

## **MEMORANDUM**

To: Honorable Mayor & Village Council  
From: David Fieldman, Village Manager  
Re: Village Council Travel and Training  
Date: February 2, 2012

At a recent Village Council meeting, the Council requested a review and discussion of the Village Council Travel and Training policies and practices. Currently, there is no policy regarding Council travel and training. A draft policy was presented and discussed by the Finance & Administrative Committee in 2008. Attached please find the 2008 draft policy along with the minutes of the January 21, 2008 and May 12, 2008 Finance & Administrative Committee meetings.



General guidelines for application of this policy are as follows:

### **MEETINGS AND EVENTS EXPENSES**

All direct costs and/or reimbursable submissions shall be borne by the Village and shall generally include and be eligible for such items as the following:

- (1) Attendance at Statutory and Advisory meetings and other gatherings pertinent to the business and governance of the Village of Downers Grove. Such permitted events, gatherings or meetings include, but may not be limited to the following:
  - a. National League of Cities Annual Conference
  - b. DMMC Monthly Conference Dinner
  - c. Springfield Drive Down
  - d. Illinois Municipal League Conference
  - e. Annual Chamber Black and White Ball
  - f. Events where Mayor or Council is honored
  - g. Good Samaritan Foundation Annual Event
  - h. Planning Seminars
  - i. Seminars that would enhance Council's ability to be effective
  - j. Communication Seminars
  - k. Regional or State Conferences covering relevant issues

Council Members seeking to attend events not stated in the above list should submit a request to the Village Council for approval. The activity may be submitted to Council by the Village Manager via email for informal approval. If approval of the activity is not obtained through this method, the Mayor will contact Village Council Members individually for discussion of the event.

(2) No more than three (3) Village Council Members shall attend the same out-of-state events in one year.

(3) Direct and/or indirect participation with individuals, groups meetings and gatherings within the community that are related to an elected official's responding to, showing accountability for governance, and/or where such presence of the elected official(s) serves the interest of representing the public constituency of the Village (i.e., Homeowners' Meetings, Neighborhood Groups, Village Recognition Dinner).

(4) Elected officials' membership dues for organizations and costs associated with attendance at seminars, meetings and associated gatherings which shall enrich, educate, enable, be interactive and/or foster a better and tangible resulting level of governance and accountability in

service to the Village (i.e., DuPage Mayors and Managers, IML Conferences and Meetings, Chamber of Commerce events, Government Seminars and Training Symposiums).

(5) Official and/or customary presence of elected officials at functions and events held within and/or supportive to the community.

(6) Where the meeting or event in question is one in relation to which attendees' spouses are welcome, the expenses relative to an added participant, in addition to the expenses relative to the elected official, will be borne by the elected official.

(7) Direct and/or reimbursable costs associated with attendance at meetings and events should specifically be limited to charges for attendance, enrollment, participation, and meals as part of an overall function. Costs for alcoholic beverages, raffles, auctions, solicitous contributions/donations and such like ancillary costs are expressly prohibited for purposes of attribution as a Village allowable expense(s).

#### **TRANSPORTATION AND TRAVEL EXPENSES:**

(1) All direct costs and/or reimbursable submissions associated with distant travel, including airfare and ground transportation, shall be borne by the Village, up to each individual Council Member's maximum yearly travel and training allotment of \$1,500.

(2) For Council Members attending the out-of-state National League of Cities (NLC) Annual Conference, each attending Council Member will be provided with a maximum reimbursement amount of \$1,500 for the event which will be separate from the Council Member's annual travel and training allotment. The combined travel and training allotments for Council Members attending the NLC Annual Conference shall not exceed \$3,000 unless extenuating circumstances exist.

(3) Council Members shall not exceed their maximum yearly travel allotment unless extenuating circumstances exist. In these cases, Council Members may either seek Village Council approval for a one time travel allotment increase, or costs in excess of the travel budgets may be paid for by individual Council Members. Transfer of travel funds between Council Members shall not be permitted.

(4) Local mileage as reasonably submitted and documented for attending meetings and attendance at other functions shall be set at the most current allowable rate based upon the Standard Mileage Allowance issued by the Internal Revenue Service.

