

INDIAN WELLS CITY COUNCIL

October 16, 2025



To: City Council
From: City Manager Department
Prepared by: Angelica Avila, City Clerk
Subject: **Resolution Amending the City Council Policy Manual
Section 2.11.010 Budget Expenditures and Reimbursement
and Section 3.01.030 Placing Items on the Agenda**

RECOMMENDED ACTIONS:

Council **ADOPTS** Resolution amending Sections of the City Council Policy Manual relating to Council Member Budget Expenditures and Reimbursements and Placing Items on the Agenda; and

FINDS the action exempt from CEQA review under CEQA Guidelines section 15061(b)(3).

BACKGROUND:

The Council Policy Manual serves as a foundational document that outlines the rules and procedures governing the conduct of the City Council in managing official business and city operations. Its purpose is to promote transparency, ensure consistency in governance, and support efficient staff operations. To maintain its relevance and effectiveness, the Council conducts consistent reviews and updates the Manual as needed.

This process allows for the evaluation of current practices, identification of opportunities to improve administrative efficiency, implementation of changes that reflect evolving priorities or legal requirements, and enhancements to how the City conducts its legislative and administrative affairs. The most recent update to the Council Policy Manual was adopted on July 2, 2025.

DISCUSSION:

As part of its commitment to maintaining effective governance, the City Council has taken proactive steps to ensure that the Council Policy Manual remains efficient and aligned with the City mission. In addition to conducting annual reviews, the Council delegated the review of specific sections of the Policy Manual to the Finance Committee and formed a Governance Ad Hoc Committee.

These actions are intended to provide focused evaluation of policies that directly impact administrative operations and legislative procedures. By involving specialized Committees, the Council aims to improve clarity, streamline processes, and ensure that the Manual reflects current priorities, legal standards, and best practices in municipal governance.

Finance Committee Recommendation

At the direction of the City Council, the Finance Committee was tasked with reviewing the existing language and provisions within the City Charter and Council Policy relating to the reimbursement criteria and propose updates or amendments to enhance accountability and operational efficiency.

The Finance Committee met on August 21 to review the following:

- Reasonable and necessary expenses that are eligible for reimbursement.
- Determining which expenses should be pre-approved by the City Council.
- Identifying the reimbursements to consider official business expenses.

Council Policy – Section 2.11.010 Budget Expenditures

Under Council Policy Section 2.11.010, any use of budgeted funds or reimbursement by a City Council Member requires prior approval via a staff report placed on the consent calendar. The report must detail the event's sponsor, date, location, attendees, individual costs (including for spouses), and the public or governmental purpose of attendance. For travel reimbursements, only meals for Council Members are eligible, and alcohol expenses are explicitly excluded.

Each Council Member may utilize their individually allocated annual budget for eligible expenses. The City Manager and Finance Director are responsible for monitoring each Member's remaining available funds throughout the fiscal year to ensure compliance with policy and maintain fiscal accountability.

While the Policy for advance approval is clear, there may be flexibility in the method of approval:

- Individual Approval: Each expense is reviewed and approved by the Council prior to being incurred.

- Categorical Approval: The Council may adopt policies or resolutions that pre-approve certain categories of expenses (e.g., travel to specific conferences, mileage for city-related travel, meals during official events), provided these categories are clearly defined by type and amount and meet the “ordinary and necessary” and “reasonably incurred” standards.

Categorical approval would allow Council Members to incur expenses within these predefined limits without needing individual pre-approval for each instance. All expenditures would still be subject to documentation, administrative review, and periodic reporting to the Council.

Staff recommend that the Council adopt categorical approvals that can be structured to comply with the Charter while streamlining administrative processes. Any proposed framework should be reviewed for legal sufficiency and clarity to ensure compliance and transparency. The proposed changes outlined in Attachment No. 1.

Governance Ad Hoc Committee Recommendation

On October 18, the Governance Ad Hoc Committee—comprised of Council Member Reed and Council Member Taylor—met to review provisions related to the placement of items on future Council agendas. The Committee recommends amending the Council Policy Manual to require that any request to place an item on a future agenda must be made during a Council meeting and receive majority support from the Council. The proposed change would eliminate existing language that allows individual Council Members to submit future agenda items directly to the City Manager.

Council Policy- Section 3.01.030 Placing Items on the Agenda

This policy removes the requirement for City Manager approval when a Council Member wishes to place an item on a future agenda. Instead, Council Members may request items verbally during a meeting. The item will appear under the Council Reports section of the next regular meeting agenda, with a brief staff summary and optional written report from the Council Member initiating. At the meeting, the Council may choose to:

- Bring the item back for full discussion at a future meeting,
- Refer it to an existing Ad Hoc or Subcommittee,
- Create a new Ad Hoc Committee, or
- Decline further consideration.

Staff recommend that the Council adopt the proposed amendments to the Council Policy Manual requiring that requests to place items on future agendas be made during a Council meeting and receive majority Council support as outlined below.

CITY COUNCIL STRATEGIC GOAL:

As part of the City Council's strategic goal to enhance governance and improve operational efficiencies, the Council continues to evaluate opportunities for procedural improvements. During the Strategic Planning Session held on April 17, 2025, the Council reviewed various governance-related policies and practices.

OPTIONS:

The City Council has the following options:

1. Approve the proposed amendments to the Council Policy Manual.
2. Retain the existing provision allowing individual Council Members to submit future agenda items directly to the City Manager.
3. Provide Alternative Direction. The Council may direct staff to explore other procedural options.

FISCAL IMPACT:

There is no direct fiscal impact associated with this report. All reimbursements and expenditures are subject to the City's adopted budget. Each City Council Member is allocated an annual budget of \$5,000.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

The action is not a project within the meaning of Section 15378 of the State of California Environmental Quality Act ("CEQA") Guidelines, because it has no potential for resulting in physical change in the environment, directly or indirectly; and that the action is nonetheless exempt from the requirements of CEQA in that the activity is covered by the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment. (14 CCR 15061(b)(3).)

ATTACHMENTS:

1. Resolution