



DATE: February 20, 2020

TO: Mayor and City Council

FROM: Steve Groom, Finance Director
Kimberly Dominé, Finance Manager

RE: Amending Section 2.20.086(A)(2) of the Municipal Code for Reimbursable Expenses

The purpose of the attached ordinance is to modify Municipal Code Section 2.20.086(A)(2) to update the reimbursement amount for lodging and meals, changing the Lodging and Meal Reimbursement from a maximum of \$175 per day to an actual cost that is reasonable and prudent and within budgetary controls.

Staff recently conducted a review of the City's Purchasing Card process, in conjunction with the Washington State Auditor's Office. Specific fixed dollar amounts vary by region and by city, as well as over time. Expenses will still have controls in place to exercise proper stewardship: Departmental budgetary line-item control, supervisory review by management of every expense and prior supervisory travel expense approval.

The Municipal Code was last updated in 1998, so, the daily maximum reimbursement for lodging and meals has been \$175 for 22 years. Prior to that, the rate was \$100 established in 1984 and prior to that \$40 established in the early 1970's. A recent check of the US General Services Administration allowances indicate that this may not be sufficient as this last rate was set 22 years ago.

In order to minimize the changes needed in the Municipal Code and to maintain market rate reimbursements for the employees, we are recommending that the rate be changed to actual reasonable and prudent cost, using the US General Services Administration as a guideline instead of setting periodic fixed rates for Lodging and Meals.

Accordingly, the attached ordinance provides for a change in the daily maximum reimbursement for lodging and meals to actual reasonable and prudent cost.

Staff recommends approval of the attached changes to Municipal Code.