



# CITY OF GRAND RAPIDS

## Meeting Agenda Full Detail City Council Work Session

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Monday, February 9, 2015

City Hall Conference Room 2A

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### IMMEDIATELY FOLLOWING CLOSED MEETING

**CALL TO ORDER:** Pursuant to due notice and call thereof a Special Meeting/Worksession of the Grand Rapids City Council will be held on Monday, February 9, 2015 immediately following the Closed Meeting in City Hall Conference Room 2A, 420 North Pokegama Avenue, Grand Rapids, Minnesota.

**CALL OF ROLL:** On a call of roll, the following members were present:

#### Discussion Items

1. 15-1084 Discussion on proposed Take-Home Vehicle and Motorized Vehicle Use Policy.  
**Attachments:** [PLCY-VehicleUsePolicy-GrandRapids.pdf](#)
2. 14-0789 Review 5:00 PM Regular Meeting

### ADJOURN

*Attest: Kimberly Gibeau, City Clerk*



# CITY OF GRAND RAPIDS

## Legislation Details (With Text)

**File #:** 15-1084      **Version:** 2      **Name:** Policy-Vehicle Usage  
**Type:** Agenda Item      **Status:** Passed  
**File created:** 1/28/2015      **In control:** City Council  
**On agenda:** 2/23/2015      **Final action:** 2/23/2015  
**Title:** Adoption of the Take-Home Vehicle and Motorized Vehicle Use Policy.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** [PLCY-VehicleUsePolicy-GrandRapids.pdf](#)

Date	Ver.	Action By	Action	Result
2/23/2015	2	City Council	Approved	Pass
2/9/2015	1	City Council Work Session	Referred	

Adoption of the Take-Home Vehicle and Motorized Vehicle Use Policy.

### **Background Information:**

The City of Grand Rapids has employees that take home City owned vehicles as part of their job. The Internal Revenue Service considers this a fringe benefit and that a fringe benefit is a form of pay for the performance of services and therefore, must be included in the salaries and benefits of the employee. For example, you provide an employee with a fringe benefit when you allow the employee to use a City vehicle to commute to and from work.

The City has been following the requirements set by the Internal Revenue Service for years, however it was just brought to our attention that when using the "Commuting Rule" part of the requirements are that the City establish a written policy under which you do not allow the employee to use the vehicle for personal purposes other than commuting or *de minimis* personal use. Personal use of a vehicle is all use that is not for City business.

This was discussed at the February 9, 2015 City Council Work Session.

### **Staff Recommendation:**

Staff is recommending adopting the Vehicle and Motorized Vehicle Use Policy.

### **Requested City Council Action:**

Consider adopting the Take-Home Vehicle and Motorized Vehicle Use Policy for the City of Grand Rapids effective February 24, 2015.

# **CITY OF GRAND RAPIDS TAKE-HOME VEHICLE AND MOTORIZED EQUIPMENT VEHICLE USE POLICY**

Effective February XX, 2015, the following policy shall be in effect for use of City take-home vehicles and motorized equipment vehicles, the assignment and use of City vehicles outside the standard workweek. This policy will not apply to emergency vehicles assigned to the Police and Fire Departments as they have existing policies.

Each employee authorized to use a City vehicle will sign a statement that he or she has read and understands the policy.

## **A. Definitions:**

1. Take-home Vehicle - Any car, truck, or special equipment vehicle that is owned, leased, or rented by the City which is assigned to a particular employee to take home for business-related purposes as identified in this policy.
2. Motorized Equipment Vehicle - Any passenger vehicle or truck, self propelled equipment, trailer, or trailer mounted equipment which is towed by a self-propelled piece of equipment, which may be marked or unmarked with City identification, and/or licensed for use on public roadways and/or off road.
3. City Vehicle: Includes both take-home vehicle and motorized equipment vehicles.
4. Unmarked Vehicle: A City vehicle which is not easily identified as used by a City employee. Examples of such vehicles would be those used in fire and police criminal investigation and by detective personnel.

**B. General Statement** - Employees assigned take-home vehicles for daily use and for commuting purposes or operating motorized equipment vehicles are governed by the following general policy and philosophy and by M.S. 471.666 (Attachment A). City take-home vehicles are not personal vehicles and are not to be used for personal use. All City take-home vehicles should be viewed as belonging to the City of Grand Rapids and are assigned for commuting only for purposes consistent to solely providing services to the City.

