

## MEMORANDUM

**TO:** Personnel, Legislative and Public Affairs Committee

**FROM:** John Winkler, General Manager

**SUBJECT:** District Vehicle Use

**DATE:** July 2, 2007

Per instructions from the Board of Directors I was assigned the task of reviewing employee use of District vehicles. From reviewing past documentation and discussion with various employees and Board members it became very clear that this issue has been under discussion for quite some time. In addition, this issue has caused some controversy, although not overt, within the District.

Attached you will find the following memos which outline the District vehicle use past and present, as well as, outlines other entities vehicle usage policies:

1. Memo dated September 6, 2006-Public Agency Vehicle Use
2. Memo dated February 14, 2007-District Vehicle Use Explanation
3. Current Vehicle Use Pay Adjustments

### Past

In discussion with staff it appears that some employee(s) where hired with the understanding that the vehicle use for commuting was part of the employment terms. Consequently, this benefit would constitute part of the employees pay/benefit package, similar to health insurance, vacation/sick leave, holidays etc. In some cases the vehicle use benefit was a reason the employee chose to go to work for the NRD when compared with competing job offers at the time of hire.

In addition, it appears that in the past vehicle use may have been used as an incentive tool to reward job performance in lieu of a salary grade increase. Therefore, if vehicle use was to cease or be modified this could be viewed as a pay cut of whatever the value of the vehicle use is by the effected employee and violate a verbal understanding between the District and the employee.

In discussion with employees it appears that vehicle use for commuting has caused some discontent among employees although it doesn't appear to have affected anyone's job performance or personal working relationship.

### Present

Currently twelve (12) District vehicles are utilized for commuting by employees; **no personal use** is allowed at this time. Two (2) of these vehicles utilized by Randy Lee and Jerry Herbster are confined to NRD Recreation areas respectively and are utilized solely for the operation of these areas and are kept on site at park residences. The vehicle at Walnut Creek Recreation area (Randy Lee) will not be assigned for commuting use after the park is transferred to the City of Papillion on October 1, 2007.

Three (3) vehicles have been purchased by the Rural Water Systems, although still owned by the District (Olerich, Hummel, Thieman) and are utilized for rapid emergency response to address water main breaks on a 24/7 basis. One (1) vehicle (Dick Sklenar) is also utilized for Rural Water emergencies in addition to after hours or early morning meetings etc.

The six (6) remaining assigned vehicles are utilized by personnel to respond to flood emergencies, attend late night or early morning meetings and/or part of their employment contract/agreement with the District.

An item of interest is the 2007 Emergency Operation Manual does not indicate specifically if emergency responders should report to the office first or to an assigned location in the District in the event of a flood emergency.

### **Recommendation**

There exists as many recommendations/options as there does District vehicles. Per the above summary if commuting is the main issue the District is concerned about then my recommendation only focuses on six (6) vehicles. The two (2) vehicles associated with the NRD recreation areas and four (4) vehicles associated with the Rural water districts must be available on a 24/7 basis with assigned personnel.

Notwithstanding any past verbal employment agreements or current contracts, I cannot completely justify utilizing the remaining six (6) vehicles for employee commuting purposes. Although these employees are engaged in a number of late and/or early meetings and are assigned emergency response duties due to flooding issues, simple scheduling and planning can be utilized to cover the transportation needs for these events.

For example, if an employee knows they will be attending a late night or early morning meeting that employee may take their assigned vehicle home with them on that particular day. In addition, if threatening weather and or conditions prevail that may trigger an emergency event then those assigned employees may utilize their assigned vehicles to commute to work from home until conditions return to a normal pattern or emergency operation procedures could be modified to require emergency responders to report to the office before heading out into the field.

Currently, those employees who utilize District vehicles pay the IRS mandated rate of 3.00 per day for the benefit of commuting with a District supplied vehicle.

In conclusion, in all of my conversations with staff it became rapidly apparent that the use of a District vehicle is a great benefit that is very much appreciated by the employee. In addition, the use of a vehicle for commuting purposes was considered as valuable of a benefit as any other the District offers.

### **Options**

1. No District vehicles are to be utilized for commuting purposes unless assigned personnel are responsible for responding to emergency events on a 24/7 basis.
2. Employees who utilize a vehicle for commuting purposes have the option to utilize a personal vehicle for commuting purposes or can continue to utilize a District vehicle for commuting only after agreeing to reimburse the District a fair and equitable deduction from the employees pay. The employee would sign an agreement with the District to have funds withheld from their bi-weekly pay checks. In addition, for those employees who continue to utilize a District vehicle for commuting purposes, this expense will be

reviewed annually during their performance appraisal process and adjusted appropriately to reflect actual costs to the District for this benefit.

