

ORDINANCE NO. 2022-64

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS AMENDING CHAPTER 2, ADMINISTRATION, ARTICLE 2, SECTION 2.024 OF THE SAN MARCOS CITY CODE, TO CLARIFY COUNCIL COMPENSATION AND SET POLICY FOR REIMBURSABLE EXPENSE; INCLUDING PROCEDURAL PROVISIONS; AND, ESTABLISHING AN EFFECTIVE DATE.

**RECITALS:**

1. Section 3.04 of the City Charter provides that “the city by resolution or ordinance shall provide for a means of determining what expenses are reimbursable and what requirements must be met for reimbursement”.
2. The City Council wishes to approve a revised policy for reimbursement of Council Members for expenses they have incurred in the performance of their official duties by means of this ordinance.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS:**

**SECTION 1.** Chapter 2, Administration, Article 2, City Council, Division 1, Section 2.024 of the San Marcos City Code is amended to read as follows: **2.024 Council Compensation and Expenses**

- (a) The compensation for each Council Member is set at the sum of \$1,450 per month, payable from line item “Comp/Reimb – Place #” in the City’s budget. This amount includes \$450 per month to provide sufficient funds for the purchase of private health insurance, if desired.
- (b) The compensation for the Mayor is set at the sum of \$1,700 per month, payable from line item “Comp/Reimb – Mayor” in the City’s budget. This amount includes \$450 per month to provide sufficient funds for the purchase of private health insurance, if desired.
- (c) For expenses incurred, each Council Member may opt to receive an additional ~~\$500~~ 625 per month stipend without providing documentation. If this option is chosen, the ~~\$500~~ 625 payment will be considered taxable income to the Council Member. If the option is not made, these funds remain available to the Council Member for expenses incurred in the course of official city business as enumerated in item (e) below.
- (d) Under Article 16, Section 40 of the Texas Constitution, certain State and County employees or other individuals may be prohibited from receiving compensation under this Ordinance, but remain eligible for reimbursement of expenses incurred in the course of official city business as enumerated in item (e) below.

(ed) An additional \$6,0007,500 (\$12,00013,500 for the Mayor) is budgeted annually in individual Council Member expense accounts labeled "Council Expense & Travel – Place # (or Mayor)" for expenses incurred in the course of official city business:

- 1) Travel expenses – Air fare, hotel, mileage, car rental, cab fare, parking, etc. will only be paid while on city related travel. Any personal costs charged to the City shall be reimbursed to the City within thirty (30) days. The City will pay for roundtrip, coach airfare. City Council is encouraged to take advantage of discounts when available. If a Council Member makes first class travel reservations, the Council Member will pay the differential between first and coach classes. Rental vehicles should be an economy or midsize car or small SUV.

Travel will not be reimbursed for Council Members after their term has expired with the City even if the travel was booked prior to the Council Member leaving office. A Council Member who leaves office shall reimburse the City for any city funds used to pre-pay expenses for travel scheduled on a date subsequent to his/her last day in office.

A Council Member may make travel arrangements, including advance payments towards expenses, through the City Clerk's office, but the Council Member shall be responsible for securing receipts for all expenditures and submitting a completed "Council Expense and Travel Reimbursement Form". The form must be accompanied by a detailed, itemized receipt or other documentary evidence for each expenditure.

- 2) Per Diem - Per diem amounts, at the current published IRS rates, may be given to Council Members for each day of travel to cover meals, tips and incidentals, at the Council Member's option. These amounts may be paid in advance to the Council Members and do not require receipts to be submitted. Per diem and hotel will only be reimbursed by the City for the travel directly related to the event or conference, including the day before and after the event or conference if travel is not reasonably available the day of the event or conference. No personal related travel expenses will be reimbursed, and any charges made to a City Purchasing Card for travel expenses not authorized under this subsection shall be reimbursed to the City within thirty (30) days.
- 3) Registration fees for individual Council Members to attend meetings, conferences, or tickets to local or charitable events. There will be no reimbursements for events that are political in nature., unless the event is political in nature. When air travel is required to attend the conference, the Council Member must attend the majority of the conference sessions between the opening and closing sessions. The sessions attended must be educational in nature and relate to present or future issues pertaining to the City. Exceptions for the attendance requirement can be taken to the Finance and Audit Committee for consideration.