## **C. General Policies**

1. Passengers in City vehicles shall be limited to City employees and individuals who are directly associated with City work activity (City Council, committee members, consultants, contractors, etc) and/or individuals participating in a bona fide "Ride Along" event. Family members shall not be transported in City vehicles. If an accident or medical emergency arises necessitating transport of passengers other than City personnel, the employee assigned the

vehicle shall notify his immediate supervisor as soon as possible of the nature of the emergency.

2. City Vehicles should carry only those items for which the vehicle is designed or utilized. Personal property, other than daily use items such as handbags, briefcases, umbrellas, and coats, should not be transported in the vehicle.
3. Vehicle Operation: The operators of City vehicles must observe and obey all traffic ordinances, rules, and regulations, including:
  - a. Operate vehicle at or below posted speed limits or at lower speeds if road conditions require a slower speed.
  - b. Operate vehicles in a safe and responsible manner.
  - c. Drivers and all passengers are required to wear a seat belt whenever a vehicle is in motion.
  - d. All doors must be closed and secure when a vehicle is moving.
  - e. Vehicles should be parked in a manner that does not obstruct traffic or building access.
  - f. Tobacco usage is not permitted in City vehicles.
  - g. When leaving a vehicle unattended, remove the ignition keys and secure the vehicle.
  - h. All City vehicles should be secured and locked after daily operation. If there is a designated location for storage of vehicles not in use, the vehicle must be returned to that storage location.
  - i. Motorized equipment vehicle keys should be returned to the key cabinet or daily to its proper storage location at end of use.
  - j. Drivers shall have and maintain a valid driver's license suitable for the operation of the particular vehicle to which they are assigned.
  - k. Fines or penalties for moving, parking, or any other violations are the responsibility of the operator.
  - l. In no event is a City vehicle ever to be utilized to transport alcoholic beverages or controlled substances except in the case of police officers acting in their official capacity.
  - m. City vehicles may not be utilized to transport weapons, except in the case of police officers acting in their official capacity and/or in the case where the occupant(s) have a "permit to carry" issued by the State of Minnesota or a state with which Minnesota has a "permit to carry" reciprocity agreement.
  - n. All City vehicles, except unmarked public safety vehicles, shall be identified with the standard City seal and/or the name of the Department.

- o. Duty to Report: In the event that any city owned vehicle becomes inoperable due to mechanical problems, damage or becomes stuck, the operator of that vehicle shall immediately contact his/her supervisor and advise of the situation. It is the responsibility of the operator of the vehicle to document and report to the employee's supervisor any damage to the vehicle that occurs during the hours the vehicle is assigned to that person for use. In the case of personal injury and/or property damage accident occurring on a public street the driver shall also immediately report the accident to law enforcement.
- p. It is the responsibility of the operator of the vehicle to document and report to the employee's supervisor any damage caused by the vehicle assigned to that person to any other vehicle or property.
- q. Recommendations for safe handling of vehicle-based calling from the wireless communications industry include the following:
  - i. Use voice-activated dialing when driving, or have frequently called numbers pre-programmed into the device, or consider pulling off the road to dial (or ask a passenger to dial).
  - ii. Do not use the wireless communication device at all in a school zone or if there are hazardous road or traffic conditions.
  - iii. Avoid multiple tasks when driving, such as trying to drive, taking notes and using a wireless communication device.

#### **D. Take-home Vehicle Policies**

1. If an employee is assigned a City take-home vehicle, this assignment shall be made consistent with Minn. Stat. 471.666 to confer a benefit upon the City. The only "personal use" of the vehicle permitted is travelling to and from the employee's residence and the place of work, and personal use that is clearly incidental to normal workday activities. The vehicle should be driven over the most direct route taking into account road and traffic conditions. The vehicle should not be utilized for travel outside the direct route for personal reasons. "Clearly incidental" personal use shall mean use that does not involve additional travel or expense to the City, and does not create an impression that the vehicle is being used for personal reasons such as shopping, recreation, transportation of family or friends, etc. If in doubt as to whether a particular use is permitted, employees should seek supervisory approval.
2. Assigned take-home vehicles may be utilized for *de minimis* personal errands during the workday for transportation clearly incidental to normal workday activities. Employees will make every effort to minimize events of this nature.
3. Unauthorized use of a take-home vehicle may expose the individual to risk that City's insurance coverage will not cover.

