



City of Margate

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Meeting Minutes

City Commission Workshop

Mayor Tommy Ruzzano
Vice Mayor Joyce W. Bryan
Commissioners:
Lesa Peerman, Joanne Simone, Frank B. Talerico

City Manager Douglas E. Smith
City Attorney Eugene M. Steinfeld
City Clerk Joseph J. Kavanagh

Wednesday, April 6, 2016

6:00 PM

Commission Chambers

CALL TO ORDER

Present: 4 - Commissioner Joanne Simone, Commissioner Lesa Peerman, Commissioner Frank B. Talerico and Mayor Tommy Ruzzano
Absent: 1 - Vice Mayor Joyce W. Bryan

In Attendance:

City Manager Douglas E. Smith
City Attorney Eugene M. Steinfeld
City Clerk Joseph J. Kavanagh

1) PRESENTATION(S)

A. [ID 2016-202](#) CITY TRAVEL POLICY

CITY MANAGER DOUGLAS E. SMITH explained that Staff found an Internal Revenue Service (IRS) issue regarding accountable and non-accountable plans, which involved whether some of the travel expenses were considered taxable or not. He said that one issue needing an adjustment had to do with the per diem amounts. He stated that there was previous travel through the Community Redevelopment Agency (CRA) with discussion about traveling to Miami for a conference and whether staying there would be a covered expense. He noted that he received Commission input regarding reviewing the Travel Policy. He stated that some adjustments were made with regard to travel in the Tri-County area for the Commission's consideration. He explained that the current policy had local or overnight travel being requested ahead of time for the Department Head or Manager to review. He stated that under the new policy there were three different classes of travel. He noted that Class A travel was outside the Tri-County area. He explained that Class B travel was outside of the local travel zone area, Boynton Beach Boulevard down to Miami/Dade County. He added that Class B travel was eight hours or longer and would be part of the submission process. He stated that Class C travel would be within the local zone travel. City Manager Smith explained that the previous policy had a listing of eligible expenses, registrations, travel expense, airline expense, meals and mileage. He said that it did not provide for overnight stays in the Tri-County area unless it was approved as an exception. He noted that the proposal was a little different because Class B would now allow potential overnight lodging within the Tri-County area if it was Miami/Dade County or Palm Beach County north of Boynton Beach Boulevard. He stated that Class C travel would not have the lodging or per diem for meal expense, unless it

was approved as an exception. City Manager Smith said that there was language that could be added in when taxability may apply with meals; therefore, it would have to be considered a taxable income for the employee. He noted that he wanted a general statement in the policy to allow for review and to allow for it to be applied as needed. He noted that there were similarities between the two policies, but there was a proposed change in the first one regarding employees receiving a car allowance. He explained that it previously stated that employees receiving a car allowance would not receive reimbursement for mileage when the travel destination was within the Tri-County area. He said that it was now modified to pick up at the Tri-County area line; therefore, the travel would have to be outside of the Tri-County area and the County line would be where the mileage would be proposed to pick up with map technology. He stated that the IRS rate would apply for personal vehicle use was the same, and City vehicles should fill up at the Public Works area prior to traveling. He explained that previously, rental vehicles were under limited circumstances; however, there could be circumstances where a rental vehicle was a more economical option. He stated that State contract pricing was identified as a method to use as well. He explained that coach fares for airplane, train and bus was carried over, and a section was added for employees carpooling, which allowed the cost to be divided depending on the employee's particular budgeted travel accounts. City Manager Smith mentioned lodging and said that the City did provide exceptions for Class C, to be approved by the City Manager unless it was a Commissioner, City Manager, City Attorney or City Clerk, in which case the Commission would make the approval. He added that more details were included regarding fees for other charges that ended up being the responsibilities of the traveler, which could be placed on their personal credit card and was no longer considered tax exempt at that point. He explained that instead of flat dollar amounts for the different meals or per day, the proposal was to shift to the United States (US) General Services Administration (GSA) table that actually outlined different areas by City and attached a particular rate. He added that there was also a minimum rate as well. He explained that if paying below or at the minimum rate, there was no taxability issue regarding the amount, but if going above that there was a taxable rate issue. He stated that the table was updated by the GSA annually. City Manager Smith noted that the original policy was dated from 2012, and employees would complete a reimbursement travel form when they had reimbursable expenses. He added that supplemental documentation was also required to substantiate such. He stated that the proposed version of the policy, the traveler would complete a post travel form that would indicate their actual expenses and would submit receipts except for per diem, meal receipts. He noted that the forms were not yet established; however, the pre-travel form was currently being used. He said that the post travel form could be simplified, and if the City owed money, the employee would be paid back or if the employee owed money, the City would be paid back. He explained that different payment methods were not specified in the original policy. He stated that the procurement card was now available for authorized expenses and personal credit cards were discouraged. He noted that vendor checks could still be provided if the vendor did not take credit cards. He added that amounts below \$50 could be handled through petty cash, and above \$50 would be handled with a check request. He stated that the proposed policy was more in-depth than the current policy. He noted that Staff reviewed policies from other Cities for references.

