

SALT LAKE CITY COUNCIL STAFF REPORT

BUDGET ANALYSIS – FISCAL YEAR 2006-07

DATE: June 1, 2006

BUDGET FOR: **Amendments to the City's Take-Home Vehicle Policy**

STAFF REPORT BY: Lehua Weaver

cc: Rocky Fluhart, Sam Guevara, Chief Burbank, Chief Querry, Scott Atkinson, Jerry Burton, Rick Graham, Lamont Nelson, Steve Fawcett, Kay Christensen, Susi Kontgis, DJ Baxter, Gary Mumford, Sylvia Jones, Lehua Weaver, Jennifer Bruno

The Administration is proposing to make changes to the practice and procedure regarding City take-home vehicles. The City's take-home vehicle program is governed by City Code, and changes would be made in the form of an ordinance amendment. The need to review the existing ordinance and practice arose from questions about the cost of the program, primarily due to concerns about fuel, maintenance, and replacement costs for the vehicles. Currently, the cars are used for City business while the employees are at work or on-duty, for commuting, and within the County for unrestricted personal use.

Changes would affect approximately 413 employees in the Police Department (not counting vacant positions), 21 in the Fire Department and up to 12 total employees in Public Services and Community Development.

Council staff has outlined the current ordinance and the Administration's proposal. In addition, staff has noted information from a proposal unofficially shared with Council staff by a representative of the Police Union.

Council staff has also provided options, building upon the current program, Administrative proposal, union outline, and comments received. The policy concepts the staff uses as a foundation are:

- The take-home car program provides significant value for City taxpayers due to enhance emergency response opportunities, efficient deployment of City personnel, and visibility of marked police cars within Salt Lake City.
- The take-home car program is not designed as a benefit to employees; it is therefore not a negotiable item in terms of union contracts.
- It is advantageous to City taxpayers to have marked police cars in City neighborhoods.
- Salt Lake City has long sought to encourage and provide incentives for police officers to live within the City.
- It is in the City's interest to maximize the life of the cars as assets purchased by the taxpayers; it is the responsibility of and within the authority of the City Administration to manage auto mileage and vehicle use, including establishing guidelines and / or a cap on use.
- All City employees are responsible to fund their own transportation to and from their employment. The City provides a transit pass for each employee in order to encourage the use of mass transit. One could argue that the City charges the

employees with take-home vehicles a portion of their commuting costs, rather than the full cost, due to the benefit the program provides to taxpayers.

- The value of the take-home vehicle program for the City taxpayers is in direct proportion to the degree to which officers and others with take-home vehicles live within the City, or very close to the City. The value of the program to City residents diminishes as the distance increases. The greatest benefit to the take-home vehicle program to City neighborhoods is the presence of marked police vehicles in the neighborhoods.

KEY ELEMENTS:

The Council may wish to discuss the major policy premises for the take-home vehicle program. As established in previous Council discussions, current City ordinance, department policy documents, and in the transmittal by the Administration, the principal policy goal of the take-home vehicle program has been to provide City residents the maximum benefit for their tax dollars. Residents receive the greatest benefit through timely emergency response by law enforcement personnel in the event of a widespread emergency, and having the additional vehicles present and circulating throughout the City. This policy has been achieved by developing take-home vehicle program criteria, adopted by ordinance, such as commuting distance limits and terms of personal use.

As a matter of policy, the Council has never viewed the take-home car as a benefit of City employment. As noted, the program is designed to benefit City taxpayers.

The Administration's proposal includes the following parts:

a. Distance between the City and the employee's residence.

Current: The ordinance states, "Under no circumstances shall a city-owned vehicle be authorized for take-home use for an employee who resides farther than thirty five (35) miles from the corporate limits of Salt Lake City, regardless of the department in which the employee is employed."

Proposed:

- 1) Use one central location within the City from which to measure the distance to an employee's home. According to the transmittal, the Administration proposes using the City & County building as the point from which to measure.
- 2) Shorten the allowable distance from 35 miles to 25 miles. (The Administration used "Mapquest" driving directions to measure these distances.)
- 3) Allow current employees who exceed the 25-mile limit a 5-year grandfathering period. The Administration has included this in the ordinance amendment.

Council's Options:

- i. Adopt the Administration's recommendation of 25 miles from the City and County Building, or amend the ordinance to establish a new location(s) from which to measure, or leave the measurement point as the City limits. Council staff has received an alternate proposal to make

the central measurement point the geographic center of the City – at Redwood Road and I-80.

