

ATTACHMENT #1

RESOLUTION NO. 2025-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDIAN WELLS, CALIFORNIA, APPROVING AMENDMENTS TO THE COUNCIL POLICY MANUAL RELATING TO COUNCIL MEMBER EXPENSE REIMBURSEMENTS AND PLACEMENT OF ITEMS ON FUTURE COUNCIL AGENDAS

WHEREAS, the City Council of the City of Indian Wells is committed to maintaining effective governance and ensuring that the Council Policy Manual remains efficient, transparent, and aligned with the City's mission and legal standards; and

WHEREAS, the City Council has delegated the review of specific sections of the Council Policy Manual to the Finance Committee and formed a Governance Ad Hoc Committee to provide focused evaluation of policies that directly impact administrative operations and legislative procedures; and

WHEREAS, the Finance Committee met on August 21, 2025, to review Council Policy Section 2.11.010 relating to Council Member expense reimbursements and recommended updates to enhance accountability, clarify eligible expenses, and streamline administrative processes; and

WHEREAS, the Finance Committee recommends the adoption of a categorical approval framework for certain types of expenses, provided such categories are clearly defined, comply with the City Charter, and remain subject to documentation, administrative review, and periodic reporting; and

WHEREAS, the Governance Ad Hoc Committee, comprised of Council Member Reed and Council Member Taylor, met on October 18, 2025, to review Council Policy Section 3.01.030 regarding the placement of items on future Council agendas; and

WHEREAS, the Governance Ad Hoc Committee recommends amending the policy to require that any request to place an item on a future agenda be made during a Council meeting and receive majority Council support, and

WHEREAS, the proposed amendments are intended to improve clarity, ensure consistency with best practices in municipal governance, and promote transparency and collaboration among Council Members.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF INDIAN WELLS AS FOLLOWS:

SECTION 1. The City Council hereby approves the amendments to Council Policy Section 2.11.010 as recommended by the Finance Committee, as outlined in Exhibit "A".

SECTION 2. The City Council hereby approves the amendments to Council Policy Section 3.01.030 as recommended by the Governance Ad Hoc Committee, as outlined in Exhibit "A".

SECTION 3. The City Manager and City Attorney are hereby directed to ensure that the amended policies are implemented in a manner consistent with the City Charter and applicable laws, and by updating the Council Policy Manual accordingly.

SECTION 4. This Resolution takes effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Indian Wells, California, at a regular meeting held on this 16th day of October 2025.

**BRUCE WHITMAN
MAYOR**

CERTIFICATION FOR RESOLUTION NO. 2025-__

I, Angelica Avila, City Clerk of the City Council of the City of Indian Wells, California **DO HEREBY CERTIFY** that the whole number of the members of the City Council is five (5); that the above and foregoing resolution was duly and regularly passed and adopted at a regular meeting of the City Council of the City of Indian Wells the 16th day of October, by the following vote:

AYES:
NOES:

ATTEST:

APPROVED AS TO FORM:

**ANGELICA AVILA
CITY CLERK**

**TODD LEISHMAN FOR
BEST BEST & KRIEGER LLP
CITY ATTORNEY**

Exhibit "A"

**CHAPTER 2.13
COUNCIL FINANCIAL MATTERS AND REIMBURSEMENTS**

Sections:

2.11.010 BUDGET EXPENDITURES AND REIMBURSEMENTS.

The voters of Indian Wells approved Measure S, amending the City Charter to establish limits on compensation and reimbursement for City Council Members. The intent of Measure S is to promote transparency, accountability, and fiscal responsibility in the use of public funds for Council-related expenses.

Each fiscal year, the City Council allocates a budget in equal amounts for each Council Member for use in their capacity as an elected City Official. These funds must be used solely for "ordinary and necessary" expenses (Charter, Art. I, § 101) and comply with the reimbursement guidelines outlined in this policy including AB 1234 California Government Code Section 53232 and all other laws and regulations when authorizing and reimbursing expenses of elected officials.

Council Members are expected to exercise good judgment when incurring expenses while on official City business.

