

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

Larry Haugh
DEPT: Auditor-Controller

BOARD AGENDA # *B-10

Urgent

Routine

AGENDA DATE July 1, 2008

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval to Increase the Employee Mileage Reimbursement Rate to 58.5 Cents Per Mile Effective July 1, 2008

STAFF RECOMMENDATIONS:

Authorize an increase to the Employee Mileage Reimbursement Rate to 58.5 cents per mile effective July 1, 2008.

FISCAL IMPACT:

The Internal Revenue Service has announced an increase from 50.5 cents to 58.5 cents per mile in the optional standard mileage rate for the final six months of this calendar year. This rate is used by the County as the benchmark for mileage reimbursement to employees who use their personal vehicles on County business. Based on the first six months of this year, it is estimated that the additional per mile cost will be approximately \$50,000 through December 31, 2008, for all County departments. Of this amount, the additional expense to the General Fund is projected to be less than \$6,000.

BOARD ACTION AS FOLLOWS:

No. 2008-509

On motion of Supervisor Grover, Seconded by Supervisor DeMartini
and approved by the following vote,

Ayes: Supervisors: O'Brien, Grover, Monteith, DeMartini and Chairman Mayfield

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION:

Christine Ferraro

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

Approval to Increase the Employee Mileage Reimbursement Rate to 58.5 Cents Per Mile Effective July 1, 2008

DISCUSSION:

Historically changes to the mileage rate are announced by the Internal Revenue Service to be effective each January 1. In recognition of recent gasoline price increases, the Internal Revenue Service (IRS) has made a special adjustment for the final 6 months of this calendar year. Given the increase in prices, the IRS is adjusting the standard mileage rate to better reflect the real cost of operating a vehicle.

While gasoline is a significant factor in the mileage figure, other items enter into the calculation of the mileage rate, such as depreciation and insurance and other fixed and variable costs. The optional standard mileage rate is used to compute the deductible costs of operating a vehicle for business use in lieu of tracking actual costs. This rate is also used as a benchmark by government agencies and many private businesses to reimburse their employees for mileage.

Most labor agreements with the County specify that the County will reimburse mileage at the IRS rate as established each January. It is rare for the IRS to adjust the reimbursement rate in the middle of a calendar year, and therefore the County labor agreements do not specify a process for mid-year adjustments. One County labor agreement for the Registered Nurses Bargaining Unit does include language which would require the County to make mid-year adjustments for their members based on changes in the current IRS mileage reimbursement rate. The recommendation to adjust the mileage reimbursement rate will ensure that all employees receive the same reimbursement amount and maintain consistency with the most recent IRS guidelines.

POLICY ISSUES:

In evaluating this request the Board may consider whether it enhances the stated priority of efficient delivery of public services.

STAFFING IMPACT:

There is no staffing impact associated with this item.