- ii. Adopt the Administration's recommendation of 25 miles as the maximum allowable distance from the measuring point to the employee's residence, or leave the maximum as 35-miles.
- iii. Adopt the Administration's recommendation to establish the grandfathering period for employees who exceed any new measurement methods; elect to grandfather only those employees who meet a specific interpretation of the ordinance and live within 35 *road miles* of the City limits, or do not address the grandfathering issue in City ordinance. Not addressing grandfathering would eliminate use of City vehicles for employees who live a greater distance than is allowed by the ordinance ultimately adopted by the Council.
- iv. **The Council may also wish to consider establishing by ordinance whether the measurement method should be driving distance or 'as the crow flies'.**

Matters at Issue:

- a) Currently, there is a discrepancy between the City Ordinance and department policy manuals. The ordinance states, "Under no circumstances shall a city-owned vehicle be authorized for take-home use for an employee who resides farther than thirty five (35) miles from the corporate limits of Salt Lake City, regardless of the department in which the employee is employed." (emphasis added) The Police Manual, states in section D33-02-00.00 A-2-b, "Employees who reside in locations beyond the 35 miles limit and who have received approval through a special agreement between the employee and the Chief of Police, may have take-home use of the police vehicle; however, they must meet any requirements concerning use and security of the vehicle." And A-3 reads, "Any employee who chooses to change the location of their residence to anywhere outside the established 35 mile limit will forfeit participation in the Take Home Car program unless a special agreement is entered into between the employee and the Chief as provided in subparagraph 2 above." (emphasis added) **The Council may wish to ask the Attorney's Office for advice on whether this special agreement is allowed under the ordinance or whether there is additional ordinance language that could clarify this intention.**
- b) **The Council may wish to ask whether the City & County Building is the most central point within the City, or whether there are some other alternatives.** Alternatives could include: 1) continuing to use City limits, 2) using the employee's reporting office (more work to administrate), 3) choosing a geographical center of the City from which to measure – Redwood Road and I-80 has been suggested, or 4) the center of the population base. Issues have been raised about whether employees are all departing from their shift from the downtown area. Also, questions have been raised about whether an emergency that employees would need to respond to would be downtown or anywhere throughout the City.

Farthest Distance Comparisons			
Residence	C&C Building	Distance from I-80 / Redwood Road	Approx. City Limit
Tooele	36.24	33.24	24.80
Grantsville	37.47	34.47	26.03
Pleasant Grove	35.32	36.76	32.61
Lindon	36.57	38.01	33.85
Orem	38.46	39.90	35.74
Ogden	38.05	37.81	33.07
Wanship	39.75	43.43	35.17
Kamas	41.68	45.37	37.10
Francis	42.28	45.96	37.70
Oakley	44.46	48.14	39.88
(Using shortest distance on Mapquest)			

- c) According to information provided by the Administration, using the proposed change of the City & County building as a measurement location and using “Mapquest” to estimate driving distances, there are:
- (i) 79 employees between 25 and 35 miles of the City and County building, and
 - (ii) 21 additional employees beyond the 35-mile limit (between 36 and 45 miles) of the City and County building.
- d) Administrative staffs in the Police Department, Management Services and Public Services are all involved with various aspects of the program – from collection of vehicle forms, payroll, vehicle maintenance, etc. To update information, confirm employee residences and distance from the City measuring point, and other related issues. For example, in the past there has been discussion about where the City limit is on different routes out of the City, but confusion about who should enforce the issue. **The Council may wish to ask who would manage these aspects of the program in order to comply with the ordinance.**
- e) The method of measuring distance from a city location to employee residences has caused some disagreement. One could use an internet-based mapping program or other software to identify reasonably accurate driving miles, or, as the Police Department has been doing, one could set up a map with radius boundaries of the 5, 10, 15, plus miles from the City’s measuring point. Due to differing opinions on the matter, **the Council may wish to consider establishing the measurement method by ordinance.**
- f) As established in the ordinance and reiterated in the Administration’s transmittal, a primary purpose for the take-home car program is to provide sworn officers and law enforcement personnel the ability to immediately and quickly respond to emergency situations. In fact, the City Ordinance outlines four criteria, one of which must be met, for an

employee to be eligible for the take-home program. Two of the four criteria address either the need to respond to emergency call-back situations or “The nature of the employee’s work requires immediate response to emergency situations, regardless of frequency, that require the use of specific safety or emergency equipment that cannot be reasonably carried in the employee’s personal vehicle.”

The policy paper provided by the Administration states, “Anything further than 25 miles would result in a response time that would not be a benefit to the city for first response capabilities.” **The Council may wish to weigh their decisions with regard to measuring method and distances in comparison to the goal of prompt emergency response.**

- g) **The Council may wish to consider the length of the grandfathering period.** For employees deemed ineligible based on new measurement methods, the changes to the program may cause unintended hardships. The Administration proposes a 5-year grandfathering period to allow the employee to make any alternate arrangements.
 - h) Approximately half of the take-home vehicles are not marked to identify City ownership or department. **The Council may wish to consider whether unmarked vehicles may be treated differently, because their value to the residents (of having more police cars throughout the City) is diminished.**
- b. Personal Use.** (Secondary employment use is addressed in Section ‘c’ below.)
- Current: For sworn officers and law enforcement personnel, the ordinance states, “off-duty use of the vehicle is unrestricted while within the Salt Lake county boundaries.”
- Proposed: The Administration suggests that all personal use of the take-home vehicles be prohibited. (Use for secondary employment is addressed below in Section ‘c’.)

