

REGIONAL TRANSIT ISSUE PAPER

Revised 8/26/19
Section §8.211b

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Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
2	08/26/19	Open	Action	08/19/19

Subject: Amend and Restate Title VIII of the SacRT Administrative Code

ISSUE

Whether or not to amend and restate Title VIII of the SacRT Administrative Code Pertaining to Reimbursable Expenditures and Director Compensation.

RECOMMENDED ACTION

Adopt Resolution No. 19-08-____, Amending and Restating Title VIII of the Administrative Code Pertaining to Expense Reimbursement and Director Compensation

FISCAL IMPACT

None as a result of this action.

DISCUSSION

The airline industry has reduced what is included in the basic coach fare and has increased the number of fees it charges coach fare passengers resulting in an ever increasing number of airline fees for services that were traditionally included in the basic coach fare. Airlines now regularly charge for seat selection and checked bags. Airline travel has gotten more and more challenging and costly and SacRT's policy is now outdated. Employees and directors who travel for SacRT are now being required to pay for basic services like seat selection and checked bags and those fees should not be placed on employees and directors who are traveling for the benefit of SacRT. However, as currently drafted, Title VIII does not authorize reimbursement or payment for these fees. Additionally, Title VIII requires that SacRT employees and directors purchase the lowest fare available for airline travel. Often the lowest fare is the least convenient or efficient option. To ensure that employees and directors can have flexibility when selecting flights to best fit their schedules and SacRT's business needs, Staff is recommending that Title VIII be amended to authorize SacRT employees and directors to select the coach fare that provides the most convenient and efficient flight accommodating their work schedules and SacRT's business needs. Additionally, Staff recommends amending Title VIII to authorize the payment or reimbursement of customary fees for things like seat selection and checked bags. The amended Title VIII expressly states that SacRT will not pay for Business or First Class fare.

Several minor clarifying and conforming changes in the restatement are also recommended, including:

1. Changing all references from "RT" to "SacRT"
2. Deleting reference to the "Chief Counsel" since that position has been eliminated by the Board.

Approved:

Presented:

Final 8/26/19

General Manager/CEO

Deputy Director, Legal Services/Legal Counsel

J:\Board Meeting Documents\2019\12 August 26, 2019\Title VIII.revised.docm

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Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
2	08/26/19	Open	Action	08/19/19

Subject: Amend and Restate Title VIII of the SacRT Administrative Code

Staff recommends that the Board adopt the Amended and Restated Title VIII.

RESOLUTION NO. 19-08-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

August 26, 2019

**AMENDING AND RESTATING TITLE VIII OF THE ADMINISTRATIVE CODE
PERTAINING TO EXPENSE REIMBURSEMENT AND DIRECTOR COMPENSATION**

WHEREAS, *California Public Utilities Code Section 102121* authorizes this Board to establish rules for the management of Sacramento Regional Transit (SacRT); and

WHEREAS, *California Public Utilities Code Section 99156* authorizes transit districts to provide director compensation and reimburse director expenses when a director is engaged in SacRT business if such compensation/expenses are approved in advance by the transit district's governing board; and

WHEREAS, by Resolution No. 97-01-2764, adopted on January 13, 1997, this Board adopted Chapters 1 through 6 of Title VIII of the SacRT Administrative Code setting out SacRT's policy for expense reimbursement and director compensation; and

WHEREAS, Title VIII was subsequently amended by Resolution No. 00-06-0157 and Resolution No. 06-01-0017; and

WHEREAS, Title VIII was subsequently amended and restated by Resolution 09-01-0004; and

WHEREAS, this Board desires to amend and restate Title VIII to modify the Administrative Code to authorize SacRT employees and directors to purchase and obtain reimbursement for the coach fare option that provides the most efficient and convenient route option and for seat selection, checked bag fees and other customary convenience fees charged by the airlines, even if the fare is not the lowest available coach fare.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, Resolution No. 09-01-0004 is hereby repealed.

THAT, Title VIII of the SacRT Administrative Code shall read as follows:

TITLE VIII -EXPENSE REIMBURSEMENT

CHAPTER 1

INTRODUCTION

§8.111 **Purpose**

This Title sets forth the terms and conditions under which a member of the SacRT Board (hereinafter director) and SacRT employees receive reimbursement for actual, reasonable and necessary expenses incurred during travel on SacRT business.