(5) For events and seminars requiring overnight travel, meals should be paid by the Council Member's choice of either an IRS per diem allotment, or reimbursement with actual receipts up to a maximum amount of:

- Breakfast: \$10.00
- Lunch: \$10.00
- Dinner: \$30.00

### **OFFICE AND OPERATING SUPPLIES AND EQUIPMENT EXPENSES**

(1) All direct costs and/or reimbursable submissions associated with providing equipment for use by elected officials shall be borne by the Village which shall retain ownership of such equipment. While subject to ever-changing technologies and personal preference for optional use by individual elected officials, such equipment may include: answering machines, paging beepers, all purpose facsimile machines, on-line modems, printers, even the potential for computer hardware-software packages.

(2) All direct costs and/or reimbursable submissions associated with providing Office and Operating Supplies for use by elected officials shall be borne by the Village. Subject to the personal preference for optional use by individual elected officials, such office and operating supplies should be prudently applied to the generics of pencils, pens, staplers, paper clips, envelopes, letterhead and general stationery, business cards, note pads, response cards, maps, constituency data, etc.

(3) All direct costs and/or reimbursable submissions associated with Office Expenses for use by elected officials shall be borne by the Village. Subject to the personal preference for optional use by individual elected officials, such office expenses should be prudently applied to the generics of governmental subscriptions and literature, copying, printing, postage, distribution, etc.

Specifically prohibited for inclusion by this policy will be any Village participation, direct, indirect, and/or reimbursable submissions relative to retention and/or election of any elected official nor referendum question of public policy. Therefore subject to administrative approval for content, the Village shall not provide any elected Village official any direct or indirect costs of Office and Operating supplies, particularly the generics of copying, printing, postage, distribution, etc. for a period of sixty days prior to any election of a Village official or referendum question of public policy.

(4) Telecommunication expenses for elected officials shall be borne by the Village to the extent as reasonably submitted and documented by the

individual elected official. Generally guidelines for accountability and prudent judgment should dictate applicability of such expenses.

Specifically prohibited for the inclusion by this policy will be any Village participation, direct or indirect, relative to retention and/or neither election of any elected official nor referendum question of public policy. Therefore, for a period of sixty days prior to any election of a Village official or referendum question of public policy, the Village administration shall maintain a review for prudent calculations and averages so as not to provide any elected Village official with telecommunication expenses beyond reasonable past experiences of the requesting elected official.

(5) Subject to the personal preference for optional use by individual elected officials, and prudent application for such direct requests and/or reimbursement, shall be the matter of apparel. It has been noted in past practices that elected officials may be called upon to participate in certain “uniformed” appearances any may have an on-going desire to promote the wearing of identifiable Village logo apparel. Such direct costs and/or reimbursements shall be equally scrutinized and should be limited to unique uses and where the presence of elected officials are generally noted to be for public exposure purposes.

#### **SUBMISSION, REVIEW AND APPROVAL PROCESS:**

(1) It has been the practice of elected officials to individually opt to see or not seek reimbursements and/or direct payments and/or purchases based upon specific events and/or expenses incurred. Historically, elected officials have not sought reimbursement for expenses. That option still remains solely the discretion of any individual elected officials. However, henceforth, for purposes of administrative control and guidelines of this policy the following should apply:

(a) Submissions for reimbursement(s) of expenses should be made by the elected official with an appropriate statement of eligibility and/or attached documentation delineating the items for reimbursements, be done in a timely fashion commensurate by one of the following: 1) monthly, 2) quarterly, 3) calendar or fiscal year.

(b) Submissions for direct payments of expenses and/or purchases should be made in accordance with the established Village purchasing procedures.

(2) The Village administration shall review all submissions for reimbursement and/or requests for direct payments and/or for purchases; and shall consider prudent judgment, fiscal management and accountability, the intent of this policy, and other applicable statutory

regulations in reviewing all submissions by elected officials. The administrative review shall be concluded by:

- (a) Processing the submissions for approval through regular procedures;
- (b) Referring the submissions for additional information back to the elected official;
- (c) Independently polling the elected officials for concurrence with regards to an unusual question and/or submission and/or high reimbursement and/or direct payment and/or purchase.

(3) An administrative recommendation for approval of items herein covered shall be appropriately placed on a Village Council Agenda for final approval in the regular manner as all other items. An administrative recommendation for denial of items herein covered may be brought forth by the affected elected official and shall be placed on a Board of Trustees Agenda under item for separate action and/or discussion.

