

CENTRAL BASIN MUNICIPAL WATER DISTRICT

DECEMBER 5, 2006 - Finance/Administration  
 Hawkins, Apodaca  
 DECEMBER 19, 2006 - Board Meeting  
 Prepared by: Aileen Hermoso  
 Submitted by: Aileen Hermoso  
 Approved by: Art Aguilar

CONSENT CALENDAR

DIRECTORS' CAR ALLOWANCE

SUMMARY:

In the past, the District has used the United States Department of Labor (DOL) information on Consumer Price Index (CPI)-All Items to adjust the Car Allowance. Staff recently reviewed this policy and compared the CPI-All Items to the changes made by the Internal Revenue Service (IRS) on the mileage rate and to CPI-Fuel, as follows:

	Actual Increase in		IRS Mileage	If IRS rates	US City Ave	If CPI-Fuel
	Car Allowance		Rate Increase	were followed	CPI-Fuel	was followed
1999	300.00	0.00%	0.00%	300.00	-4.60%	286.20
2000	300.00	0.00%	0.00%	300.00	2.68%	293.87
2001	300.00	0.00%	6.15%	318.45	11.57%	327.85
2002	332.73	10.91%	5.80%	336.92	0.62%	329.90
2003	341.58	2.66%	0.00%	336.92	-0.93%	326.83
2004	341.58	0.00%	2.74%	346.15	8.05%	353.15
2005	352.75	3.27%	8.00%	373.84	4.85%	370.27
2006	368.55	4.48%	9.88%	410.78	21.60%	450.26
Average		2.67%	4.07%		5.48%	
2007			8.99%	447.71	-2.67%	438.25

In determining the mileage rate, IRS considered the current cost of operating an automobile, which includes, but is not limited to, depreciation or lease payments, insurance, license/registration fees, repairs and maintenance, and gasoline. Staff believes that the IRS rate or the CPI-Fuel is more reflective of the current cost in regards to Car Allowance. If Car Allowance had been adjusted to keep pace with the IRS mileage rate changes or the CPI-Fuel, the Car Allowance effective January 1, 2007 would be \$447.71 or \$438.25, respectively. The Board may consider adjusting the Car Allowance based on the percentage change in the IRS mileage rate or CPI-Fuel, whichever is higher. Therefore, staff suggests that the Board increase the Car Allowance to be effective January 1, 2007 to \$447.71.

Also, for the past five months, Directors and staff have been more involved in District meetings to address current issues and attending events to reach out to the community and build partnerships. These activities require them to drive to different locations.

FISCAL IMPACTS:

Funds for an adjustment to the Director's Car Allowance have been included in the FY 2006-07 Operating Budget. If approved at \$447.71, the unbudgeted portion would be a total of \$1,487.80 for the current fiscal year.

CBMWD Board Memorandum  
December 19, 2006

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Finance/Administration Committee on December 5, 2006 and was agendaized to the December 19, 2006 Special Board meeting Consent Calendar.

RECOMMENDED MOTION:

That the Board considers approving an adjustment of \$79.16 to the Directors' current monthly Car Allowance to be effective January 1, 2007 for a total not-to-exceed amount of \$447.71.

LIST OF EXHIBITS:

None.

Y:\centralbasinboard\cbmwd\06dec003