*Note: The proposed deduction from the employees pay will be based on actual vehicle expenses (fuel, oil, maintenance, and insurance) times the percentage of vehicle usage for commuting purposes (est. 20-25%) divided over a twelve month period. It is anticipated those employee who exercise this option will likely pay 80-100 per month to the District to utilize a vehicle for commuting purposes.*

**Therefore, the General Manager recommends that the subcommittee recommend to the full Board of Directors the following recommendations on District vehicle usage:**

- 1. Option 2 be adopted to address the six (6) vehicles that are being utilized for commuting purposes which are not required to respond to an emergency event on a 24/7 basis.**
- 2. All employees utilize a District vehicle, when available, for attending District related functions and or conducting work related duties. Personal vehicle use should be discouraged for conducting District business unless no other transportation is available to the employee.**
- 3. Vehicles should be eliminated through attrition whenever feasible.**
- 4. Assigned vehicle usage should no longer be utilized in lieu of pay or as a reward for performance.**
- 5. If the Board of Directors so desires to modify the existing vehicle use policy that the General Manager is required to follow the adopted policy and the existing contract be amended as necessary.**

## MEMORANDUM

**TO:** Programs, Projects and Operations Subcommittee

**FROM:** Marlin J. Petermann, Acting General Manager

**SUBJECT:** Public Agency Vehicle Use Research

**DATE:** September 6, 2006

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In response to Board of Directors action at June 15, 2006 Board Meeting, staff contacted other public agencies to determine what their policies are for staff use of agency vehicles. Enclosed is a summary table for your review. Also enclosed is a table with Papio-Missouri River NRD vehicles/positions, where the staff person is allowed to commute to work with the vehicle. These staff positions were assigned NRD vehicles due to on-call nature of their jobs (e.g. respond to water main breaks, flood event response) and for after hours meeting use.

# PUBLIC AGENCY VEHICLE USE RESEARCH SUMMARY

JULY 13, 2006

1) ORGANIZATION	2) CONTACT PERSON	3) AGENCY VEHICLES used for commuting to work	4) POSITIONS FOR COLUMN 1 & 3	OTHER PERSONAL USE OF VEHICLES
Sarpy County Highway Dept.	Tom Lynam	6	Foremen; Co. Surveyor; Hwy Supt.	No
City of Omaha Public Works Dept.	Robert Stubbe	12	Public Works Director, Head of Depts. (e.g. Civil Engineers IV), and Divisions	No
Douglas County Highway Dept.	Mike DeSelm	7	2 Roads Supervisors 2 District Supt. 1 HWY Supt, Traffic on call staff	No
OPPD	Steve Anderson	60	Field Supervisors, Senior Managers	Yes, minor local use, reimbursed to OPPD
MUD	Ron Reisner	17	President, Sr. Vice President, on call staff	Limited personal use for President, Vice President
NDOR	Tom Sands	85	Maintenance Supervisors	No
Lower Platte South NRD	Glenn Johnson	2	General Manager, Asst. General Manager *	No
Lower Platte North NRD	Tom Mountford	2***	General Manager, Asst. General Manager *	No
Lower Elkhorn NRD	Stan Stabb	4	General Manager, 2 Asst. Managers (one - occasional use) Water Superintendent	No
Lewis & Clark NRD	Marilyn Shoemaker	2	General Manager, Water Supply Operator	No

\*Occasional use by other staff, as authorized by General Manager (such as travel to home, in route to a meeting)

\*\* Most NRD's did not respond to request for information

\*\*\*Policy allows but currently not being used

## PAPIO-MISSOURI RIVER NRD VEHICLE USE SUMMARY

September 6, 2006

(Vehicles used for commuting)

Vehicle No.	Description	Position	Name
1CA07	2003 Ford Explorer	General Manager *	Vacant
1CA08	2003 Ford Explorer	Asst. General Manager	M. Petermann
2LA34	1997 Chevy Pickup	Construction Engineer	M. Cleveland
2LA44	2003 Ford Pickup	Water System Operator	L. Olerich
2LA45	2006 Ford Pickup	O/M Shop Superintendent	R. Lehman
2LL11	2005 Chevy Pickup	Water System Superintendent	R. Hummel
2LL12	2005 Chevy Pickup	Land/Water Program Coordinator	R. Puls
2LL14	2005 Chevy Pickup	Water System Superintendent	M. Thieman
2LL16	2006 Chevy Pickup	Project Manager	D. Sklenar
2TA11	2004 Ford Truck	Asst. O/M Superintendent	B. Warren

\*Allowed to use vehicle for personal use, other positions are not.