§8.112 **Scope**

These procedures and policies are applicable to all officers and employees of SacRT. For employees represented by the Amalgamated Transit Union Local 256 or the International Brotherhood of Electrical Workers Local 1245, the expense reimbursement provisions agreed upon in the current contract will supersede the policies enumerated herewith.

§8.113 **Discretionary Authority**

The General Manager/CEO, or acting equivalent in his/her absence, may exercise discretionary authority and approve SacRT expenses not covered in this policy. These expenses must be substantiated with necessary explanatory documentation.

CHAPTER 2

REIMBURSABLE EXPENDITURES

§8.211 Ground Transportation

- a. Business use of a personal automobile is reimbursable at the same rate-per-mile as allowed by the Internal Revenue Service.
- b. Costs of taxicabs, airport limousine services and public transit necessary to reach destinations required for SacRT business are reimbursable if supported by receipts.
- c. Automobile rentals, when other forms of ground transportation are not reasonably convenient, will be reimbursed at actual cost, if supported by a receipt. SacRT employees and directors should request government or group discounts for automobile rentals, whenever such rates are available. Authorization for automobile rentals must be secured in advance from the General Manager/CEO or Director of Finance/Treasury by using Form RT205 (Authorization for Rental of Vehicle). Car rentals made on an emergency basis will be considered for reimbursement by the General Manager/CEO on a case-by-case basis.
- d. Automobile parking fees are reimbursable at actual cost if supported by receipts.
- e. Bridge and highway tolls are reimbursable at actual cost if supported by a receipt.

§8.212 Travel on Common Carriers

- a. If SacRT has a travel agency under contract, all reservations for intercity travel by common carriers (airplane, intercity bus, and rail) will be made through such agency. If SacRT does not have a travel agency under contract, employees and directors may independently reserve intercity travel. In general, intercity travel of more than 100 miles should be by air, coach class, and intercity travel of less than 100 miles should be by automobile or rail. SacRT's authorized travel agency will be instructed to find the lowest available rates for such travel, including seeking government or group rates, where such rates are available. SacRT employees and directors independently booking intercity travel should also seek government or group rates, where such rates are available. Notwithstanding the foregoing, SacRT employees and directors are authorized to select a coach class fare option that is not the lowest fare available, if the preferred option provides the SacRT employee or director the most efficient or convenient travel option taking into consideration the employee or director's work schedule and SacRT's business needs. The total reimbursable cost for the selected fare can include a fee for seat selection, baggage and any other convenience fees normally charged coach fare passengers by airline(s). In no event will SacRT reimburse or authorize payment for a Business Class or First Class fare option.

- b. For in-state travel, employees will be allowed a maximum of one-half day of paid time for travel in each direction. For out-of-state travel within North America, the maximum paid time allowed is one day in each direction. Should the employee elect to travel by a slower mode of transportation, or make stops in route that would exceed these limits, the additional time must be taken as vacation or floating holiday.
- c. If employees elect to extend their stay one or two weekend days in order to secure a lower airfare, they will be entitled to reimbursement for food and lodging costs during the weekend only if the difference in airfare between the lowest weekly rate and the lower weekend rate is more than the additional food and lodging costs, and extending their stay would not invalidate the government lodging rate.

§8.213 Lodging

- a. Lodging is reimbursed at the single occupancy rate. It is the responsibility of the employee to obtain the lodging rate for both single and double occupancy and indicate such rates on their expense report claim if applicable (e.g., if spouse accompanies employee).
- b. SacRT's authorized travel agency will request government rates for lodging, where available. It is the responsibility of the employee to present his/her Regional Transit identification to the desk clerk at the time of registration to obtain the government rate for lodging.

§8.214 Meals

Business related meals will be reimbursed when it is necessary for a director or employee to travel on SacRT business or to conduct official business during a meal in accordance with the following guidelines:

- a. The meal involves SacRT business under circumstances that the director's or employee's usual meal arrangements are disrupted; and
- b. The circumstances are such that it is impracticable to complete the business during normal working hours, or the meal expense is incurred while the employee is away from the District on SacRT business.
- c. Reimbursement for a meal will be for the amount of the meal receipt, plus tip, up to the maximum amount allowed therefore in accordance with the Federal per diem rate method established by the U.S. Department of Treasury, Internal Revenue Service, under Publication 1542 or any successor publication, and as published by the General Services Administration.
- d. If receipts are not available, meals may be reimbursed on a per-diem basis in accordance with the Federal per diem rate method established by the U.S. Department of Treasury, Internal Revenue Service, under Publication 1542 or any successor publication, and as published by the General Services Administration. Per diem, for the day of travel departure and the last day of travel, is allowed at 75 percent of the applicable Federal per diem rate. Per diem for more

than 12 hours of travel but less than 24 hours is also allowed at 75 percent of the applicable Federal per diem rate. Per diem for full days of travel are allowed at 100 percent of the applicable per diem rate. A director or employees is not entitled to per diem for meals which are supplied by common carriers or are included in conference fees or prepaid banquet or complimentary services.

