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Memorandum Date: May 14, 2008

TO: Board of County Commissioners
DEPARTMENT: Management Services
PRESENTED BY: Kay Blackburn, Financial Services Manager
AGENDA ITEM TITLE: IN THE MATTER OF AMENDING CHAPTER 2 OF THE LANE MANUAL TO AUTHORIZE EMPLOYEE PARKING RATES AS A QUALIFIED TRANSPORTATION FRINGE PLAN (LM 2.805)

I. MOTION

MOVE APPROVAL OF ORDER 08-05-14-XX AMENDING CHAPTER 2 OF THE LANE MANUAL TO AUTHORIZE EMPLOYEE PARKING RATES AS A QUALIFIED TRANSPORTATION FRINGE PLAN (LM 2.805).

II. AGENDA ITEM SUMMARY

Lane County employees who work at downtown locations may purchase parking in County-owned lots through payroll deduction. The Internal Revenue Service provides that qualified transportation fringe benefits are excludable from gross income under Section 132. The parking charges for employee use of County lots meet the definition of "qualified parking". This is a proposal to authorize a qualified transportation fringe plan allowing certain parking charges to be excludable from gross income.

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

In accordance with APM Chapter 1, Section 3 parking fees in County facilities are evaluated based on rates in the market area served by the facilities, and fees are adjusted accordingly. On April 10, 2008 the Finance and Audit Committee authorized an increase in parking rates to reflect the market adjustment and further recommended that the Board consider implementing a qualified transportation fringe plan to coincide with the increase in rates.

B. Policy Issues

Should the County adopt benefit plans which are advantageous to employees and the County as an employer?

C. Board Goals

This item supports the Strategic Plan guiding principle of valued employees and supports economy of operations by reducing costs.

D. Financial and/or Resource Considerations

Offering a qualified transportation fringe plan through a compensation reduction agreement would result in the parking expense being non-taxable to the employee and not subject to the County's share of FICA and Medicare tax. The employee tax savings realized would more than offset the increase in rates for employees purchasing parking from the County. Additionally, the County would save approximately \$12,000 annually in reduced FICA and Medicare taxes.

E. Analysis

The County may implement a qualified transportation fringe plan to cover the parking charges which may be provided pursuant to a compensation reduction agreement. That is, the employee's compensation is reduced by the amount of the parking cost. The County could elect to automatically enroll employees who purchase parking in the fringe plan, as long as notification is provided and the employee is allowed to opt out.

Below is a detail of the increase in monthly parking rates compared to the estimated tax savings for an employee in the 10% Federal tax bracket.

Lot	Proposed Rate	Existing Rate	Increase	FICA/ Medicare	Federal at 10%	Oregon at 9%	Estimated Tax Savings
730	33.00	29.00	4.00	2.52	3.30	2.97	8.79
733	33.00	29.00	4.00	2.52	3.30	2.97	8.79
736	33.00	29.00	4.00	2.52	3.30	2.97	8.79
731	33.00	29.00	4.00	2.52	3.30	2.97	8.79
735	33.00	29.00	4.00	2.52	3.30	2.97	8.79
734A	40.00	35.00	5.00	3.06	4.00	3.60	10.66
734B	46.00	40.00	6.00	3.52	4.60	4.14	12.26
732A	40.00	35.00	5.00	3.06	4.00	3.60	10.66
732B	52.00	45.00	7.00	3.98	5.20	4.68	13.86
741	33.00	29.00	4.00	2.52	3.30	2.97	8.79

Approximately 300 employees currently purchase a total of approximately \$150,000 in parking services from the County annually, which would result in annual tax savings to the County of approximately \$12,000.

F. Alternatives/Options

1. Approve the Lane Manual changes authorizing the County Administrator to implement and administer a qualified transportation fringe plan for employees under Sec. 132 of the Internal Revenue Code.
2. Do not authorize changes and leave the parking program as currently administered.

IV. RECOMMENDATION

The Financial Services Manager recommends approval of the amendment.