Council’s Options:

- i. Adopt the Administration’s recommendation to eliminate personal use, or amend the ordinance to restrict personal use of take-home vehicles based on a) city limits, b) number of maximum miles allowed (difficult to monitor and establish an amount), or c) maintain the status quo by continuing to allow unrestricted use within Salt Lake County, or the Council could consider eliminating personal use.
- ii. Amend the ordinance to clarify whether the personal use of vehicles is allowed only for those employees living within Salt Lake City / County boundaries, or for any officer while within Salt Lake City / County.

Matters at Issue:

- a) The current policy allows unrestricted use within Salt Lake County, because of the benefit of increased presence of marked police cars and resulting safety perceptions and accessibility of police officers.
- b) Although there are benefits to the public for officers being allowed to use vehicles for personal use, there are some situations under which this

might significantly increase the number of miles put on a vehicle, even for officers living within the City limits. For example, according to the policy paper provided by the Administration, “46 police vehicles exceeded 20,000 [total] miles in one year. 17 police vehicles exceeded 25,000 [total] miles in a year. Many of these high-mileage vehicles belong to employees who live within city limits and took advantage of the ‘unrestricted off-duty use.’”

According to the Administration, for vehicles that are assigned and used on a regular basis, the average number of miles per vehicle per year is 16,000. However, as a maximum number of allowable miles, various numbers have been suggested. **The Council may wish to ask whether the Administration would suggest a viable number.**

- c) **The Council may wish to ask whether a maximum number of miles per car would be feasible to monitor and enforce.**
- d) Some vehicles are used by officers on regular patrol cycles, and some are used by employees who do not drive as frequently.
- e) The vehicles are on a 5-year replacement cycle. According to the Administration, in order to maximize resale value, the cars should have less than 100,000 miles at the end of the 5-year period (20,000 per year). While mileage is more heavily weighed, the condition of the car is also a factor in the resale value, and overall reports indicate that the cars are better taken care of when assigned to a specific employee.

c. Secondary Employment.

Current: Sworn officers and law enforcement officers are allowed to use vehicles to drive to and from secondary employment.

Proposed: According to the policy paper, the Administration recommends that the secondary employer should reimburse “the City directly for the full cost of the vehicle while traveling to, from, and during secondary employment.” According to the proposed ordinance, use of a city vehicle would be prohibited unless a reimbursement method is established for the secondary employer to reimburse the City.

Council’s Options:

- i. Adopt the Administration’s recommendation to allow use of take-home vehicles for secondary employment only if the employer reimburses Salt Lake City for all costs related to the employment, or amend the ordinance to identify other terms of allowable use for secondary employment.
- ii. Specify in the ordinance what method of reimbursement will be applied to secondary employers. (It is not proposed to clarify the reimbursement terms in the ordinance. However, the Council may wish to do so.)

Matters at Issue:

- a) According to the policy paper, the costs to be reimbursed would include any costs incurred during secondary employment – including driving the car and use of the car during employment duties. For example, at the Delta Center, the officers will use their cars when conducting traffic control following large events, or various employers that allow officers to take persons who have been arrested to jail during secondary employment hours.
- b) It could be considered a benefit to the City that these secondary employers are paying for these services, because on-duty officers may otherwise be called to fulfill the function.
- c) The Council may wish to ask if the Administration has a method to propose to collect all related vehicle costs from secondary employers and how this would be administered.
- d) According to information provided by the Administration if secondary employers were to pay \$1.00 per hour worked per officer, this would yield approximately \$100,000. However, the Council may wish to consider that this possible reimbursement schedule will cover less of the costs for employees who live farther away from the City.
- e) Generally, officers will find secondary employment in a security related field, and the presence of a police car is beneficial.

d. Amount of employee reimbursement to the City.

- Current: The reimbursement schedule is not adopted by ordinance, rather the ordinance refers to the “written fee schedule adopted by the mayor or mayor’s designee. Such fee schedule shall include a policy favoring those employees who live within the city. The fee required shall be no greater than the total actual costs incurred by the city for such voluntary use, including depreciation and capital costs.” (The official “City Policy” section related to the take-home vehicle reimbursement schedule is outdated. The information provided here was otherwise provided by the Administration.) As outlined in the “Reimbursement Schedule” below, reimbursement rates vary based upon distance from the City limits.
- Proposed: The review committee evaluated several scenarios and is recommending a reimbursement schedule based on recovering 50% of the cost for the employees commuting in city owned vehicles (estimated at \$740,000). These proposed reimbursement rates would apply to every employee with a take-home vehicle, regardless of resident city. The Administration further proposes that these rates would be adjusted annually.

Reimbursement Schedule			
Bi-weekly rates (ea. Pay period)			
	Current	Admin. Proposal	Police Assoc. Proposal
Measurement Point:	City Limits	City Bldg	I-80/Rdwd
Police/Fire w/in City	\$ -	n/a*	\$ 8.00
Others w/in City	6.92	n/a*	8.00
Within 5 miles	25.38	\$ 9.25	23.50
Within 10 miles	27.69	18.50	25.50
Within 15 miles	30.00	27.75	27.50
Within 20 miles	32.31	37.00	29.50
Within 25 miles	34.62	46.25	31.50
Within 30 miles	34.62	55.50	33.50
Within 35 miles	34.62	64.75	35.50

Estimated Annual Revenue:	\$ 295,181	\$375,000	\$ 290,422
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*Please Note: n/a indicates that in the Administration's Proposal, charges would apply to all employees based on their distance from the City & County Building, and so distinguishing whether they are within City boundaries has no bearing on the reimbursement rate.

Secondary Note: All three versions assume roughly 445 employees participating.

Council's Options:

- Currently the specific reimbursement fees are not adopted by ordinance. The Council could consider including the fee schedule in the ordinance rather than by City policy.
- The Council could specify whether the employees (or specifically officers) living within the City should pay any amount, or whether, as proposed, they should pay a reduced rate.

Matters at Issue:

Budget Impact	Current	Admin. Proposal	Police Assoc. Proposal
Estimated Cost*	\$ 740,000	\$ 740,000	\$ 740,000
Reimbursement	\$ 295,181	\$ 375,000	\$ 290,422
Personal Use Elimination		\$ 150,000	
Secondary Employment reimbursement		unknown	\$ 100,000
General Fund subsidy	\$ 444,819	\$ 215,000	\$ 349,578

*Please Note: the estimated cost is based solely on the commuting miles information available. It does not account for the cost of miles driven in relation to personal use, secondary employment or on-duty use.

- a) Historically, the fees for employees living within the City have been either significantly reduced or eliminated, because of the intention to encourage employees to live closer in order to be able to respond quickly to emergency events, and for additional police visibility throughout the City and in neighborhoods. The Council may wish to consider whether this policy is still a priority, and whether charging the City residents supports this previous policy. Perhaps **the Council may wish to consider a fee schedule that charges City residents no fee or a lesser amount and more steeply increases the fee for employees who live farther away.** This could be easily calculated to generate a revenue target once the Council identifies the distance limits and location from which to measure.
- b) The \$740,000 cost for the program is calculated by estimating the number of commuting miles for each car in the program, averaging the number of shifts per employee, and using a “Cost per Mile” calculation taking into account fuel, maintenance, repair, insurance and claims. It is difficult to estimate the number of miles attributable to personal use, secondary employment, or on-duty use.
- c) The \$150,000 savings from eliminating personal use in the Administration’s proposal is estimated based on a 10 percent reduction of the total miles put on the vehicles.
 - i) If personal use were restricted, and the change resulted in a 20 percent reduction in total miles, the savings would be \$314,800.
 - ii) And for a 40 percent reduction, the savings would be \$629,600.

SALT LAKE CITY ORDINANCE
No. _____ of 2006
(City-Owned Motor Vehicles)

AN ORDINANCE AMENDING CHAPTER 2.54 OF THE SALT LAKE CITY
CODE, RELATING TO CITY-OWNED MOTOR VEHICLES.

Be it ordained by the City Council of Salt Lake City, Utah:

SECTION 1. That Chapter 2.54 of the Salt Lake City Code, relating to city-owned motor vehicles be, and the same hereby is, amended as follows:

2.54.020 Designation Of Ownership-Insignia Required:

All motor vehicles owned and operated by the city shall, ~~have a sign painted in a conspicuous place on both sides of the vehicle, display an identification mark designating the vehicle as the property of the city, thereof, designating the city's ownership in the following language: "Property of Salt Lake City" under conditions and as required by Section 41-1a-407~~ title 41, chapter 7 of the Utah eCode or its successor. The designation shall be in letters not less than three inches (3") in height and kept clearly visible at all times in full compliance with state law; provided, however, that nNothing in this chapter shall be construed to require such a display on any police or fire department vehicle, exempt from such requirements under state law ~~to be so painted.~~

2.54.030 Use Policy And Restrictions:

A. No motor vehicle owned by the city may be taken home by any city employee except under the following circumstances:

1. Authorization to regularly take home a city-owned vehicle is granted by the department director and approved by the chief administrative officer or his or her designee based on a demonstrated need for such vehicle to be taken home to serve the public interest; or
2. Due to an isolated incident of use when, because of the lateness of the hour or other peculiar circumstances, it is impractical or impossible to return such vehicle to city custody at the end of a duty shift.

B. Authorization to regularly take home a city-owned vehicle may be granted to a full-time employee for a "demonstrated need" based on at least one of the following criteria:

1. The employee has been designated as the director of a city department;
2. The vehicle is assigned to a sworn and certified law enforcement officer of the Salt Lake City police department, pursuant to the department's take home car program requirements. Specifically, off-duty use of the vehicle is ~~unrestricted~~ restricted to commuting to and

~~from the employee's place of residence while within the Salt Lake County boundaries, including travel to and from approved secondary employment in a city vehicle is prohibited unless the secondary employer reimburses Salt Lake City directly for the vehicle costs, and approved for use outside of the county limits while going to and from work.~~

3. The full-time employee must respond to at least five (5) emergency situations or callbacks to work per month;

4. The nature of the employee's work requires immediate response to emergency situations, regardless of frequency, that require the use of specific safety or emergency equipment that cannot be reasonably carried in the employee's personal vehicle.

C. 1. Employees who have a demonstrated need as set forth in subsection B of this section, may use city-owned motor vehicles on a voluntary basis to travel to and from their homes only with the knowledge and consent of the appropriate department head, and only if such employees make payment to the city for such use according to a written fee schedule adopted by the mayor or mayor's designee. Such fee schedule shall include a policy favoring those employees who live within the city. The fee required shall be no greater than the total actual costs incurred by the city for such voluntary use, including depreciation and capital costs.

2. The mayor shall, by written policy, set forth liability insurance coverage to such employees, which coverage shall be not less than two hundred thousand dollars (\$200,000.00) per incident, shall cover bodily injury, death, and property damage and shall be in addition to that required by Utah Code ~~Annotated~~ sections 31A-22-304 and 63-30d-80229.5.

D. Under no circumstances shall a city-owned vehicle be authorized for take-home use for an employee who resides farther than twenty five (25) thirty five (35) miles from the City & County Building ~~corporate limits of Salt Lake City~~, regardless of the department in which the employee is employed. Employees qualifying for a take-home vehicle as of May 1, 2006 will be grandfathered from this limitation for a period of five (5) years beginning May 1, 2006. Such grandfathered use (which allows the employee to take home a vehicle to a residence up to thirty-five (35) miles from the corporate limits of Salt Lake City) shall apply only as long as the employee resides in his or her residence as of May 1, 2006. If the employee thereafter changes residence, he or she must comply with the twenty-five (25) mile limitation.

E. Under no circumstances shall a city vehicle be used for any purpose other than city business, to promote a city interest, or for any use ~~other than~~ authorized by the mayor or the mayor's designee.

2.54.040 Maintenance And Upkeep:

A. It shall be the duty and responsibility of the driver or operator of a city vehicle to see that it is properly serviced, maintained, and cleaned. This includes, but is not limited to, having the appropriate servicing performed on the vehicle ~~equipment~~ at all designated intervals as set forth by the ~~department of administrative services~~ Public Services Department. A sticker will be affixed to the vehicle in a conspicuous place indicating time of usage and service due for the vehicle.

B. If the driver or operator of the city vehicle fails to have the vehicle properly serviced or maintained as prescribed by the ~~administrative services department~~ Public Services Department within ten (10) working days or two hundred (200) miles of the required service or maintenance time, itsuch failure may result in loss of use of the vehicle to the user or department as well as possible disciplinary action.

2.54.050 Accident Involvement Or Damage-Reporting Requirements:

A. ~~In the event~~ If a city vehicle is involved in an accident or is otherwise damaged, the police department and ~~administrative services department~~ Public Services Department must be notified immediately. A written report shall be prepared by the driver or operator of such vehicle relating to the accident and/or damage on forms prescribed by the Public Services Department ~~director of administrative services~~, and forwarded to the ~~administrative services department~~ Public Services Department. Additional copies shall be made available to all departments requiring a copy of such report.

B. If the driver or operator of the city vehicle fails to submit the report to the Public Services Department ~~director of administrative services or his or her designee~~ within a reasonable period of time, the city department which has been assigned the vehicle may lose the use of it, and the driver or operator may be subject to disciplinary action.

C. In the event any person is injured in an accident involving the operation of a city vehicle, the driver or operator of the vehicle must notify the city attorney and risk manager ~~must be notified~~.

2.54.060 Violation-Penalty:

Any violation of provisions of this chapter shall be grounds for suspension or dismissal from employment, but shall not be considered a criminal offense.

SECTION 2. That this ordinance shall take effect immediately upon the date of its first publication.

Passed by the City Council of Salt Lake City, Utah this _____ day of _____, 2006.

CHAIRPERSON

ATTEST:

CHIEF DEPUTY CITY RECORDER

Transmitted to Mayor on _____.

Mayor's Action: _____ Approved. _____ Vetoed.

MAYOR

CHIEF DEPUTY CITY RECORDER

(SEAL)

Bill No. _____ of 2006.

Published: _____.

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**Salt Lake City
Take-Home Vehicle Policy
Review
April 25, 2006**

BACKGROUND

Take-home use of city-owned motor vehicles is governed by City Ordinance 2.54. The ordinance identifies four criteria that allow employees to take-home a city vehicle on a regular basis:

1. Department Director.
2. Sworn and certified law enforcement officer.
3. Five emergency situations or callbacks are responded to per month.
4. The nature of an employee's work requires immediate response to emergency situations, regardless of frequency, and requires the use of specific safety or emergency equipment that cannot be reasonably carried in the employee's personal vehicle.

Accompanying these criteria are some restrictions.

1. Under no circumstances shall a city-owned vehicle be authorized for take-home use for an employee who resides farther than thirty five (35) miles from the corporate limits of Salt Lake City, regardless of the department in which the employee is employed.
2. For all but sworn officers, under no circumstances shall a city vehicle be used for any purpose other than city business, to promote a city interest, or for any use other than authorized by the mayor or the mayor's designee.
3. For sworn officers and certified law enforcement officers, off-duty use of the vehicle is unrestricted while within the Salt Lake County boundaries, including travel to and from approved secondary employment; and approved for use outside of the county limits while going to and from work.

Employees who are authorized to take-home city-owned vehicles are then assessed the following fees adopted by the Mayor but not spelled out in the ordinance:

Current Reimbursement Policy
Bi-Weekly Rate Chart

Police/Fire within city limits	-
All others within city limits	6.92
Within 5 miles	25.38
Within 10 miles	27.69
Within 15 miles	30.00
Within 20 miles	32.31
Within 25 miles	34.62
Within 30 miles	34.62
Within 35 miles	34.62

PURPOSE OF STUDY

Since the adoption of the ordinance in FY 2000-01 there has been an increased emphasis on reducing the number of vehicles to eliminate additional costs and to lessen the use of fossil fuels. In addition gas prices are at all-time highs which have made the costs of the take-home vehicle program increase dramatically. Fuel prices are not predicted to decrease in the foreseeable future.

For these reasons the ordinance and policies have been reviewed by a city team to look at more cost-effective alternatives and opportunities to the current program while weighing in the benefits and efficiency of response time from off-duty staff.

FACTS

1. Current number of vehicles taken home by city staff:

- Police Department 413
- Fire Department 21
- Other City Departments 12

Note: Since the police department has the vast majority of take-home vehicles, much of the data that follows concerns them.

2. Of these take-home vehicles, 104 belong to police employees living within the city limits.
3. Average cost of personal use and commuting for the take-home fleet is \$.26/mile.
4. Police Department take-home vehicles accumulate 14,380 rounds trip miles per day commuting to and from home.
5. Total take-home vehicle expense is \$736,162 per year. Of that total, \$295,181 is reimbursed to the city by employees. The remaining \$440,981 is absorbed by the General Fund.
6. In 2005, Police Officers responded to 233,000 calls. This does not include traffic stops and issues they respond to that are not given a case number. 10,000 of these were responses by off-duty staff.
7. Non-city public safety agency take-home vehicle policies:

Salt Lake County Sheriff's Office

- No cost to employee
- Must live within the County to have take-home
- Can be used for personal reasons including 2nd job
- Family members can ride in vehicle

Davis County Sheriff's Office

- No cost to the employee
- Must live within 10 miles of County limits but policy isn't enforced
- Officers can use the vehicle for 2nd job

Utah County Sheriff's Office

- No cost to employee
- Must live within the county to have take-home vehicle
- No personal, social or unofficial use
- No family or friends

Sandy City

- No cost to employee
- Must live within Salt Lake County or not more than 20 miles south
- Take-home vehicle can only be used for commuting except if living in Sandy City limits

Murray City

- No cost to employee
- Must live within Salt Lake County
- No personal use

Provo City

- No cost to employee
- Off-duty use allowed within Utah County for on-call employees

Layton City

- No cost to employee
- Must live within 15 miles of Layton City limits
- Family members may ride in the vehicles in city limits

Ogden City

- No cost to employee if they live within the city or no further than 13 miles from the Public Safety building
- Standard IRS rate is applied if outside limits
- Off-duty use allowed within Ogden City limits
- Part-time use allowed if benefits to Ogden City are validated
- Vehicles cannot exceed 18,000 miles per year
- No family or friends allowed to ride in vehicle

West Valley City

- No cost to employees living within West Valley City limits
- Outside city limits employees are charged \$1.00/mile one way
- No personal use outside West Valley City limits.
- No family or friends allowed to ride in vehicle

Issues

1. The current City ordinance dictates that personal commuting mileage for reimbursement purposes is calculated by measuring from the city boundary. This is difficult to calculate and enforce because there is no standard point to calculate from nor can technology be used to automate the process.
2. Vehicle manufacturing costs continue to skyrocket and vehicle replacement funds allocated for replacement are not increasing at the same rate.

