

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

DEPT: Auditor-Controller *JPK*

BOARD AGENDA # *B-4

Urgent

Routine

AGENDA DATE July 12, 2011

CEO Concur with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval to Increase the Employee Mileage Reimbursement Rate to 55.5 Cents Per Mile Effective July 1, 2011

STAFF RECOMMENDATIONS:

Authorize an increase to the Employee Mileage Reimbursement Rate to 55.5 cents per mile effective July 1, 2011.

FISCAL IMPACT:

The Internal Revenue Service has announced an increase from 51 cents to 55.5 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 cost of the increase in mileage reimbursement will be slightly over \$16,000 for the remainder of the calendar year for all County departments. Of this amount, the additional cost to the General Fund for the remainder of the calendar year is projected to be approximately \$1,800.

BOARD ACTION AS FOLLOWS:

No. 2011-419

On motion of Supervisor O'Brien, Seconded by Supervisor Withrow

and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Withrow, DeMartini, and Chairman Monteith

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) Approved as recommended

2) Denied

3) Approved as amended

4) Other:

MOTION:

Christine Ferraro

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

DISCUSSION:

Historically changes to the mileage rate are announced by the Internal Revenue Service to be effective as of January 1st of each year. In recognition of recent gasoline price increases, the Internal Revenue Service (IRS) has made a special adjustment for the final six 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 associated with operating a vehicle. 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. As the IRS does not normally adjust the reimbursement rates either up or down in the middle of a calendar year, most of the County labor agreements do not specify a process for mid-year adjustments. The County labor agreement for the Registered Nurses Bargaining Unit, however, 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. Below is a chart reflecting the IRS Reimbursement Rate for the last five years.

IRS Mileage Rate	Cents per Mile
7/1/2011 through 12/31/11	55.5
1/1/2011 through 6/30/11	51
2010	50
2009	55
7/1/2008 through 12/31/2008	58.5
1/1/2008 through 6/30/2008	50.5
2007	48.5

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.

CONTACT PERSON:

Lauren Klein, CPA, Auditor-Controller

525-6576