§8.215 Award Events

Meals provided to employees and their spouses at SacRT-sponsored events to present awards or otherwise recognize employees for their work are exempt from the restrictions set forth in §8.214.

§8.216 Other Business Expenses

a. The General Manager/CEO, employees at the position of manager or higher, or employees designated by the General Manager/CEO are authorized to be reimbursed for the costs of their meal and the meal of officials or employees of transit agencies, or agencies or companies which transact business with Regional Transit, if the purpose of the meal was business-related. Such business-related meals are exempt from the restrictions set forth in Section 8.214. Claims for reimbursement must be supported by receipts. Claims by the General Manager/CEO are subject to review and approval by the Chair of the Board. Claims by other employees are subject to review and approval by the General Manager/CEO. The General Manager/CEO may issue Standard Operating Procedures to establish guidelines for reimbursement of meals with non-SacRT officials or employees. The reimbursement claim for business-related meals must include the following information:

1. Date.
2. Type of Expenditure (e.g., lunch, dinner, etc.).
3. Business Purpose.
4. Identification of persons for whom expenditures were incurred (e.g., name, agency, position).

b. Communications costs, including telephone, telegraph, postage, and facsimile charges in connection with SacRT business will be reimbursed.

c. During extended travel (one night or more away from home), personal telephone calls will be reimbursed up to one call per day and not to exceed a maximum amount of five dollars (\$5.00) per call.

§8.217 Conference and Registration Fees

The full cost of conference registration fees where the conference relates to transit management or other SacRT business matters will be reimbursed.

§8.218 Baggage Handling, Tips and Incidental Expenses

When included on the final travel claim, five dollars (\$5.00) per travel day will be allowed, without receipts, to cover baggage handling, tips, and incidental expenses. Incidental expenses include laundry and personal telephone calls.

CHAPTER 3

NON-REIMBURSABLE EXPENSES

§8.311 Non-Reimbursable Expenses

All costs not specifically identified in this Title as reimbursable to SacRT non-contract employees and Board members are to be disallowed, including but not limited to the following:

- a. Flowers and gifts given, for non-business (personal purposes or reasons), to employees, retirees, Board members, and/or members of the families of any of these persons.
- b. Initiation fees and periodic membership dues in social or business clubs, airlines "high mileage" clubs, etc.
- c. Travel expenses for an employee's spouse or child.
- d. Discretionary personal expenditures not incidental to SacRT business (examples: personal entertainment, newspapers, magazines, haircuts, etc.).
- e. Extra expenses at home while employee travels (examples: care of dependents or pets, residence caretaker service, etc.).
- f. Personal travel and accident insurance.
- g. Medical costs while on SacRT business travel (above normal insurance coverage).
- h. Alcoholic beverages whether or not they accompany a meal.
- i. Any other cost not directly incidental to SacRT business.

CHAPTER 4

TRAINING AND PROFESSIONAL ORGANIZATIONS

§8.412 Professional Associations and Organizations

Membership dues in professional organizations to which SacRT employees must belong in order to practice in their profession will be reimbursed to the employees, or paid directly. If membership dues for other professional organizations are separately itemized in the adopted Budget, those dues will also be a reimbursable expense.

CHAPTER 5

RECEIPTS, ADVANCES AND REPORTS

§8.511 **Receipts**

- a. Receipts must be submitted for every item of expense except as follows:
 1. Street car, ferry, bridge tolls, or other public transit.
 2. Personal meal expenses, unless they are business-related meals as set forth in Section 8.214.
 3. Unvouchered meal reimbursements are governed by Section 8.214.
- b. If receipts are lost or cannot be obtained, a statement to that effect must be made under penalty of perjury and the reason given. In the absence of a satisfactory explanation, the amount will not be allowed.
- c. Notwithstanding sub-sections (a) and (b), all expenses claimed by directors must be supported by a receipt. In the absence of a receipt, the expense will not be reimbursed.
- d. All receipts must be the originals.