**IV. Legislations/Documentation:**

- (A) Past Practices as Approved by the Village Council
- (B) Legal Opinion of the Village Attorney
- (C) Internal Revenue Service Codes
- (D) Adoption of Policy and Village Code Revisions





**VILLAGE OF DOWNERS GROVE  
FINANCE AND ADMINISTRATIVE STANDING  
SUB-COMMITTEE OF THE VILLAGE COUNCIL  
MEETING  
LAW LIBRARY  
DOWNERS GROVE VILLAGE HALL  
January 21, 2008**

**Present:** Chairman, Commissioner William Waldack, Commissioner Sean Durkin, Village Manager Cara Pavlicek, Deputy Village Manager Dave Fieldman, Finance Director Judy Buttny and Management Analyst Brandon Dieter

**I. APPROVAL OF PRIOR MEETING MINUTES: OCTOBER 15, 2007**

Commissioner Waldack amended the minutes under New Business: Council Travel & Reimbursement Policy. Change the last sentence in the second paragraph from “Commissioner Waldack said the Commission may want to throw out the option” to “Commissioner Waldack said the Commission may want to make the option available to the Council.” A motion to accept the amended minutes was made by Commissioner Waldack and seconded by Commissioner Durkin. All Ayes.

**II. NEW BUSINESS: CASH AND INVESTMENT PROGRAM**

Finance Director Buttny presented the proposed Cash and Investment Program. Currently, when the Village has funds available for investing, all investments are made through PMA Financial Network, Inc, the Village’s investment advisor. Staff is recommending expanding the universe of qualified financial institutions to bid on the Village’s investments. Staff believes that by creating a competitive bidding process the Village should receive the highest available return. Finance Director Buttny also presented the Request for Qualification (RFQ) for this program, and the List of Institutions to receive the RFQ. In addition, the Committee was informed that Staff plans on updating the current Cash Management and Investment Policy for approval by the Village Council.

Commissioner Durkin cautioned staff to include rate, yield and interest earned on the bid sheets, so staff could make an accurate comparison between bids.

Commissioner Waldack asked why staff is proposing to bring this process in house at this time. Finance Director Buttny responded that the Finance Department is now staffed with individuals that have this expertise. Commissioner Waldack also asked if a Glossary could be included with the investment policy to clarify the terms used.

In the original RFQ prepared by staff, the amount of collateral required was set at 102%. Commissioner Durkin suggested that 110% would be better for the Village. Commissioner Durkin also suggested including that staff asks for banks ratings and for the last two years of call reports in the RFQ. In addition it should be clarified in the policy that collateral not only cover the principal amount, but also the interest.

Commissioner Waldack suggested that staff have the Village’s auditors review the investment policy before it is brought to the Village Council.

**III. COUNCIL TRAVEL & REIMBURSEMENT POLICY**

The Committee reviewed Council's responses to the Council Travel Reimbursement Policy Survey. Commissioner Waldack stated that he would like to see a Village Council policy drafted which incorporates both the results of the survey and the format of the Village of Lombard policy. The Committee agreed the Travel Reimbursement Policy should include the following items based on the survey results:

- A list of permitted activities

- A statement that non-listed activities should be submitted to Council for approval. The activity may be submitted to Council by the Manager via email for informal approval. If approval for the activity is not obtained, the Mayor will contact Council members individually for discussion.

- For events and seminars that require overnight travel, meals should be paid by Council's choice of either reimbursement with actual receipts up to a maximum amount, or, an IRS per diem allotment

- Seminar, travel, and events should be budgeted in a lump sum for all members
- Each Council member should have pre-established budgeted amounts for travel

- No transfer of travel funds between members

- Amounts in excess of travel budget may be paid out of Council Member's own pocket

- Some events should be budgeted for all members with a discretionary budget amount set for each member

- Council Members should not receive more than \$3,000 per year for travel, unless extenuating circumstances

- No more than 3 Council Members should attend the same out-of-state events in one year

- Office and operating supplies for Council Members

- Payment of mileage for travel outside of certain parameters (to be determined)

- The event list should include the following:

  - National League of Cities: Out of State Conference

  - DMMC Monthly Conference Dinner

  - Springfield Drive Down

  - Illinois Municipal League Conference

  - Annual Chamber Black and White Ball

  - Events where Mayor or Council is honored

  - Good Samaritan Foundation Annual Event

  - Planning Seminars

  - Seminars that would enhance Council's ability to be effective

  - Communication Seminars

  - Regional or State Conferences covering relevant issues

The Committee felt that Council should discuss whether Commissioners should be able to use their own budgeted amount to determine their own list of "approved activities" within guidelines.

#### **IV. PUBLIC COMMENTS**

There were no public comments.

#### **V. ADJOURNMENT**

A motion to adjourn was made by Chairman Waldack at 5:20 p.m. and Seconded by Commissioner Durkin. All ayes. Motion approved.