September 6, 2006

Vehicle #	Name	Vehicle	Serial Number	P-MRNRD Equipment No.
1	Sklenar, Dick*	2006 Chevrolet Colorado	1GCDT196268228307	2LL16
2	Hummel, Randy**	2005 Chevrolet Colorado	1GCDT196558188285	2LL11
3	Warren, Bill*	2004 Ford F350 Pickup	1FDWF37P04EB45590	2TA11
4	Cleveland, Martin*	1997 Chevrolet S-10 Pickup	1GCGT14XXV8147618	2LA34
5	Schumacher, Terry	2000 Ford F250 Pickup	1FTNX21FUYEB79767	2LL08
6	Mike McNaney	2006 Ford F250 Pickup	1FTNF21506EC02469	2LL15
7	Zaugg, John	2000 Ford F250 Pickup	1FTNX21F2YEB79768	2LL09
8	Herbster, Jerry	2005 Chevrolet Colorado	1GCDT196258188650	2LL13
9	Puls, Ralph*	2005 Chevrolet Colorado	1GCDT196158188705	2LL12
10	Walthill	1999 Chevrolet Pickup	1GCGK24R5XF084806	2LA39
11	Egr, Emmett	1999 Ford Windstar	2FMZA5144XBA73833	2VA02
12	Lee, Randy	1999 Ford F250 Pickup	1FTNF21F9XEC82557	2LA40
13	Piper, Dennis	2004 Ford F350 Pickup	1FDWF37P24EB45591	2GA02
14	Park - Chalco Hills	2006 Ford F250 Chassis/Box Pickup	1FDNF21566EC02494	2TA12
15	Woodward, Paul	2004 Chevy Blazer	1GNDT13X24K138289	1CA09
16	General Manager*	2003 Ford Explorer	1FMZU72K83ZA23444	1CA07
17	Petermann, Marin*	2003 Ford Explorer	1FMZU72KX3ZA23445	1CA08
18	Lehman, Ron*	2006 Ford F250 Pickup	1FTSX21576EC02470	2LA45
19	O'rich, Lance**	2003 Ford Ranger	1FTZR11E93PA37220	2LA44
20	Walnut Creek	2002 Ford F350 Pickup	1FDWF37F82FB69723	2EA07
21	Lienemann, Keith	2002 Ford F350 Pickup	1FDWF37F62FB69722	2GA01
22	O&M Shop - Keller	2001 Ford F250 Utility Truck	1FDWF37S01EB26067	2TA10
23	Marty Thleiman**	2005 Chevy Colorado	1GCDT196858187759	2LL14
24	Park Truck	2000 Chevy S-10 Pickup Truck	1GCDT19W0Y8195018	2LL07

\* Authorized to drive to and from work.

\*\* Authorized to drive to and from work - paid for by the rural water system.



# MEMORANDUM

**TO:** NRD Board of Directors  
**FROM:** Marlin J. Petermann, Assistant General Manager  
**SUBJECT:** District Vehicle Use  
**DATE:** February 14, 2007

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At the June 15, 2006 Board of Directors meeting, management was directed to assemble information on employee use of District vehicles. In September 2006, the Programs, Projects and Operations Subcommittee was briefed on District and other public agency vehicle use policies (see enclosed August 14, 2006 memo). The Board subsequently decided to delay action until the new General Manager, John Winkler, had a chance to review the vehicle use situation and then report back a recommendation.

Enclosed is additional information on District vehicle use and justification for employee use, such as commuting to work location.

## PAPIO-MISSOURI RIVER NRD VEHICLE USE SUMMARY AND EMPLOYEE USE JUSTIFICATION February 15, 2007

A.

Vehicle No.	Description	Position	Name
1CA07	2003 Ford Explorer	General Manager	John Winkler

This vehicle is assigned to the General Manager and he is allowed to use it for <sup>only</sup> ~~any~~ personal <sup>use</sup> use, as per his contract with the NRD. The other vehicles discussed in this memo may be used only for commuting to and from work. The General Manager uses this vehicle for driving to after work hours meetings, Board of Directors project tours and emergency response for flood events. He is one of four staff persons listed on the emergency operation plans for 10 dam sites, along with Petermann, Lehman and Warren.