2.11.020 REIMBURSEMENT OF EXPENSES INCURRED IN OFFICIAL CITY BUSINESS AT EVENTS.

The purpose of this policy is to:

1. Comply with the City Charter, City's Fiscal Policies and Procedures, requirements of AB 1234, California Government Code 53232 et seq. in a manner that is consistent with the governance and operational needs of the City.
2. Clearly define and clarify authorized reimbursement expenses for City Council. This includes, but is not limited to, events, meetings, seminars, conferences, non-profit events, for profit events, business meals, community functions, and other reasonable expenditures incurred while conducting official City business.
3. Set forth parameters, procedures, and protocols for the participation and reimbursement of City Council ensuring alignment with City objectives, public transparency, and fiscal responsibility.

A. Qualifying Occurrences for Expense Reimbursement. Under Government Code Section 53232.2(b), the City must clearly define what qualifies as reimbursable expenses for Council Members conducting official City business. The following provide general guidance for eligible expense reimbursements:

1. **Meetings.** Includes attendance at meetings with government officials, business leaders, conferences, seminars, or workshops hosted by professional organizations relevant to

municipal governance, including travel, mileage, lodging, registration fees and other related costs.

2. **Events.** Attendance at events hosted by nonprofit organizations classified under Section 501(c)(3) of the Internal Revenue Code, or by for-profit entities, where the Council Member's presence supports a public purpose or City interest.
3. **Jurisdictional Engagements.** Includes meetings with individuals or entities to discuss matters within the City's jurisdiction, such as land use, public safety, infrastructure, or community development.
4. **Regional, State, and National Representation.** Includes participation in organizations whose activities influence or affect the City's interests, including but not limited to National League of Cities, California Contract Cities, League of California Cities, and other intergovernmental bodies (as listed in the annual Council Member attendance event list, approved each December).
5. **Economic Development Activities.** Includes implementing City-approved strategies aimed at attracting or retaining businesses within the City. Such activities may involve collaboration with City staff and attendance at business development meetings or promotional events.

All expenses must be documented and submitted in accordance with the City's Fiscal Policies and Procedures Manual and the City's Travel and Expense Reimbursement Guidelines. Each City Council member is responsible for submitting reimbursement requests with the following documents:

- Itemized receipts for all claimed expenses
- A brief written justification explaining how the expense aligns with the City's mission, goals, or strategic priorities

All other expenditures not listed under Section A of this policy require prior approval by the City Council and coordination with staff. Council Members are responsible for bringing forth such requests in advance, along with a justification for public purpose, for City Council approval.

Examples of personal expenses that the City will **not** reimburse include, but are not limited to:

- The personal portion of any trip.
- Donations to organizations or individuals.
- Non-mileage personal automobile expenses, including repairs, traffic citations, insurance or gasoline.
- Personal losses were incurred while on City business. The approving authority should resolve any questions regarding the propriety of a particular type of expense before the expense is incurred.
- Cost of alcohol.

B. Individual Council Member Budget Allocations. Council Members must monitor their individual spending and ensure staying within their annual allocated budget. Expenses incurred beyond the approved allocation will not be reimbursed, and Council Members are expected to

plan accordingly. The City Manager, Finance Director, or designee shall monitor the amount of funds remaining available for each Council Member as the fiscal year progresses. Staff may provide budget updates, but budget compliance is the individual Council Member's responsibility.

- Unused funds will be returned to the General Fund at the end of each calendar year.
- No Council Member may transfer funds within his or her Individual Council Member budget allocation to another Council Member.
- Event attendance and budget balances may be documented by City Staff as designated by the City Manager and reported to the City Council.

C. City Payment for Expenses – Companions. The City will not provide meals or travel reimbursements for any companion accompanying a Council Member to a meeting or local event, unless authorized by the Indian Wells Distribution Policy of Tickets and/or Passes (per Resolution No. 2022-36).

D. City Council Attendance at Events. If a City Council Member RSVPs "yes" to an event but is later unable to attend:

- They must notify the City Manager as soon as possible.
- The City Manager may, on a case-by-case basis, designate a replacement attendee. This may include another Council Member, a City Employee, or an Advisory Resident Member.