MAYOR RUZZANO asked whether the reason for revising the policy was for tax reasons.

CITY MANAGER SMITH said that was one issue; however, it was for the Commission's consideration. He noted that additional items were added that were not in the original policy. He clarified that the existing policy was from 2012, and he did not know what existed before that. He noted that there was a section in the City Code that covered some information regarding travel expenses. He said that if necessary, adjustments

could also be made to the Code.

COMMISSIONER PEERMAN mentioned her trip down to Miami where the City Manager could not spend the night. She said that she looked into the policy and determined that the employees were not offered ways to get certified and have classes, which was why she asked to have the policy changed. She stated that she was frustrated with the new policy, because it had been two years in review. She added that she had a number of issues with the policy. She explained that she had no problem with using the IRS per diem. She stated that she had problems with having to submit two weeks prior to a scheduled travel, because sometimes two weeks was not available. She said that the receipt and after travel forms were making it more difficult on the employee to travel. She felt that having the employee fill out forms after traveling was a trust issue. She said that there was no logic, until someone broke that trust. She stated that employees would now have to fill out double forms, because they had to submit forms before traveling for expenses, food, mileage, lodging and tolls, and then had to fill out additional forms when returning to prove what they spent on the trip. She added that the parking was usually self-parking at a discount rate, but sometimes there was no parking available. She stated that she did not want the statement that an authorized traveler must complete a travel waiver form. She explained that if someone was traveling with her in her car, it was nobody's business because her private insurance covered that. She felt that private people in someone's life should not have to be questioned or open to public records requests. She added that she should not have to explain why she may need a traveler to drive with her. She stated that if the City was not paying anything for that person, she should not have to fill out a waiver.

CITY MANAGER SMITH said that was discussed with Staff and he did not disagree. He stated that it could be applicable if it was a City car or a City paid rental car. He agreed that if a personal car, the change could be made.

MAYOR RUZZANO asked how the rentals worked.

CITY MANAGER SMITH explained that the rental car would be paid by the City with the City's insurance; therefore, the travel waiver form would be completed.

COMMISSIONER PEERMAN felt that telling the City who was traveling was information the City did not need to know.

MAYOR RUZZANO asked what would happen if he was traveling with his family and had an accident.

CITY MANAGER SMITH said that with the State contract program may have the liability insurance already built into that, but he would verify that. He stated that if not, it would be the responsibility of the City or the additional insurance could be purchased if not included.

COMMISSIONER PEERMAN said that the Class C travel per diem and meal reimbursement was not authorized for Class C travel. She asked whether she would have to pay for her lunch herself if she was going to a class in Fort Lauderdale for eight hours with a break for lunch.

CITY MANAGER SMITH stated that meal expenses could be authorized by the City Manager, if it was not already built into the conference registration.

COMMISSIONER PEERMAN said that according to the Health Insurance Portability and

Accountability Act (HIPAA), she could not be asked what she could or could not eat. She stated that if it was built in, but was bagels and donuts, she could not eat that. She mentioned having to eat six meals a day and not being able to eat a box lunch.