V. TIMING/IMPLEMENTATION

If approved, the new parking rates will be effective July 1, 2008 resulting in a corresponding payroll deduction in June 2008. The fringe plan would be implemented to coincide with the deduction. APM Chapter 1, Section 3 will be amended to incorporate the transportation fringe plan.

VI. FOLLOW-UP

None.

VII. ATTACHMENTS

Order 08-05-14-XX

IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO.

IN THE MATTER OF AMENDING CHAPTER 2
OF THE LANE MANUAL TO AUTHORIZE
EMPLOYEE PARKING RATES AS A QUALIFIED
TRANSPORTATION FRINGE PLAN (LM 2.805)

The Board of County Commissioners of Lane County orders as follows:

Lane Manual Chapter 2 is hereby amended by deleting, substituting, and adding the following section:

DELETE THIS SECTION

2.805
as located on page 2-52
(a total of 1 page)

INSERT THIS SECTION

2.805
as located on page 2-52
(a total of 1 page)

Said section is attached hereto and incorporated herein by reference. The purpose of this substitution and addition is to authorize employee parking rates as a qualified transportation fringe plan. (LM 2.805).

Adopted this _____ day of _____ 2008.

Chair, Lane County Board of Commissioners

APPROVED AS TO FORM

Date 4/18/08 Lane County


OFFICE OF LEGAL COUNSEL

2.760 Updating.

In order to update the symbol, the basic colors and lettering style used with the logo may be altered at some point in the future. *(Revised by Order No. 93-3-31-7, Effective 3.31.93; 02-10-16-1, 11.13.02; 02-10-16-1, 11.13.02)*

2.765 Alterations.

No alternate shapes or relationship of design elements shall be used without prior approval of the County Administrator. When color Pantone 634CVC is not available, an approximate color or black shall be used. *(Revised by Order No. 93-3-31-7, Effective 3.31.93; 02-10-16-1, 11.13.02)*

COUNTY LANDS AND BUILDINGS

2.805 Public Parking.

Pursuant to the authority granted by LC 2.800(1) and within the administrative framework provided by LC 2.800(2), the public parking policy is designed to facilitate the use of County-owned parking facilities by the public and County employees, and to ensure that these facilities are made available in a uniform and equitable manner. It is recognized that providing parking for employees in proximity to County work locations contributes to their productivity and morale, and for that reason, rates for employee parking may be discounted from the public parking rates. For the limited purpose of compliance with the state ethics rules, any difference between public and employee rates is considered part of the compensation package for County officers and employees. The County Administrator is delegated the authority and responsibility to develop and maintain Administrative Procedures necessary to implement this policy. The County Administrator is further delegated the authority to implement and administer a qualified transportation fringe plan for employees under Sec. 132 of the Internal Revenue Code. *(Revised by Order No. 84-6-12-1, Effective 6.12.84)*

2.825 Demolition of Structures.

The Real Property Supervisor of the Department of Management Services shall examine all buildings, structures, and improvements and County-owned property not required for use for County purposes, and at such time as it is determined that said buildings structures, and improvements should be removed, he or she is authorized and directed to cause said buildings, structures, and improvements to be removed from County-owned property, including the recommending of the necessary implementing contracts to the County Administrator. *(Revised by Order No. 98-4-1-11, Effective 4.1.98)*

2.840 County Vending Machine Operations.

The County provides vending machine services of food, coffee, cigarettes, candy, gum, soft drinks and other products for use of employees and for the general public in areas where there is public access to them. The County has the exclusive right to control vending machine installations in order to provide efficient service and will determine the advisability and need for requested machines.

(1) Requests for Vending Machines. Requests for vending machine installations will be directed to the Department of Management Services. The request will be made in the form of a letter or memorandum and will contain the following information:

- (a) The type of vending machine installation requested.

At right margin indicates changes
Bold indicates material being added
~~Strikethrough~~ indicates material being deleted

LEGISLATIVE
FORMAT

2.760

Lane Manual

2.840

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