§8.512 **Travel Advances**

- a. A travel advance may be requested for 90% of projected costs. The request should be submitted a minimum of 5 working days prior to the beginning of travel.
- b. Submission of expense report to settle the advance must be made within one week following the end of travel. Any net travel advances which have not been properly documented within 30 days of return of travel will be deducted from the employee's paycheck in order to prevent the travel advance from becoming part of the employee's gross wages under Internal Revenue Service rules.
- c. Only one outstanding travel advance is allowed at any one time. Additional requests will be denied until any prior advances have been settled with the Accounting Department.

§8.513 **Expense Report**

- a. No travel expense will be eligible for payment unless submitted upon a properly completed SacRT Form RT200.
- b. Each expense must be itemized.
- c. It is the responsibility of the officer approving the claim to ascertain the necessity and reasonableness of the expense for which reimbursement is being claimed. Furthermore, the claim will be

rejected by the Accounting Department if the item is not an allowable SacRT expense.

- d. Inclusive dates of each trip must be shown.
- e. When claiming mileage reimbursement, an attachment must accompany the report itemizing each trip with "to and from" descriptions and miles. The total must then be reported on SacRT Expense Report Form RT200.
- f. A director or employee must state the purpose or objective of each trip for which reimbursement is claimed.
- g. Expense Reports must be signed and approved by the Department Manager or Division Head. The General Manager/CEO's and Chief Legal Counsel's expense reports must be signed by the Chair of the Board. Expense Reports for the Division Heads must be signed by the General Manager/CEO. Expense Report for directors must be reviewed and signed by the Chief Financial Officer.
- h. Reports involving expense reimbursement are due within 30 days after the last day of travel. Any expense report filed after 30 days will not be reimbursed unless the person reviewing the expense report makes a determination that the director or employee was unable to file the report within the 30-day period due to extreme and unusual circumstances.

CHAPTER 6

DIRECTOR COMPENSATION FOR ATTENDANCE AT MEETINGS

§8.611 Compensation

A director is eligible to receive compensation from SacRT for attending board meetings as provided under Section 8.612. A director will be paid \$100 for each noticed board meeting that he or she attends which is compensable under Section 8.612, but not to exceed 4 noticed board meetings per month. The amount of compensation per board meeting is \$200 if the meeting location is distant. A meeting location is distant if the distance between the SacRT Administrative Headquarters and the meeting location is more than 40 miles measured by the shortest automobile route between those two points.

§8.612 Eligibility

A director, including a director's alternate, is eligible to receive compensation when he or she serves on a board of another public agency or non-profit corporation only if:

- a. The public agency or non-profit corporation does not compensate its directors for board meeting attendance other than to reimburse a director's actual and necessary expenses for attending the meeting; and
- b. The SacRT Board is authorized to make appointments to the board of the public agency or non-profit corporation pursuant to the organizing documents of such agency or corporation; and
- c. The director was appointed by the SacRT Board to serve as a member of the board of the public agency or non-profit corporation; and
- d. The director is a member of the SacRT Board at the time of his or her service on the board of the public agency or non-profit corporation; and
- e. The public agency or non-profit corporation was designated by the SacRT Board pursuant to Section 8.613 at the time of the director's service on the board of the public agency or non-profit corporation.

§8.613 Designated Boards

The SacRT Board may adopt a resolution designating those public agency or non-profit corporation boards for which meeting attendance is compensable under this chapter.

§8.614 Board Attendance Report

A director who is eligible under this Chapter to be compensated for attending board meetings of another public agency or non-profit corporation must use an SacRT form to record the name of the entity and the date of each board meeting the director attends. The form must be filed monthly with the Chair of the SacRT Board and must record those

compensable meetings attended during the preceding month. In addition, at the first regular meeting of the SacRT Board following attendance at a meeting of the other public entity, the director must give a brief report of what occurred at the board meeting of the other public entity. The Chair of the SacRT Board will review and forward the completed forms to the SacRT General Manager/CEO for processing once the Chair has determined that the required report was given for each meeting claimed. Any compensation form submitted by the Chair under this section will be reviewed by the Vice Chair. SacRT will pay a director for such board meeting attendance using the same payment procedures established for compensating a director for SacRT Board meeting attendance.

§8.615 **SACRT Board Meetings**

Nothing in this chapter may be construed to change or alter in any way the amount of compensation specified in Public Utilities Code Section 102106 for directors who attend SacRT Board meetings or the method of that payment.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary