May 8, 2007

Board of Supervisors
800 S. Victoria Ave.
Ventura, CA 93009

SUBJECT: ADOPTION OF EMPLOYEE TRANSPORTATION BENEFIT
REIMBURSEMENT PROGRAM

FISCAL IMPACT: Minor. A temporary increase in staff effort can be
accommodated within existing workloads, and employer payroll tax savings will
offset ongoing administrative expenses.

RECOMMENDED ACTION:

Approve adoption of an Employee Transportation Benefit Reimbursement
Program per Section 132(f) of the Internal Revenue Code and Direct the CEO to
implement the program and offer it to County employees.

DISCUSSION:

Section 132(f) of the Internal Revenue Code allows employers to offer
employees the ability to purchase transit passes with pre-tax dollars. Much like
the county’s existing Dependent Care and Medical Expense flexible spending
accounts, an Employee Transportation Benefit Reimbursement Program would
enable employees to have pre-tax dollars deducted from their pay checks and
then receive reimbursement for the cost of purchasing public transit fares for
work-related transportation. Like the Dependent Care and Medical Expense
programs, this program would save employees up 33% on transit fare purchases,
up to a maximum allowed amount of $1,320 per year.

This type of program is very popular with employees and employers in areas of
the state where transit is frequently used. Offering this program to county
employees will serve the dual purposes of providing an economic benefit to our
employees at no cost to the taxpayers and encouraging the use of public transit.
Adoption of this program will make the County of Ventura a local leader in this field and serve to encourage other employers to also offer this program. This program ties-in nicely with our County Climate Change Action Plan and the efforts of SCAT, VISTA/Coastal Express, and other local transit agencies’ to expand and improve transit.

I appreciate the evaluation of this program that the Human Resources department completed in response to my request. Their evaluation concluded that this program would be a beneficial offering to employees that could be implemented by the County with existing staff and operational resources at no significant net cost to the county. The minor implementation expenses would be offset by payroll tax savings. The Human Resources department worked with the Auditor’s Office to design a plan implementation structure. The attached Plan Highlights brochure outlines the benefits and rules of the program.

Staff has also coordinated with the Ventura County Transportation Commission to assure easy implementation of the program through VCTC’s Smart Card and Electronic Purse transit passes. These transit passes are accepted on nearly all transit systems in the county, and enable riders to easily pay for fares, make transfers, and readily utilize the county reimbursement program.

In conclusion, upon adoption of the recommended action, the Human Resources Department could have the program implemented in a very short time period. The program will enable county employees that use transit to obtain significant savings on their transit fare purchases, provide a new benefit to employees at no net county cost, and provide an extra inducement to increase the use of public transit.

Cordially,

Steve Bennett
Supervisor, First District

Attachment- Draft Plan Highlight Brochure