**VILLAGE OF DOWNERS GROVE  
FINANCE AND ADMINISTRATIVE STANDING  
SUB-COMMITTEE OF THE VILLAGE COUNCIL  
MEETING  
ANTE ROOM  
DOWNERS GROVE VILLAGE HALL  
MAY 12, 2008, 3:00pm**

**Present:** Chairman, Commissioner William Waldack, Commissioner Sean Durkin, Deputy Village Manager Dave Fieldman, Finance Director Judy Buttny and Management Analyst Brandon Dieter

**Guest:** Tim Sharpe, Actuary  
Tim Meany

**I. APPROVAL OF PRIOR MEETING MINUTES: 1-21-2008**

Minutes approved as presented

**II. NEW BUSINESS: ACTUARIAL REPORT**

Finance Director Buttny introduced Tim Sharpe, actuary for both police and fire pension boards, to give an overview of the funds and the levy process. Mr. Sharpe mentioned that statute dictates funding levels for the Police and Fire pension funds. The funding levels are based on several assumptions including interest rates, salaries, and life expectancy. The major purpose of the actuarial report is to attempt to capture the cost of an employee while he/she is employed by the Village

Both funds together have assets totaling approximately \$60 million, with annual payouts totaling approximately \$3.0million. This translates into 20 years of benefits.

Commissioner Waldack asked why the pension funds are not 100% funded. Tim responded by stating that as long as the Village continues to meet its funding obligations, the pensions will approach 100% funding. Tim continued by stating that the important factor to watch regarding the health of the pension funds is the Village's net pension obligation (NPO). The NPO is the cumulative difference of the annual pension cost and the employer's contribution. Ideally, the Village would like to see the NPO either equal to zero or negative. Currently, the Fire Department NPO is roughly zero, and the Police pension NPO is approximately (\$900,000).

The pensions receive funding from three sources: earnings on investments, employee contributions and the Village's contribution through the tax levy. Several assumptions are made in calculating the Village's contribution, including employee salaries, life expectancy, retirement age and interest rate which is 8%. Currently, the five year returns for the Fire pension investment funds are 7.75% and the ten year returns for the fund are 8.21%. The five year returns for the police pension investment funds are 7.15% and the ten year returns are 7.00%.

Commissioner Durkin stated that a high return rate is necessary to break even with the pension fund contributions and asked what would be the benefit / cost of reducing the Village's rate of contribution. Tim Sharpe responded by stating that there is no fixed contribution rate. The Village must levy an amount determined by an actuary.

In some municipalities the actuary is hired by the municipality, in others the actuary is hired by the pension boards. In Downers Grove the actuary is hired by the Boards. Changes in assumptions, currently controlled by the boards, could have a material impact on the levy. The responsibilities of the pension boards is administering and investing pension funds.

Dave Fieldman mentioned that when the Council approves the budget, it is also approving the tax levy recommended by the respective pension boards

Commissioner Waldack asked what happens when workers leave. Tim Sharpe stated that retirements have no impact to the Village. The only costs to the Village are when an employee goes on disability.

Commissioner Durkin asked if the Village should look at pension funding during union negotiations. Tim Sharpe responded by saying that any increase in pay will also increase pension costs.

### **III. COUNCIL TRAVEL & REIMBURSEMENT POLICY**

The Committee then discussed the draft Council Travel and Reimbursement Policy.

Commissioner Durkin requested that the Social Security Number information be removed from the Travel Reimbursement form. Brandon Dieter will remove that portion of the form.

The Committee stated they were happy to take the National League of Cities annual event removed from each commissioner's annual travel fund. The attendees to the NLC event would be approved separately and each attendee would be provided with NLC travel expenses as determined by Council in addition to their annual travel account. .

### **IV. PUBLIC COMMENTS**

Tim Meany spoke on the IDHA program and stated that he would like to see the program move to stabilize the housing market in Downers Grove, particularly on the lower end of the housing scale. He continued by stating that IDHA can contribute to the approach that by helping people get into attainable homes the Village can preserve neighborhoods and housing values.

Commissioner Durkin responded by saying that the IDHA program would be fully addressed by the Village Council at their next meeting, and the Finance and Administrative Standing Committee is not the proper forum in which to discuss the IDHA program.

### **V. ADJOURNMENT**

A motion to adjourn was made by Chairman Waldack at 4:28 p.m. and Seconded by Commissioner Durkin. All ayes. Motion approved.