**B.**

Vehicle No.	Description	Position	Name
1CA08	2003 Ford Explorer	Assistant General Manager	Marlin J. Petermann

This vehicle is used for transportation to many after work hour meetings. He is in charge of field operations (as per 2007 Emergency Operations Plan Manual) for flood/high water related events for all District projects (83 dams and over 80 miles of levees). He is typically the first or second staff person to do site visits at flood events.

**C.**

Vehicle No.	Description	Position	Name
2LA34	1997 Chevy pickup	Construction Engineer	M. Cleveland

This employee is the alternate Field Operations Chief for emergency (e.g. flood/high water) events in the District (as per 2007 Emergency Operations Plan Manual) and would handle field operations in the absence of the Assistant General Manager. This employee handles all the construction/maintenance design, bidding and contract coordination for all major repairs (flood and non-flood related) for the 83 dams and over 80 miles of levee. He also prepares all emergency operations plans for the District flood control projects (e.g. dams and levees). The vehicle is used for flood emergency response, repair visits and after hour meetings, such as attending Council Meeting for a project.

**D.**

Vehicle No.	Description	Position	Name
2LA40	1999 Ford Pickup	Assistant Park Superintendent	R. Lee

This vehicle is kept at residence at the Walnut Creek Lake Recreation Area. This vehicle is used to open/close Walnut Creek Lake Recreation Area and respond to after hour problems in the park. In October 2007, this recreation area will be transferred to the City of Papillion along with this vehicle. A replacement vehicle will be purchased, but will not be assigned for commuting use.

**E.**

Vehicle No.	Description	Position	Name
2LA44	2003 Ford Pickup	Water System Operator	L. Olerich

**F.**

Vehicle No.	Description	Position	Name
2LL11	2005 Chevy Pickup	Water System Superintendent	R. Hummel

**G.**

Vehicle No.	Description	Position	Name
2LL14	2005 Chevy Pickup	Water System Superintendent	M. Thieman

**H.**

Vehicle No.	Description	Position	Name
2LL16	2006 Chevy Pickup	Project Manager	D. Sklenar

Although these vehicles are owned by the District, three of them have been purchased by the rural water systems. All of these vehicles are important primarily for rapid emergency response to address water main breaks, and customer concerns regarding

low pressure or poor water quality. Vehicles are also used for after-hour appointments with customers and attendance of evening advisory board meetings. Vehicle # 2LL16 is also used for non-water supply related activities.

I.

Vehicle No.	Description	Position	Name
2LA45	2006 Ford Pickup	O/M Shop Superintendent	R. Lehman

J.

Vehicle No.	Description	Position	Name
2TA11	2004 Ford Truck	Assistant O/M Superintendent	B. Warren

These two staff members are responsible for first response activities for District flood control project observation and repairs, (dams and levees) during flood events. They would also be the first called out to operate emergency repair equipment (excavator, dump trucks). Lehman is responsible for all O/M staff and Warren is his assistant.

K.

Vehicle No.	Description	Position	Name
2LL12	2005 Chevy Pickup	Land/Water Program Coordinator	R. Puls

Puls is responsible for all conservation project field staff and his assigned vehicle is used for some after work hour meetings such as Dakota County Board Meetings associated with Pigeon Jones Dam Site #15 proposal.

L.

Vehicle No.	Description	Position	Name
2LL13	2005 Chevy Pickup	Park Superintendent	J. Herbster

This vehicle is based at residence at Chalco Hills Recreation Area. Herbster uses this vehicle to close park and respond to emergencies such as illegal activity (after hour visitors in the park, etc.) in the Park.

**VEHICLE USE - PAY ADJUSTMENT:**

Some employees, at the discretion of the General Manager, shall be assigned a District vehicle to drive to and from work. Personal use of the District vehicles, other than driving to and from work, is not allowed.

Employees with employer-provided vehicles will be required to pay FICA tax on an amount determined to be the value of daily commuting. The amount charged will be \$3.00 per work day. The employee will be required to pay only the FICA tax, no amount will be added to his/her gross wages.

The vehicle use tax computation is done on a bi-weekly basis as a function of the payroll system. An example of the bi-weekly formula is as follows:

Number of work days	10 days
Rate per day	<u>x \$ 3.00</u>
	\$30.00
FICA rate	<u>x 7.65%</u> (6.2% - FICA; 1.45% - Med FICA)
Due from Employee	\$ 2.30 per pay period

These amounts will be adjusted if required by changes in IRS regulations.