CITY MANAGER SMITH explained that under the meal expenses section, it was addressed that the City Manager's office could authorize exceptions for dietary restrictions.

COMMISSIONER PEERMAN said that required her to be asked about what she could or could not eat.

CITY MANAGER SMITH said that it was not necessary for her to provide the details of what she could eat. He stated that if it was coming through on every request, it would have to be looked at differently.

COMMISSIONER PEERMAN stated that she would never drive a City vehicle and was more comfortable driving her own vehicle, though some departments did that a lot. She read that tolls, parking, taxi and shuttle bus fees would be reimbursed at actual cost and must be documented with receipts and must be attached to the required form, which was the form she felt nobody should have to fill out. She stated that she would have to provide a copy from her Sun Pass account to show what she paid for tolls, which then became public record. She reiterated that all of the forms were filled out prior to the travel; therefore, she felt they should not have to be filled out again. She also read that if a seminar or conference included breakfast, lunch or dinner, the employee would not receive per diem for those meals; however, if the information was not available prior to the seminar or conference, per diem would be provided. She explained that many times the breakfast included is bagels and donuts, which was not breakfast for a Diabetic. She stated that lunch was sometimes buffet style with things people could not eat. She added that she also had to eat six times a day and might have to go get something healthy elsewhere, because the food at the hotels was extremely expensive.

COMMISSIONER SIMONE noted that sometimes the hotels ran out of food during the conferences.

COMMISSIONER PEERMAN said that she asked for an easier, simpler policy. She asked that it be made easier for employees to attend classes to become certified. She felt that the issue was a matter of trust. She read that after completion of the travel, if there were funds due to the City the employee must attach a personal check made payable to the City of Margate for the total amount due within two weeks. She stated that she was not giving the City of Margate a signed check, open to public records, with her signature. She said that she would hand the City repayment in cash. She again stated that it should have been made simpler for the employees, but it was not.

CITY MANGER SMITH said that repayment in cash would not be a problem.

MAYOR RUZZANO questioned how many people traveled in a month.

ASSISTANT TO THE CITY MANAGER ADAM REICHBACH estimated that there were about 5 to 7 a month.

MAYOR RUZZANO asked whether this was coming up because it was a financial issue.

CITY MANAGER SMITH said that it was not a financial issue with regard to the reimbursement to the employees. He noted that under the current policy the employees

had the opportunity for per diem and their expenses would be paid. He noted that this was a more detailed policy with additional provisions than the current policy; however, it would expand the area providing for reimbursement for the overnight lodging. He noted that providing documentation of what the tolls would be could be considered sufficient.

COMMISSIONER PEERMAN stated that the receipts were received by the City Clerk's office in an email or by the Commissioners bring the receipts back, which she felt was not the problem; however, the next step of putting that information on another piece of paper and sending it to Finance was already done. She added that the Departments would have to do so much paperwork, they were not going to want anybody to go get certified. She mentioned getting \$5 a day extra for incidentals; however, she never received it.

CITY MANAGER SMITH said that was under the new policy.

COMMISSIONER PEERMAN stated that she only wanted exactly what it would cost for her tolls, gas, hotel, food and parking.

CITY MANAGER SMITH explained that he understood Commissioner Peerman; however, the new procedure gave a system for closing out the travel with the final form. He said that if the Commission wanted to handle that a different way, he would adjust it.

MAYOR RUZZANO noted that the City Manager initially stated that this was being done for tax reasons, but he felt it was easier to have the paperwork submitted in the beginning, rather than doing a lot of post paperwork. He felt that it seemed like it would hold people back from traveling, because they might feel intimidated. He agreed that it was a trust issue. He questioned what happened if the employee received money to drive on Sun Pass, but took I-95.

CITY MANAGER SMITH said that if it was an egregious issue there would be a warning or disciplinary type action taken.

MAYOR RUZZANO said that it all came down to trust, and he mentioned that the policy prohibited buying liquor.

