

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

514



**FROM:** Human Resources Department

**SUBMITTAL DATE:**  
June 29, 2009

**SUBJECT:** County of Riverside County Vehicle Program Rates

**RECOMMENDED MOTION:** That the Board of Supervisors 1) Authorize a 15% passenger rate increase to the County Vehicle Program (the "Program") effective July 1, 2009 (Attachment A) and an annual transfer of \$100,000 South Coast Air Quality Management District (AQMD) funds to pay for a portion of the program's operating expenses; 2) approve the establishment and maintenance of a target 5% reserve fund for the County Vehicle Program and authorize the use of the reserve fund to cover program expenses in times when cost increases temporarily exceed program revenue; 3) authorize Human Resources in collaboration with Fleet Services to periodically, no less than annually and no more than quarterly, review and set County Vehicle Program passenger rates; and 4) approve and direct the Auditor-Controller to increase appropriation authority and increase estimated revenue in the Human Resources budget at outlined in Attachment A.

(Continued)

Ronald W. Komers  
Asst. County Executive Officer/Human Resources Dir.

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	Yes
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2009/10

<b>SOURCE OF FUNDS:</b> South Coast Air Quality Management District (AQMD) and participant rates	<b>Positions To Be Deleted Per A-30</b>	<input type="checkbox"/>
	<b>Requires 4/5 Vote</b>	<input checked="" type="checkbox"/>

**C.E.O. RECOMMENDATION:** APPROVE

BY:   
Elizabeth J. Olson

**County Executive Office Signature**

- Policy
- Policy
- Consent
- Consent

JUN 30 10:19

**Prev. Agn. Ref.:**

**District:**

**Agenda Number:**

**3.61**

PURCHASING & FLEET SERVICES:  
 Robert Howdysmiel, Director  
 Departmental Conference

## **BACKGROUND:**

The County Vehicle Program was first authorized by the Board in January 1991, for the purpose of reducing traffic congestion and improving air quality in the County. The program is currently funded by participants' fares and Fleet Services to the extent participant fares are insufficient to cover operating expenses. In July 2008, the program informed participants of a rate increase due to increased gas prices. On July 21, 2008, the Board of Supervisors authorized the deferral of passenger rate increases to participants of the County Vehicle Program, and directed Human Resources to examine the availability of funds received from the AQMD to partially fund the Program. At the time of the Board action, gas prices were close to the peak at \$4.65 per gallon. Since then, gas prices dipped to as low as \$1.65 per gallon in the latter part of calendar year 2008. During the month of June 2009 however, the average cost of gasoline has been \$3.00 per gallon.

The Human Resources Department examined three potential options for the County Vehicle Program. All options assume \$100,000 subsidization of AQMD funds annually, the development of a 5% reserve fund, and gas prices at \$3.15 through September of 2009. The reserve fund will be used primarily to offset short-term fuel cost fluctuations that increase program expenses over revenues, thereby smoothing future rate adjustments. The options available are listed below. The option that Human Resources recommends is Option 1 based on the analysis that was completed (please refer to Attachment B for further explanation):

**Option 1 – Self Sustaining Plan (Human Resources and Fleet Recommendation based on current gas prices):** A combination of program rate increases of 15% and additional AQMD funding of \$100,000 based on current gas prices of \$3.15. If the cost of fuel increases, members will be charged higher rates.

**Option 2 – General Fund Subsidy Plan:** A combination of a 5% rate increase, \$100,000 additional AQMD funds, and an estimated \$25,000 annual subsidy by the County General Fund.

**Option 3 – Fleet Subsidy Plan:** Under this plan a 5% rate increase will be imposed by the County Vehicle Program, \$100,000 will be provided by AQMD funds, and a continuous subsidy by Fleet Services.

The program has a total of 90 vehicles with 367 registered participants. Fleet Services provides sixty-four (64) vehicles for 266 participants. The remainder are department owned vehicles used by the program based on availability. There are seven (7) mileage zones which range from 10 to 140-plus round trip miles per day. Participants are charged a set rate based on the daily round trip miles of the vehicle for the assigned zone. Passenger rates cover maintenance and fuel costs associated with operating the vehicles in the Program. Over 100 participants are on a waiting list to join the program, and the Rideshare Office projects that as the number of vehicles in the Program are reduced due to normal wear and tear, the wait list will increase. The Assistant Director of Fleet Services has notified Human Resources that no new County vehicles can be committed to the Program until program revenue covers all operating expenses of vehicles.

Human Resources recommends periodic formal rate reviews, conducted no less than annually and no more than quarterly, to insure manageable and equitable rate adjustments.

Form 11 – County Vehicle Program Rates  
June 16, 2009  
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Upon the Board's approval, the Executive Office will transfer the additional AQMD funds to the program.

The Following attachments are incorporated with the Form 11: Attachment A illustrates the proposed monthly increases per route; Attachment B highlights all costs associated with the program as well as proposed increases and; Attachment C shows the Rideshare Program proposed budget adjustment.

