



Memorandum

TO: MAYOR REED

FROM: Councilmember Johnny Khamis

SUBJECT: BUDGET DOCUMENT

DATE: May 21, 2013

Approved

Date May 21, 2013

RECOMMENDATION

That the following recommendation be enacted.

Proposal

Program/Project Title: Establishment of Pre-Tax Transit/Vanpooling/Bicycling Accounts for City Employees

Amount of City Funding Required: \$0 – Utilize existing staff for implementation.

Fund Type (i.e. General Fund, C&C funds, etc.): General Fund

Proposal Description, including anticipated outcomes (describe how change would affect services for San José residents, businesses, community groups, etc.):

As a stop-gap measure to begin to re-incentive City employees to choose environmentally-friendly commute alternatives, direct the City Manager to establish IRS-allowed pre-tax transit/vanpooling/bicycling expense accounts for City Employees who request them as well as a simple, streamlined reimbursement process. Allowing employees to set aside up to \$245 of their own pay, tax-free, that they may use to help pay these costs, is a simple and fiscally-responsible way to provide employees with flexibility and cost-savings related to their daily commute.

This proposal can be implemented while the City continues to explore the feasibility of other options, as detailed in the MANAGER'S BUDGET ADDENDUM #5, to incentivize those who use commute alternatives.

Funding Source

- Essential Services Reserve (\$2 million)
- Other (Program/Project/Fund): General Fund

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Department or Organization: Department of Transportation

Department or Organization Contact (list contact information for the individual that certified cost estimates contained within your recommendation):

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This change is:

_____ One-time X Ongoing

The City Service Area to which the change best relates:

- Community and Economic Development Services
- Environmental and Utility Services
- Neighborhood Services
- Public Safety
- Strategic Support
- Transportation and Aviation Services