- 4) Individual dues and subscriptions costs for organizations in which Council Member membership is not routine and individual subscriptions to magazines may be charged to the individual Council Member's expense account "Council Expense and Travel".
  - 5) Logo attire if specially ordered or if individual name is used can be purchased and will be charged to the individual Council Member's expense account. Group clothing purchases ordered by the City Clerk will be paid through line item named "Council Related Items" in City Council's budget. Clothes or clothing accessories purchased while on trip due to lost luggage are not reimbursable by the City.
  - 6) ~~Alcoholic Beverages will not be reimbursed and while on City business travel or city related functions. Recreational expenses such as golf, spa activities or other similar recreational activities will not be reimbursed while on City business travel or city related functions and are not allowable charges on a City procurement card.~~
  - 7) ~~Other reimbursable~~ Council Member expenses - other reasonable and necessary expenses incurred in the course of serving on City Council may be paid or reimbursed, including office space and contractor staff expenses. Documentation for reimbursement of costs related to office space and labor would include a signed agreement between the Council Member and the other party, which details payment arrangements, the term, and the responsibilities of the parties. In order for the City to make payment directly to the third party, IRS Form W-9 must be provided to the City. Payments would be taxable to the third party. If payment is made by the Council Member, Council Member would be responsible for complying with IRS reporting requirements and provide evidence of compliance to the City in order for reimbursement to remain non-taxable to the Council Member.
  - 8) Mileage to and from various training, conferences or other city events located outside of Hays County, including but not limited to City Council meetings, City events or functions, board meetings as well as other City related business including local and charitable events, will be reimbursed at the current IRS statute rate.
- (~~fe~~) A Council Member ~~shall not~~ may assign his/her unused funds for council expenses to another Council Member ~~without the approval notice to~~ of the Finance and Audit Committee. This assignment must be made in writing via email communication to the City Manager in order to place on the agenda of the next Finance and Audit Committee meeting for informational purposes only.
- (~~g~~) The Finance and Audit Committee is authorized to allow a Council Member to exceed his/her annual travel expense funding by an amount not to exceed \$200.
- (~~hf~~) The Mayor and Council Members are not obligated to accept the compensation or additional funds for expenses authorized under this subsection. All amounts forfeited will be retained in the General Fund and may be used for other governmental purposes.

(ig) The City will reimburse a Council Member only if the Council Member submits a completed “Council Expense and Travel Reimbursement Form” including detailed, itemized receipts to the Finance Department within 90 days of the expense. In the case of missing receipts, a “Missing Receipt Form” shall be used to document the expense. The “Council Expense and Travel Form” and receipts (or “Missing Receipt Form”) should clearly identify and satisfy the following requirements:

- 1) A detailed description of the expenditure;
- 2) The amount of the expenditure;
- 3) The time and place of the expenditure;
- 4) The nature and purpose of the official City business engaged in by the Council Member related to the expenditure;
- 5) For reimbursement of meal or beverage expenses of another person, that person and the official city business related to the expenditure must be identified.
- 6) For reimbursement of staff expenses, documentation of hours worked and a description of duties completed by staff must be included.

(jh) For expenses charged to a city-issued ~~travel procurement~~ card, a Council Member shall submit detailed, itemized receipts for the amounts charged. Use of the procurement card must be in compliance with the established procurement policy and this Ordinance. on the travel card with an explanation of the purpose of the charge within 30 days of the date the expenses are incurred.

(ki) The Finance Department is responsible for processing claims for reimbursements towards expenses for Council Members based on Finance Department’s Council Pay Policy.

(lj) Reimbursement shall not be made for expenses incurred for election campaign purposes.

(mk)

<u>Mayor</u>	<u>Annual Amount</u>	<u>Account Name</u>	<u>Taxable</u>	<u>Eligible<sup>1</sup></u>
<u>Compensation</u>	\$20,400	<u>Comp/Reimb</u>	<u>Yes</u>	<u>No</u>
<u>Expenses elected</u>	\$ 6,0007,500	<u>Council Expense &amp; Travel</u>	<u>Yes</u>	<u>No</u>
<u>Add'l expenses incurred/reimbursed*</u>	\$ 12,00013,500	<u>Council Expense &amp; Travel</u>	<u>No</u>	<u>Yes</u>

<u>Council Member</u>	<u>Annual Amount</u>	<u>Account Name</u>	<u>Taxable</u>	<u>Eligible<sup>1</sup></u>
<u>Compensation</u>	\$17,400	<u>Comp/Reimb</u>	<u>Yes</u>	<u>No</u>
<u>Expenses elected</u>	\$ 6,0007,500	<u>Council Expense &amp; Travel</u>	<u>Yes</u>	<u>No</u>
<u>Add'l expenses incurred/reimbursed*</u>	\$ 6,0007,500	<u>Council Expense &amp; Travel</u>	<u>No</u>	<u>Yes</u>

\* May be up to \$21,000 for Mayor or \$15,000 for Council Members, ~~\$15,000~~ if monthly stipend is not selected. To be considered non-taxable, receipts or other substantiating documentation must be provided.

<sup>1</sup> Under Article 16, Section 40, of the Texas Constitution, certain State and County employees are not eligible for compensation while serving as members of a governing body.

**Section 2:** If any word, phrase, clause, sentence, or paragraph of this ordinance is held to be unconstitutional or invalid by a court of competent jurisdiction, the other provisions of this ordinance will continue in force if they can be given effect without the invalid portion.

**Section 3:** All ordinances and resolutions or parts of ordinances or resolutions in conflict with this ordinance are repealed.

**Section 4:** This Ordinance will become effective on October 1, 2022

PASSED on first reading on August 2, 2022.

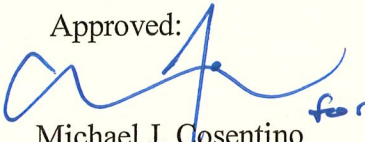
PASSED ON SECOND READING, APPROVED, AND ADOPTED on August 16, 2022.

  
Jane Hughson  
Mayor

Attest:

  
Elizabeth Trevino  
City Clerk

Approved:

  
Michael J. Cosentino  
City Attorney