3. Fuel costs have increased 83% over the last three years and they are expected to continue to rise.
4. The average take-home vehicle accumulates 35 miles/day in take-home mileage, or 6,475 miles per year. There are many take-home vehicles that exceed 60 miles/day in off-duty miles.
5. The rising cost of vehicles, fuel, oil and maintenance items have caused our vehicle cost-per-mile (CPM) to rise from \$.18/mile to the current \$.26/mile.
6. 46 police vehicles exceeded 20,000 miles in one year. 17 police vehicles exceeded 25,000 miles in a year. Many of these high-mileage vehicles belong to employees who live within city limits and took advantage of the "unrestricted off-duty use." This will result in vehicles needing replacement sooner than the budgeted 5 year replacement cycle.
7. The city absorbs the \$440,981 non-reimbursed cost of take-home vehicles.
8. Vehicle life is extended by having a car per officer program because the vehicle is not being used 24/7 as would be the case if officers used a "shared pool" concept of vehicle assignment. Most agencies that do not have a take-home program utilize the "shared pool" concept.
9. Vehicle condition is shown to be better when employees feel ownership by being assigned to them.
10. Parking space can remain at minimum levels with a take-home car per officer program since officers drive their vehicles home. Otherwise, sufficient parking would have to be constructed to accommodate the influx of personal vehicles as well as police pool vehicles.

Recommendations

Status Quo

After analyzing the costs, considering the policies of other municipal agencies, and evaluating possible options, the committee does not recommend that the city accept a status quo option with take-home vehicles. Status quo would result in the city continuing to subsidize take-home vehicles out of the General Fund in the amount of \$440,981 and increasing each year. Employees would continue to use vehicles in the current manner which would require earlier replacement and increased costs in future years as the vehicles wear out. The committee does not believe that the benefit of take-home vehicles by off-duty employees is cost-effective for the City to subsidize fully.

Elimination of All Take-Home Vehicles

The committee does recognize that some benefit is gained by public safety employees taking a vehicle home within certain limitations. The main reason for this is response time to emergency situations for first responders. This benefit diminishes the further away from the city an employee lives. Additionally if the ordinance eliminated all take-home vehicles there would be operational and cost concerns. The City would need to provide parking for the City vehicles which

would require a parking lot to be constructed at an estimated cost of \$960,000. The only location currently available to the City that would accommodate the number of cars in the take-home program would be adjacent to the parks facility. The rough engineering estimate is that the parking lot would need to accommodate 800 cars which would require 5 acres. Parking lot costs are estimated at \$1,200 per stall. This does not include security or other operational changes if the City were to implement a "shared pool" concept with vehicles. Further extensive research would be needed to evaluate if this would be beneficial operationally or financially. The benefits of reducing fossil fuel use would be negated or worse under this condition since employees would need to drive their personal vehicles to work and home and in many cases this parking facility would require a longer commute. Eliminating personal use would potentially be more beneficial to the environment than eliminating take home vehicles.

It must be recognized that data does indicate there is a trend among large metropolitan agencies across the country to eliminate take-home vehicle programs and operate fleet needs through the use of "shared pool" programs. Employees are on their own to commute and are assigned a pool vehicle upon reporting to work. Police department representatives from San Diego, Las Vegas and Reno gave the following reasons for eliminating their take-home programs:

- Ability to reduce the number of fleet vehicles as much as 50%. To do this those agencies operationally changed to 12 hour shifts. This would be a major change to Salt Lake City's operation and more extensive research and analysis would be needed to evaluate this before it were implemented.
- Increased vehicle control since they would be located at a City facility during off-duty time.
- Decreased vehicle expense due to the elimination of personal use.

While this program has the benefits indicated above, the cities also pointed out there are some drawbacks and costs associated with this type of program as follows:

- Vehicles do not last as long and are usually kept in a much worse condition due to employees not assuming ownership of them. With good policies and monitoring in place this usually becomes a short term situation that improves over time.
- Vehicles under the "shared pool" concept would have to be replaced at 3-year rather than 5-year intervals.
- Adequate parking is needed to accommodate the vehicles as well as employees vehicles. This would have to be a secure facility to prevent vandalism and theft.
- Lockers would need to be constructed at facilities to accommodate overnight storage of weapons and specialized equipment.

- The responses made by off-duty employees would need to be absorbed by on-duty employees.
- Employees called back from off-duty would not be able to respond as quickly.
- If a "shared pool" concept were implemented the total number of vehicles that could respond in an emergency situation would be reduced.
- Decrease in employee morale.

Standard Point of Reference

The committee believes that adopting a standard point of reference that will not change over time will allow a take-home vehicle program to be more easily administered and implemented. The recommendation is to use the City & County Building as that standard measuring point. The City can then use automated programs that will calculate the residence of employees and provide the mileage from that standard point to their home. This will allow the City to calculate and charge employees the appropriate fee for take-home use and can easily be verified and audited when necessary.

Personal Use Restrictions

The committee recommends that there should be further restrictions in personal use of city vehicles. Currently the ordinance allows unrestricted personal use of its vehicles in Salt Lake County for sworn officers and certified law enforcement officers. This includes travel to approved secondary employment. The current ordinance also prohibits employees from taking a vehicle home if they live 35 miles from the corporate limits.