COMMISSIONER PEERMAN said that if allotted \$60 for dinner, the employee should be able to purchase whatever they wanted to.

CITY MANAGER SMITH said that he did not want the receipts to track dinner payments.

COMMISSIONER PEERMAN explained that if given \$30 for dinner, what did the City care what she ate, where she ate it or how she ate it. She said that she needed six meals a day, but figured out how to do that within the designated amount of money.

CITY MANAGER SMITH noted that the time frame of 6:00 AM to 8:00 AM was the timeframe where the employee was eligible to receive allocation for that meal when traveling, but it was not to designate what time the individual had to eat during that time. He explained that the closeout form did not have to be complicated. He said that form might be wanted if there was a reimbursement needed either way, to the employee or to the City. He stated that he would want to get documented expenses to the extent that it was possible. He explained that if something could not be documented, something from the employee could be considered. He noted that the most important was the hotel bill for record keeping purposes.

COMMISSIONER PEERMAN said that would go to the department.

CITY MANAGER SMITH felt that a system needed to be in place.

COMMISSIONER PEERMAN stated that this was a policy and not a system. She explained that the system was whatever was made up after the policy was made.

COMMISSIONER SIMONE stated that she understood accountability; however, she did not disagree with Commissioner Peerman. She asked how carpooling with another Commissioner from another City would be handled.

CITY MANAGER SMITH said that if it was somebody from outside the City, the City's position would be that it was the other City's responsibility to handle that, because their City should be paying their travel expenses.

COMMISSIONER SIMONE stated that in some Cities the Commissioners did not receive travel expenses. She said that if traveling with a Commissioner from another City for safety purposes, and that Commissioner was not being paid by their City, she wanted to be able to give that Commissioner some money.

CITY MANAGER SMITH said that he understood; however, he could not recommend doing that.

COMMISSIONER PEERMAN said that the City would save money by allowing other Cities to split the travel when traveling to the same places.

CITY MANAGER SMITH noted that the Code had a section indicating that travelers would not be allowed mileage or transportation expense when transported by another person.

COMMISSIONER PEERMAN stated that it did not make any sense at all.

CITY MANAGER SMITH stated that he did not recommend that the City pay for a Commissioner from another City's travel expense.

COMMISSIONER PEERMAN said that it was not right or fair.

COMMISSIONER SIMONE stated that it was a safety issue, because she personally did not like traveling to Orlando by herself. She felt that a woman traveling for three hours was a safety issue. She mentioned that the last time she came back from Orlando her tire pressure gauge went off, which made her panic, because there was no service plaza to pull over to. She said that if she could travel with someone else who was going to the same conference, she preferred that.

CITY MANAGER SMITH said that he understood and he would not be restricting traveling, but the recommendation was not to get paid for mileage.

COMMISSIONER PEERMAN asked whether Commissioner Simone would be paid for the mileage portion of her travel, if traveling with another Commissioner from another City.

CITY MANAGER SMITH recommended that she not be paid for the mileage, but would be paid for the rest of the conference.

COMMISSIONER TALERICO said that if it was a personal issue for Commissioner

Simone to not want to travel alone, and the other Commissioner was using their own vehicle, but their City was not reimbursing them, he felt the other Commissioner was doing Commissioner Simone a favor.

MAYOR RUZZANO stated that if she used her own car she would still not be paid.

COMMISSIONER TALERICO said that as long as the Commissioner was riding with Commissioner Simone, she would still receive mileage for her vehicle.

COMMISSIONER PEERMAN felt that if the other Commissioner was using his car, Commissioner Simone should then receive half of her travel paid for.

MAYOR RUZZANO asked why it would only be half.

COMMISSIONER PEERMAN explained that it was because they were splitting the cost of going together.

COMMISSIONER TALERICO asked how the Commission wanted this done, because some transparency was needed. He clarified that if splitting the ride, half of the mileage money would have to be given back to the City.

COMMISSIONER PEERMAN said that the Commissioner would not ask for the whole amount, but would only ask for half.

CITY MANAGER SMITH said that it was up to the individual if they did not want to turn in a request for mileage reimbursement.

