of payment and attendance.
- c. City and Personal Vehicles
 - Reinforces Fleet Policy compliance.
 - Standardizes mileage calculation (home or City Hall—whichever is less).
 - Requires map-based documentation and encourages carpooling.
 - Adds reimbursement cap when personal vehicle use substitutes for airfare.
- d. Ground Transportation
 - Consolidates all modes (taxi, rideshare, shuttle, transit).
 - Increases daily reimbursement limit from \$70 to \$100.
 - Requires receipts or a lost receipt form.
 - Establishes standards for rental vehicles, including preapproval and size limits.
- e. Lodging
 - Reduces automatic authorization distance threshold from 75 to 50 miles, with flexibility for certain circumstances.
 - Aligns reimbursement with GSA Lodging Per Diem or government rate, whichever is lower.
 - Clarifies allowable taxes/fees and excludes discretionary charges.
 - Requires itemized receipts and prior approval; clarifies proper use of City credit cards.
- f. Meals and Incidental Expenses (M&IE)
 - Fully adopts GSA Per Diem standards, including 75% rate for travel days.
 - Confirms that provided meals do not reduce the per diem.
 - Cross-references Local Meetings Policy for same-day taxable reimbursements.
- g. Other Allowable Expenses
 - Adds communications, printing, and notary fees (daily cap of \$20 for communications).
 - Clarifies exclusions for personal losses or nonbusiness expenses.

7. Non-Reimbursable Expenses

- Section fully rewritten and streamlined.
- Consolidates personal and discretionary expenses (e.g., entertainment, family travel, political contributions, non-mileage vehicle costs).
- Cross-references the M&IE section for gratuity guidance.

8. Non-Exempt Employee Travel Time

- Retains FLSA principles while clarifying distinctions between travel during and outside regular work hours.
- Provides updated examples for determining compensable travel time.

9. Expense Reporting and Reimbursement Procedures

- Lists required documentation, including receipts, approvals, and applicable GSA references.
- Establishes a 30-day submission deadline and defines disallowance criteria.
- Connects reporting steps with Finance and Council approval requirements.

10. Compliance and Enforcement

- Updates citations to include Government Code Section 53232.4 and Penal Code Section 424.
- Outlines potential penalties, including loss of travel privileges, restitution, civil and criminal penalties, and disciplinary action up to termination.
- Clarifies that exceptions require City Manager or City Council approval.

11. General Additions and Omissions

- Removes redundancies by consolidating enforcement provisions.
- Eliminates outdated terminology and sections to streamline content.

Staff recommends approval of the revised Travel Expense and Reimbursement Policy to ensure alignment with current laws, modern practices, and the City’s administrative and fiscal standards. Staff also recommends approval for the City Manager to make related, non-substantive changes to the Local Meetings Policy regarding the minimum distance change from 75 to 50 miles.

Legal Review:

This report has been reviewed by the City Attorney’s Office.

FINANCIAL IMPACT:

Funds for travel have been budgeted in each of the various department operational accounts within the approved FY 2025-26 Annual Budget. Changes to the policy may incur additional costs related to certain modifications, but these should remain within the current budgeted amounts.

ATTACHMENTS:

1. Draft Resolution - Travel Expense and Reimbursement Policy
2. Administrative Policy No. FIN-013 - Travel Expense and Reimbursement Policy
3. 2016 Travel Expense and Reimbursement Policy
4. Local Meetings Policy (referenced in Travel Policy)
5. Fleet Management Policy (referenced in Travel Policy)