

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

238



FROM: Human Resources Department

SUBMITTAL DATE:
November 21, 2011

SUBJECT: Rideshare County Vehicle Program Rates Calendar Year 2012

RECOMMENDED MOTION: That the Board of Supervisors 1) authorize a 10% passenger rate increase to the County Vehicle Program (the "Program") effective December 15, 2011. 2) Approve and direct the Auditor-Controller to make the budget adjustments shown on Schedule A attached.

BACKGROUND: The Program allows County employees in organized carpools to use County vehicles (when available) for commuting to and from work. The Program has a total of 87 vehicles with 400 registered participants. Fleet Services provides 68 vehicles to this program. The remaining vehicles are department owned and are used by the Program based on availability. There are a variety of vehicle types (vans, mini vans and sedans) used by the Program. Each type of vehicle assigned is based on the number of rideshare participants in a particular carpool.

Barbara A. Olivier
Asst. County Executive Officer/Human Resources Dir.

FINANCIAL DATA	Current F.Y. Total Cost:	\$36,000	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$0	Budget Adjustment:	Yes
	Annual Net County Cost:	\$0	For Fiscal Year:	2011/12

SOURCE OF FUNDS: South Coast Air Quality Management District (AQMD) and Fees charged to County Vehicle Program participants.	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input checked="" type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

BY:
Elizabeth J. Olson

County Executive Office Signature

FISCAL PROCEDURES APPROVED
 PAUL ANGULO, CPA, AUDITOR-CONTROLLER
 RUSSELL S. DOMINSKI
 12-6-11
 Departmental Concurrence

- Policy
- Policy
- Consent
- Consent

Dep't Recomm.:
Per Exec. Ofc.:

Prev. Agn. Ref.: 3.61 (7/14/09) | **District:** ALL | **Agenda Number:** 3.21

3.21

BACKGROUND continued:

The Program is currently funded by participant fees supplemented with South Coast Air Quality Management District (AQMD) funds. The Rideshare Program is the largest contributor to the County's compliance with AQMD Rule 2202, in which the County Vehicle participants account for 38% of the registered Rideshare participants.

Internal Revenue Service (IRS) Compliance: The following changes are required to comply with IRS regulations and to bring participant fees in line with rising program costs:

The Auditor Controller's Office will impute taxable income to Rideshare participants based on IRS regulations. For most participants the IRS Commuting "\$1.50 rule" will apply. Essentially, each one-way commute is valued at \$1.50. If the total value of a person's commute exceeds the amount they pay for participation in the program, taxable income will be imputed on the difference.

Participant assigned vehicles meeting the IRS vanpool requirements can currently exclude up to \$230.00 per month of imputed income from the benefit being provided and will only have imputed (taxable) income by the amount by which the fair market value of the benefit exceeds the exclusion amount plus any amount paid by the employee for the benefit. Effective January 1, 2012, the IRS is reducing the imputed income exclusion to \$125.00 per month. To qualify as a van pool, the vehicle must seat at least six (not including the driver) and the County must expect that at least 80% of the vehicle's mileage will be transporting employees to and from work with at least half of the available seats occupied by employees.

The Human Resources Department estimates that the participants impacted are primarily those who travel short distances (commute zones one and two) in a County owned sedan (not an IRS qualified vanpool) and utilize the program 15 or more days in a given month. These participants could have imputed taxable income ranging from 60 cents to 31 dollars per month (the amount increases with each day the County vehicle is used).

Participant Fee Increase: The following changes are required to bring participant fees in line with rising program costs:

Human Resources and Purchasing/Fleet Services continue to work collaboratively to keep Rideshare participant fees as low as possible. Purchasing/Fleet Services has agreed to waive their customary \$25.20 Monthly Administrative Fee for FY 2011/12. However, Purchasing/Fleet Services will begin to apply the current Board approved \$30.60 monthly "Fixed Maintenance Fee" for each vehicle in the program, as well as raising the "Maintenance Rate" for mileage to .12 cents per-mile for each vehicle which equates to a 32% increase in the overall maintenance costs of the vehicles.

In addition to the rising maintenance costs, gas prices have increased by 21% since July 2009 (the date participant fees were last revised). Unfortunately, the amount participants currently pay (see Attachment A) is insufficient to cover rising maintenance and fuel costs. Therefore, in response to the rising costs of the program, Human Resources Department proposes a 10% increase in the fees paid by participants as outlined in Attachment A (County Participant Vehicle Rates) and Attachment B (Monthly Cost Analysis).