COMMISSIONER TALERICO questioned whether the Commissioner would get the whole mileage reimbursement if traveling with another Commissioner whose City did reimburse.

COMMISSIONER PEERMAN mentioned that some other Cities did half, and she mentioned Cooper City.

CITY MANAGER SMITH said that he could look into that particular policy.

COMMISSIONER SIMONE said that she wanted the matter be looked into.

CITY MANAGER SMITH said that if that was the direction the Commission wanted to go with the issue, he suggested that there be a process where the other City indicated they were paying for half and Margate would pay for half, which would prevent any overpayment. He added that other things would need to be adjusted along those lines.

COMMISSIONER SIMONE referred to Section 5B, regarding employees receiving car allowances or using a City vehicle not receiving mileage reimbursement when the destination was within the Tri-County area, which she had no problem with. She stated that she did have a problem with employees receiving mileage reimbursement when traveling from the Tri-County line to the destination, when they were receiving a car allowance. She explained that the City gave \$300 to \$400 a month to have a car allowance, which provided a lot of gas. She felt it made no difference in the County or out of the County, and that they should not be receiving mileage reimbursement for outside the Tri-County area when they already receive a car allowance. She felt that it was paying the employee double.

COMMISSIONER TALERICO asked whether the government allowed mileage

reimbursement for City business, even though a car allowance was provided.

CITY MANAGER SMITH stated that the Commission could choose to provide a lesser level for traveling outside the normal area. He noted that the draft policy kept that provision in; however, if the Commission wanted it handled differently, it could be changed.

COMMISSIONER SIMONE felt that \$300 to \$400 was steep for a car allowance; therefore, paying for travel as well as a lot of gas money.

COMMISSIONER PEERMAN asked whether the City Manager received his gas from Public Works with the City vehicle.

CITY MANAGER SMITH said that for a non-City vehicle, he did not.

COMMISSIONER TALERICO stated that the \$300 or \$400 could be used for a car payment or whatever the employee wanted.

COMMISSIONER SIMONE did not understand why the City was giving a mileage reimbursement when the employee was already receiving \$300 to \$400.

COMMISSIONER TALERICO said that it was for wear and tear on the car when traveling outside of the area.

MAYOR RUZZANO suggested postponing this conversation for another Workshop, and he asked whether there were any proposals.

COMMISSIONER PEERMAN proposed removing the items the Commission discussed tonight and look at the policy from the point of a City that trusted its employees.

MAYOR RUZZANO agreed and did not want to hold back the employees.

COMMISSIONER PEERMAN noted that she never received anything from the City for IRS Travel.

CITY MANAGER SMITH said that it would be built into the wages if applicable. He further explained that if it was a non-accountable travel expense there would be a taxable travel expense.

MAYOR RUZZANO asked for an example.

CITY MANAGER SMITH said that getting paid for the local meal that was not outside of the area would be an example. He proposed that revisions be made based on the Commissioner's input tonight. He said that for those items that did not have a clear direction, he could indicate those as an either/or provision and the Commissioner could agree to the particular items.

CITY ATTORNEY EUGENE STEINFELD said that what was determined with the previous Commissions was that the honor and trust issue was abused.

COMMISSIONER PEERMAN said that she was not talking about the past, but was referring to the present.

CITY ATTORNEY STEINFELD noted that Commissioner Peerman wanted to go on the

basis of trust until it was found out that they could not be trusted. He stated that was done and it was abused.

COMMISSIONER PEERMAN said that it continued to be abused because nobody took care of the problem. She assumed that this administration was not going to do the same as the last administration.

CITY ATTORNEY STEINFELD stated that the City needed to build checks into the system.

COMMISSIONER PEERMAN said that there were checks in the policy; however, this was double paperwork.

MAYOR RUZZANO stated that the Commission was in agreement that it was more paperwork.

ADJOURNMENT

There being no further business, the meeting adjourned at 7:02 PM.

Respectfully submitted,

Transcribed by Carol DiLorenzo

Joseph J. Kavanagh, City Clerk

Date: _____