Refunds and Expense Reporting:

- If an elected official incurs expenses for a meeting or event and is unable to attend:
 - They must ensure that any unused prepaid fees are refunded to the City.
 - Documentation of the refund or cancellation must be included.

If a Council Member is unable to attend when expenses have already been paid from their designated budget allocation, and the City is unable to obtain a refund, the cost shall still be deducted from the Council Member's individual budget allocation.

E. Distribution of Tickets from City Table Sponsorships. Annually, the City Council approves a budget for Table Sponsorships. This includes:

- A list of pre-approved events for the fiscal year.
- A designated amount for miscellaneous sponsorships for new event requests occurring within the City.

If the City Manager or designee receives an invitation to a local event with an approved Table Sponsorship, the invitation will be distributed to all Council Members. If the City receives an invitation to a local event held in Indian Wells or outside of Indian Wells that does not have an approved Table Sponsorship in the adopted budget, the information will be distributed to all Council Members. Requests to attend such events may be processed as follows:

- City Council can request Table Sponsorship under the Miscellaneous allocation; the request must be submitted to the City Manager or designee for Council approval.
- City Council can request a ticket purchase using their individual Council Member budgetary allocation.

Attendance by City Officials at Table-Sponsored events shall be documented by City staff designated by the City Manager.

F. Policy on Personal Monetary Loss. It is the policy of the City that no Council Member shall incur personal monetary loss as a result of performing duties in service to the City.

G. Violation of this Policy. Misuse of public resources and falsification of expense reports pursuant to California Government Code Section 8314 and Penal Code Section 424 may result in one or more of the following consequences:

- Loss of reimbursement privileges;
- Demand for restitution to the City;
- Reporting of the expenses as taxable income to state and federal tax authorities, which may result in personal tax liability;
- Civil penalties of up to \$1,000 per day and three times the value of the misused resources;
- Felony prosecution under California Penal Code Section 424, which may include:
 - Imprisonment for two, three, or four years;
 - Fines of up to \$10,000.

H. Expense Eligibility and Dispute Resolution. If a reimbursement request submitted by a Council Member raises a question of compliance, the Finance Director shall review the expenditure to determine whether it conforms to the City's Fiscal Policies and Procedures Manual. Should a dispute remain following such review, the matter may be placed on the City Council agenda for consideration and resolution by the Council.

CHAPTER 3.01 MEETING AGENDAS

3.01.030 PLACING ITEMS ON THE AGENDA.

A Council Member may request an item be considered on a future agenda, verbally during a City Council, under Council Comments and Reports section. The item will be placed in the Council Reports section of the next regularly scheduled meeting for consideration by the Council. Staff will prepare a summary of the matter in the initial staff report. The Council Member may also submit a written report to be attached to the staff report.

At the meeting, the Council may take one of the following actions:

- Direct the item to return at a subsequent Council meeting;
- Refer the item to an existing Ad Hoc or Subcommittee;
- Create a new Ad Hoc Committee to review the matter;
- Decline further consideration.

A member of the public may request that an item be placed on a future agenda during public comments. Upon approval of a majority of the Council, the item will be agendized, and a staff report may be prepared. Prior to authorizing staff work or scheduling the item, the City Manager shall inform the Council of the potential impact the request may have on existing priorities, staff capacity, and workload. The City Manager will seek Council approval before proceeding with any related work or scheduling to ensure alignment with organizational resources and strategic objectives.

Emergency and non-agendized items may be added to an agenda only in accordance with State law. Emergency items are only those matters affecting public health or safety such as work stoppages, disasters, and other severe emergencies. Adding an emergency item requires a majority vote and is very rare. Non-agendized items are matters that come to the attention of the City after the agenda is posted. Non-agendized items may be added to the agenda only if the Council makes findings that 1) the need to consider the item arose after the posting of the agenda, and 2) there is a need to take immediate action at this meeting of the Council. These findings must be approved by a 4/5 vote; if less than five members of the City Council are present, the findings require a unanimous vote of those present.