4. Whenever an employee who is assigned a City take-home vehicle is on vacation or any other leave for more than two consecutive days, the vehicle may be reassigned by the City Administrator or parked in the appropriate City lot.
5. A record of take-home vehicle mileage will be monitored on a monthly basis by the Department Head. Employees assigned vehicles may be required to document reasons for significant month-to-month variances. Other monitoring may entail unannounced visits to sites where vehicles are parked overnight.
6. In the event any of the above guidelines are not observed, an employee using a take-home vehicle for personal purposes shall reimburse the City at the prevailing mileage rate and disciplinary action may be taken.
7. **Take-Home Vehicle Tax Liability:** The City is required to comply with the IRS's regulations regarding the reporting of income. Since the only authorized non-business use is commuting and *de minimis* personal errands the City will use the Commuting Valuation method to report income. This method will use \$3 per day for each day of commuting as the amount of taxable income reported to the IRS so long as the user lives within the City or within 3 miles of the City limits. The income value to a user who lives further than 3 miles from the City limits may be calculated on a per mile basis in lieu of the \$3/day IRS rate. This amount may be amended by the IRS at any time. Marked and unmarked law enforcement vehicles and fire emergency response vehicles are excluded from this IRS requirement.

**E. Eligibility-** Eligibility for a take-home vehicle will be determined on a case-by-case basis and may be modified for any or no reason. Generally, for an employee to be assigned a take-home vehicle for commuting purposes, the Department Head must find that one or more of the circumstances identified in Minn. Stat. section 471.666 exist (see attachment A). The following factors shall be utilized in making this determination:

1. **On Call** – An employee designated to be generally available to respond to off-hours situations. Normally, this individual would be a public safety officer with responsibility for responding to calls outside of that individual's normal work hours, or a director or first level supervisor for a line work unit with an assigned responsibility to respond to service disruptions or other extraordinary events outside normal work hours.
2. **Emergency Availability** – Employee has supervisory responsibility for a line operation that provides services or maintains facilities on a 24-hour, seven-day schedule. Department operations are characterized by employees who work a six or seven-day week; extended hours; and/or frequent overtime. Employee is called for emergencies which demand his or her expertise, experience, knowledge, judgment, and command ability.
3. **Service Supervision** – Due to the nature of the position, the responsibilities of the position and organization of the Department the individual is

required to supervise programs and services at night and on weekends to ensure proper performance. The key difference between this category and the Normal Work Demand category is the nature of the activity; the amount of the activity; and the fact the activity is demanded by organizational consideration.

4. ***Normal Work Demand*** – Employee normally works a standard workweek and is regularly required to attend work events at places other than the employee's primary place of assignment outside of normal work hours.

**F. Severability.** If any section, subsection, sentence, clause, phrase, word, or other portion of this policy is, for any reason, held to be unconstitutional or invalid, in whole, or in part, by any court of competent jurisdiction or by state statute, such portion shall be deemed severable, and the validity of the remaining portions of this policy shall continue in full force and effect.

**M.S. 471.666 PERSONAL USE OF PUBLICLY OWNED AUTOMOBILES PROHIBITED.**

Subdivision 1. **Definitions.** For purposes of this section, the following definitions shall apply:

(a) "Local government vehicle" means a vehicle owned or leased by a political subdivision of the state of Minnesota or loaned to a political subdivision.

(b) "Political subdivision" means a statutory or home rule charter city, county, town, school district, metropolitan or regional agency, or other special purpose district of this state.

(c) "Local government employee" or "employee" means an individual who is appointed or employed by a political subdivision, including all elected officials of political subdivisions.

Subd. 2. **Restricted uses.** A local government vehicle may be used only for authorized local government business, including personal use that is clearly incidental to the use of the vehicle for local government business. A local government vehicle may not be used for transportation to or from the residence of a local government employee, except as provided in subdivision 3.

Subd. 3. **Permitted uses.** A local government vehicle may be used by a local government employee to travel to or from the employee's residence:

(1) in connection with work-related activities during hours when the employee is not working;

(2) if the employee has been assigned the use of a local government vehicle for authorized local government business on an extended basis, and the employee's primary place of work is not the local government work station to which the employee is permanently assigned; or

(3) if the employee has been assigned the use of a local government vehicle for authorized local government business away from the work station to which the employee is permanently assigned, and the number of miles traveled, or the time needed to conduct the business, will be minimized if the employee uses a local government vehicle to travel to the employee's residence before or after traveling to the place of local government business.

Subd. 4. **Exceptions.** This section does not apply to public safety vehicles that are owned or leased by a political subdivision.

**History:** 1993 c 315 s 16



## **ACKNOWLEDGMENT STATEMENT**

I hereby acknowledge that I received a copy of the City of Grand Rapids Vehicle Policy dated February XX, 2015. I understand it is my obligation to read and abide by its terms and procedures. I understand that a copy of this acknowledgment statement will be placed in my personnel file.

\_\_\_\_\_  
*Please print full name*

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Date*