Schedule "A"

	Fund-Dept ID-Acct.	Account Description	Amount
Human Resources			
Rideshare			
Increase Appropriation Authority:	22000-1130300000-528920	Car Pool Expense	\$30,000.00
	22000-1130300000-536790	Interfund Carpool	\$6,000.00
Increase Estimated Revenue:	22000-1130300000-777850	Rideshare Revenue	\$36,000.00

**County of Riverside
Participant Vehicle Rates**

ATTACHMENT A

Zone	Round Trip Miles	Current Monthly Rate	Monthly Rate with 10% Increase
1	10-40	\$40.25	\$44.40
2	41-60	\$57.50	\$63.40
3	61-80	\$74.50	\$82.10
4	81-100	\$92.00	\$101.40
5	101-120	\$109.25	\$120.40
6	121-140	\$126.50	\$139.50
7	141+	\$143.75	\$158.50

10% RATE INCREASE (FUEL AND MAINTENANCE) MONTHLY COST ANALYSIS

County Vehicle Program Zone Number Mileage Allotment per Zone	1 10-40	2 41-60	3 61-80	4 81-100	5 101-120	6 121-140	7 140+	Total
PARTICIPANT BASELINE NUMBER								
Number of Riders per Zone	71	61	74	36	11	8	2	263
Number of Seats Being Paid for	73	84	83	39	12	8	4	303
Number of Vehicles per Zone	16	20	17	9	3	2	1	68
Riders per Vehicle	4.44	3.05	4.35	4.00	3.67	4.00	2.00	3.64
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	13585
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	\$0.12	\$0.12	\$0.12	\$0.12	\$0.12	\$0.12	\$0.12	\$0.12
Monthly Administrative Fee (Waived 2011)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Monthly Fixed Maintenance Fee	\$30.60	\$30.60	\$30.60	\$30.60	\$30.60	\$30.60	\$30.60	\$30.60
Fuel Cost Per Gallon	\$3.80	\$3.80	\$3.80	\$3.80	\$3.80	\$3.80	\$3.80	\$3.80
Cost Per Vehicle								
Fuel Cost Per Month Per Vehicle	\$143.64	\$215.46	\$287.28	\$359.10	\$430.92	\$502.74	\$641.82	\$2,580.96
Maintenance Per Month Per Vehicle	\$121.32	\$166.68	\$212.04	\$257.40	\$302.76	\$348.12	\$436.08	\$1,844.40
Vehicle Cost Per Month Per Vehicle	\$264.96	\$382.14	\$499.32	\$616.50	\$733.68	\$850.86	\$1,077.90	\$4,425.36
Cost Per Month for all Vehicles	\$4,239.36	\$7,642.80	\$8,488.44	\$5,548.50	\$2,201.04	\$1,701.72	\$1,077.90	\$30,899.76
Current Monthly Fee	\$40.25	\$57.50	\$74.50	\$92.00	\$109.25	\$126.50	\$143.75	
Number of Seats Being Paid for	73	84	83	39	12	8	4	303
Revenue Before Increase	\$2,938.25	\$4,830.00	\$6,183.50	\$3,588.00	\$1,311.00	\$1,012.00	\$575.00	\$20,437.75
Fare Increase								
Reserve Increase - 5%	\$2.11	\$3.02	\$3.91	\$4.83	\$5.74	\$6.64	\$7.55	
Fee Increase - 5%	\$42.26	\$60.38	\$78.23	\$96.60	\$114.71	\$132.83	\$150.94	
Monthly Fee Total 10% Increase	\$44.4	\$63.4	\$82.1	\$101.4	\$120.4	\$139.5	\$158.5	
Increase Revenue After Fee Increase (minus reserve)	\$3,085.16	\$5,071.50	\$6,492.68	\$3,767.40	\$1,376.55	\$1,062.60	\$603.75	\$21,459.64
5% Monthly Revenue Surplus Carry Over (from FY09-10)								\$1,907.58
Revenue After Increase and Reserve Drawdown								\$23,367.22
Deficit								\$7,532.54*

* 10% across the board rate increase and the additional AQMD annual funding will bring the Program back to "Break Even".