The committee recommends that all personal use of city vehicles be prohibited. This would include prohibiting travel to and from secondary employment unless the secondary employer reimburses the City directly for the full cost of the vehicle while traveling to, from, and during secondary employment.

The committee also recommends that the City prohibit any employee from taking a City vehicle home if they live further than 25 miles from the standard point of reference; the City & County Building. Since we are changing both the mileage restriction and the point of reference for calculating commuter miles, it is recommended that all employees currently authorized to take home vehicles be grandfathered from their current residence if they exceed the 25 mile limit. No additional employees, current or new, would be allowed to take home a vehicle if they lived outside of this restriction. The 25 mile limit was derived from calculating response time to the city. Anything further than 25 miles would result in a response time that would not be a benefit to the city for first response capabilities. Data is not kept on personal mileage so the savings of these two recommendations can only be estimated to be approximately \$150,000 a year.

Reimbursement for Commuting Costs

Employees currently reimburse the city for commuting anywhere from \$0 to \$34.63 per pay period based on their mileage from their home to the corporate

limits. This same fee structure is not stated in the City Ordinance but required to be adopted by the Mayor or designee and to favor employees living within the city.

The City could adopt the policy that all commuting costs be recovered from employees taking vehicles home. To implement this policy the City would be saying that there is no benefit to the taxpayer for quick and convenient response from off-duty employees therefore all commuting costs would be reimbursed. There would be a different reimbursement schedule for a 4-day work week and a 5-day but for purposes of illustration, the 4-day work week policy change would be as follows:

Full Cost Recovery
Bi-Weekly Rate Chart

Police/Fire within city limits	14.80
All others within city limits	14.80
Within 5 miles	18.50
Within 10 miles	37.00
Within 15 miles	55.50
Within 20 miles	74.00
Within 25 miles	92.50
Within 30 miles	111.00
Within 35 miles	129.50

This reimbursement policy would collect the full \$740,000 cost of commuting in city vehicles and would double to quadruple the bi-weekly costs to the employees.

Public Safety Staff involved in this discussion reviewed their policies and have proposed a reimbursement schedule that charges those in the city limits \$25 and then adds 15% to the other existing rates.

Public Safety Proposal
Bi-Weekly Rate Chart

Police/Fire within city limits	25.00
All others within city limits	25.00
Within 5 miles	29.19
Within 10 miles	31.84
Within 15 miles	34.50
Within 20 miles	37.16
Within 25 miles	39.81
Within 30 miles	39.81
Within 35 miles	39.81

This proposal would collect approximately \$378,000 of the \$740,000 cost of commuting in city vehicles. This is approximately 50% of the cost of commuting and is an increase of \$83,000 over the current reimbursement schedule. This proposal does not make changes to the personal use of vehicles or in the miles out of the city one can commute with a city vehicle. The ordinance requires a fee schedule "favoring those employees who live within the city." This proposal does charge less for those who live in the city but one could argue that with only a \$15 difference per pay period between those who live in the city and one who lives 35 miles out is not very favorable.

The committee recommends that the city recognize there are benefits to quick and convenient response from off-duty employees who live within 25 miles of the City & County Building and that with the restrictions recommended above, the City should share 50% in the cost of the take-home program. Additionally the committee felt that those living within the city should reimburse a minimal but still favorable amount for the use of the vehicle to commute to and from their residence. The reimbursement schedule for a 4-day work week with a 50% participation would be as follows:

<u>50% Cost Recovery</u> <u>Bi-Weekly Rate Chart</u>	
Police/Fire within city limits	9.25
All others within city limits	9.25
Within 5 miles	9.25
Within 10 miles	18.50
Within 15 miles	27.75
Within 20 miles	37.00
Within 25 miles	46.25
Within 30 miles	55.50
Within 35 miles	64.75

This reimbursement policy would collect approximately \$375,000 of the \$740,000 cost of commuting in city vehicles but would only increase the bi-weekly costs to the employees anywhere from \$9 if you live in the city to double the current reimbursement for those that live at the maximum distance. If eliminating personal use results in a savings of \$150,000, the General Fund subsidy for take-home vehicles would be \$225,000.

Summary

The take-home vehicle committee recommendations are as follows:

1. Establish the City & County Building as the standard point of reference to calculate the commuter distance to employees' homes.
2. Non-commuting personal use of city vehicles prohibited.

3. Secondary employment commuting and use prohibited unless business reimburses City directly for vehicle costs.
4. No take-home vehicle allowed if employee lives farther than 25 miles from the City & County Building. (Existing employees not complying would be grandfathered for their current residence for a period of 5 years.)
5. Employees reimburse the city for commuting mileage at 50% of the vehicle operational costs. Adjust these costs annually.
6. Employees with an automobile allowance can be reimbursed for mileage on business trips in excess of 100 miles each way.