

ORDINANCE NO. _____

AN ORDINANCE AMENDING CITY OF PFLUGERVILLE CODE OF ORDINANCES TITLE III BY REPLACING CHAPTER 35.22 REGARDING TRAVEL AND EXPENSE POLICY; ADOPTING AN ACCOUNTABLE PLAN PURSUANT TO IRC SEC. 162 AND RELEVANT IRS REGULATIONS AND PROCEDURES, REPLACING ALL ORDINANCES IN CONFLICT; CONTAINING A SAVINGS CLAUSE AND DECLARING AN EFFECTIVE DATE.

WHEREAS, the City Council finds that the City of Pflugerville City Council should strive to maintain the highest moral and ethical standards as stewards of public funds; and,

WHEREAS, the City Council finds that travel for training, conferences and other City related business is necessary in the course of carrying out official duties by City employees and City Councilmembers; and,

WHEREAS, the City Council finds that it is in the best interest of the citizens of Pflugerville to adopt the recommended ordinance.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PFLUGERVILLE, TEXAS:

I.

That the Code of Ordinances of the City of Pflugerville, Texas, is hereby amended by amending Chapter 35.22 to replace that Chapter with the following:

§ 35.22 TRAVEL AND EXPENSE POLICY.

(A) **Purpose.** The City wishes to establish an equitable and reasonable policy to cover the reimbursement of City Councilmember and employee necessary and reasonable expenses incurred in the authorized conduct of City business. All requests for reimbursement of expenses shall be subject to requirements of documentation and reasonableness. This Policy is established to set forth a travel and expense procedure meeting the criteria set forth in Section 3.04 of the City Charter, to comply with Section 11.05(a)(2) of the City Charter and to both conform to IRC Code Sec. 162 and qualify for the Safe Harbor provisions provided by law to ensure reimbursements are not treated as taxable compensation by the IRS.

(B) **Adoption of Accountable Plan.** To comply with IRS fiscal accounting requirements, the city declares its reimbursement plan is an Accountable Plan expense reimbursement policy pursuant to IRC Code Sec. 162, and relevant IRS regulations and procedures, as more specifically set out below.

(C) **Implementation.** Any City Councilmember may be reimbursed for approved expenses which are necessary, incurred in the performance of official duties, and which are approved by the City Council pursuant to this ordinance. Any city employee may be reimbursed for approved expenses which are necessary, incurred in the performance of official duties, and which are

approved by the City Manager pursuant to this ordinance. Any approved travel or expenses necessary and reasonable in the authorized conduct of city business may be prepaid by the City.

(D) **Statement of Expenditures.** Reimbursements may only be made pursuant to this policy.

1) To be eligible for reimbursement, any city employee or City Councilmember shall present a statement of the expenses to the finance department within 30 days of the expense, together with supporting receipts, invoices and mileage records.

2) Any reimbursement paid, if determined to be unsubstantiated within a reasonable period of time, or determined to be an overpayment, shall be paid back to the city within a reasonable period of time, but no later than 120 days after the expense is reimbursed.

3) Any overpayment if not returned within 120 days, may be interpreted by the U.S. Internal Revenue Service as compensation to the employee or City Councilmember. In such an event, the City may be obligated to seek appropriate withholdings from the employee or Councilmember in accordance with IRS rules.

(E) **Qualifying Reimbursable Expenses.** City Councilmember expenses which are necessary, incurred in the performance of official duties, and which are approved by the City Council are eligible for reimbursement as set forth below. Employee expenses which are necessary, incurred in the performance of official duties, and which are approved by the City Manager are eligible for reimbursement as set forth below. Any City Councilmember expense not listed below may be approved by the City Council by separate action, either prior to or subsequent to the expense. However, the City Council has no obligation to approve any reimbursement request that, in the opinion of a majority of the City Council, is not a necessary expense incurred in the performance of official duties of the City Councilmember. City Councilmembers reimbursement for expenses incurred by official capacity participation in activities, may be reimbursed as provided:

1) Approved expenses include items such as:

A) meals

B) lodging (see details below)

C) mileage reimbursement for transportation at the maximum nontaxable rate allowed by the Internal Revenue Service at the time mileage is incurred applying the shortest distance between destinations. Reimbursement payments for the use of private automobiles by City Councilmembers shall be made monthly upon submission to the Finance Department of a statement of approved expenditures.

D) airfare (Coach rates)

E) rental car (including the expenses of rental company optional insurance coverage)

- F) train fare (regular passenger rates)
 - G) taxi fare
 - H) bus fare
 - I) non-valet parking expenditures; unless price of valet is commensurate
- (2) Disallowed expenses include those related to:
- A) Any expense of a personal nature
 - B) Any expense for the accompaniment of a spouse, child or guest
 - C) Social activities
 - D) The purchase of alcoholic beverages
 - E) Laundry services
 - F) Tipping or services charges exceeding 20%
 - G) Parking violations
 - H) Traffic violations
 - I) Entertainment
 - J) Any expense not approved by City Council.

(F) **Conference Registration Expenses.** Registration expenses for all local government continuing education conferences shall be eligible for reimbursement. A written report summarizing the information obtained by the City Councilmember attending the conference shall be submitted to the City Council by the City Councilmember after the conclusion of the conference. The report shall be placed on the next regular City Council agenda for consideration before any eligible expenses arising from attending the conference may be reimbursed.

(G) **Lodging Expenses.** Lodging reimbursement for conferences shall not exceed the official Conference rate, if conference rate lodging is available. Lodging reimbursement for other events shall be reasonable. Reimbursable lodging expenses include lodging expense for the night before the commencement of the event and the night of the final meeting day of the event.

II.

Severability

If any provision of this Ordinance is illegal, invalid, or unenforceable under present or future laws, the remainder of this Ordinance will not be affected and, in lieu of each illegal, invalid or unenforceable provisions, a provision as similar in terms to the illegal, invalid or unenforceable provision as is possible and is legal, valid and enforceable will be added to this Ordinance.

III.

Effective Date

This ordinance will take effect upon its adoption by the City Council and publication of the caption hereof in accordance with Section 3.15(d) of the City Charter.

PASSED AND APPROVED THIS 22ND DAY OF AUGUST, 2017.

CITY OF PFLUGERVILLE, TEXAS

By: _____
Victor Gonzales, Mayor

Attest:

Karen Thompson
City Secretary

Approved as to form:

Charles E. Zech, City Attorney
Denton Navarro Rocha Bernal & Zech PC