County of Riverside  
 County Vehicle Program Rates

Zone	Round Trip Miles	Current Monthly Rate	August 1, 2009 Monthly Rate*	August 1, 2009 semi-Monthly Rate*
1	10-40	\$35.00	\$40.25	\$20.13
2	41-60	\$50.00	\$57.50	\$28.75
3	61-80	\$65.00	\$74.75	\$37.38
4	81-100	\$80.00	\$92.00	\$46.00
5	101-120	\$95.00	\$109.25	\$54.63
6	121-140	\$110.00	\$126.50	\$63.25
7	141 plus	\$125.00	\$143.75	\$71.88

\*Across the board 15% rate increase

County of Riverside  
County Vehicle Program  
Cost Analysis

Attachment B

County Vehicle Program Zone Number Mileage Allotment per Zone	ZONE							Total
	1 10-40	2 41-60	3 61-80	4 81-100	5 101-120	6 121-140	7 140+	

**PARTICIPANT BASELINE NUMBERS**

Number of Riders per Zone	95	85	119	45	9	11	3	367
Number of Vehicles per Zone	24	22	26	11	3	3	1	90
Riders Per Vehicle	3.96	3.86	4.58	4.09	3	3.67	3	4.08

**VEHICLE USAGE IN CV PROGRAM (AVG)**

Daily Mileage (Calculated at 90% of Max) Per Vehicle	36	54	72	90	108	126	160.9	646.9
Miles Per Month Per Vehicle	756	1134	1512	1890	2268	2646	3379	13584.9
Fuel per Month in Gallons	37.8	56.7	75.6	94.5	113.4	132.3	168.9	679.2

**FLEET EXPENSES**

Maintenance Cost Per Mile	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
Fuel Cost Per Gallon	\$3.15	\$3.15	\$3.15	\$3.15	\$3.15	\$3.15	\$3.15	\$3.15

**Cost Per Vehicle:**

Fuel Cost Per Month Per Vehicle	\$119.07	\$178.61	\$238.14	\$297.68	\$357.21	\$416.75	\$532.04	\$2,139.48
Maintenance Per Month Per Vehicle	\$75.60	\$113.40	\$151.20	\$189.00	\$226.80	\$264.60	\$337.89	\$1,358.49
Vehicle Cost Per Month Per Vehicle	\$194.67	\$292.01	\$389.34	\$486.68	\$584.01	\$681.35	\$869.93	\$3,497.97

**Cost Per Month for all Vehicles**

5% Reserve	\$4,672.08	\$6,424.11	\$10,122.84	\$5,353.43	\$1,752.03	\$2,044.04	\$869.93	\$ 31,238.45
<b>Total Cost Per Month</b>	\$233.60	\$321.21	\$506.14	\$267.67	\$87.60	\$102.20	\$43.50	\$1,561.92
	\$4,905.68	\$6,745.32	\$10,628.98	\$5,621.10	\$1,839.63	\$2,146.24	\$913.42	\$ 32,800.37

**Current Monthly Fare**

Number of Riders per Zone	95	85	119	45	9	11	3	367
<b>Total Revenue Per Month</b>	\$3,325.00	\$4,250.00	\$7,735.00	\$3,600.00	\$855.00	\$1,210.00	\$375.00	\$ 21,350.00

**Fare Increase - 15%**

Revenue After Fare Increase -15%	\$ 40.25	\$ 57.50	\$ 74.75	\$ 92.00	\$ 109.25	\$ 126.50	\$ 143.75	\$ 24,552.50
	\$ 3,823.75	\$ 4,887.50	\$ 8,895.25	\$ 4,140.00	\$ 983.25	\$ 1,391.50	\$ 431.25	\$ 24,552.50

**Proposed Additional AQMD Funding Per Month**

Total Revenue After Fare Increase & AQMD Funding	\$ 8,333.33	\$ 8,333.33	\$ 8,333.33	\$ 8,333.33	\$ 8,333.33	\$ 8,333.33	\$ 8,333.33	\$ 8,333.33
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Surplus / (Deficit) Per Month  
Surplus / (Deficit) Per Year

When gas prices are projected at \$3.15 per gallon for the next three months, Program Expenses exceed Revenue.  
A 15% across the board rate increase and additional AQMD annual funding of \$100,000, or \$8,333.33 per month is required to bring the Program back to "Break Even".

\$ 85.47  
\$1,025.59

### Attachment C

	Fund-Dept ID-Acct.	Account Description	Amount
<b>Human Resources</b>			
Increase Appropriation Authority:	22000-1130300000-528920	Car Pool Expense	100,000
	<b>Total</b>		<b><u>\$100,000</u></b>
Increase Estimated Revenue:	22000-1130300000-778000	Interfund Air Quality AB2766	(100,000)
	<b>Total</b>		<b><u>\$0</u></b>