



Department of Employee Relations

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April 26, 2010

To The Honorable
The Committee on Finance and Personnel
Common Council
City of Milwaukee

Dear Committee Members:

Re: Common Council File Number 091657

SUMMARY

Attached are the new Administrative Guidelines for Automobile and Travel Allowance for Management Pay Plan Employees. These guidelines provide direction to City Departments in relation to eligibility requirements, the verification process, and reimbursement requests for positions in the Management Pay Plan. They also emphasize the importance of everyone using their automobiles in an efficient and effective way and looking for ways to minimize mileage and reduce costs for the City.

BACKGROUND

Common Council File #091283 approved various changes to the automobile allowance for Management Pay Plan (MPP) employees. Changes include the elimination of a base rate, establishing the Internal Revenue Service (IRS) standard mileage rate as the reimbursement rate, and elimination of the provision that gave certain managers an automobile allowance equal to that granted to subordinate bargaining employees. The IRS mileage rate for 2010 is \$.50 per mile. Under this same file the Department of Employee Relations, with assistance from the Comptroller's Office and the Department of Public Works, was directed to develop citywide administrative guidelines regarding automobile allowance for MPP employees. Since travel allowance is closely related to automobile allowance these guidelines cover both automobile allowance and travel allowance.

Recommended changes in the guidelines include the following:

1. Emphasizing the responsibility of supervisors and Department Heads or designees to carefully review submitted records and requests for automobile and travel allowance.
2. Stating specific criteria for positions to be eligible for automobile allowance and reevaluating whether the position meets the criteria on at least an annual basis.

3. Requiring MPP employees who are in positions that are eligible for monthly automobile allowance to separate miles incurred for travel outside of regular job responsibilities and process these requests under travel allowance rather than automobile allowance.
4. Clarifying the options available including the use of a pool car or rental car when the cost would be lower than reimbursing an employee for mileage. Department heads or designees must determine when it is appropriate to require a MPP employee to use a pool car or rental car based on various factors including location, individual needs of the MPP employee, security and safety issues and other specific circumstances of the event.
5. Maintaining the requirement for a MPP employee to have automobile insurance for a private vehicle if they receive travel allowance but not requiring a declaration to their insurance company.
6. Emphasizing the responsibility of everyone to use their automobile in an efficient and effective way and look for ways to minimize mileage and reduce costs for the City.

If the guidelines are approved we plan to submit a separate file with revised forms and recommended changes to the Milwaukee Code of Ordinances.

Sincerely,



Maria Montegudo
Employee Relations Director