



**M E M O R A N D U M**

May 11, 2023

**TO:** Board of Commissioners

**RE: Commissioner Mileage Reimbursement**

As a result of eliminating Commissioner per diem and setting an overall fixed salary, County Administration recently requested clarity regarding the intent of mileage reimbursement. Parameters linked to mileage reimbursement were removed when the per diem language was eliminated from the Board Rules and Procedures. The Board added the topic to the May 11, 2023, agenda to revisit the intent of mileage reimbursement. Reimbursement for local unit meetings was identified as an area to discuss.

Current Board standards include taxable and nontaxable mileage, eligibility is specifically defined by the Rules, and any exceptions require Board approval. Paying mileage to a regular place of work (county property) is considered a commute and, therefore, taxable. Payment for commuting is not a common practice under general County policy. No standard among comparable counties supports paying for taxable and nontaxable mileage for county and local unit meetings.

To assist with the Board discussion, the following options are being provided for consideration:

OPTION #1 – A fixed vehicle/travel stipend.

- Least overhead and easiest to administer.
- The County and Commissioners incur a tax burden relative to the full stipend being taxable.
- Each Commissioner receives the same amount, which may be viewed as equal yet perhaps not equitable as some Commissioners may have more meetings or further distances to travel.
- As a taxable compensation benefit, this could not be implemented mid-term.
- If this option was selected, it is recommended that utilization be tracked for the remainder of this term to establish a stipend for the next term.
- Clarity would still be needed as to what eligible reimbursements would be for this term.

OPTION #2 – Keep current Board standards with the addition of local unit meetings.

- Adds to the already high administrative overhead.
- The County and Commissioners incur a tax burden relative to the taxable mileage reimbursement.
- Based on 2022, total mileage expense was \$13,364 and did not include reimbursement for local unit meetings.
- Insert language into Board Rules:
  - i. BOC Mileage: The following BOC-related meetings shall be eligible for mileage reimbursement at the current IRS rate:
    - (1) Attendance in any official meeting of the BOC or a board, commission, committee, or official activity, e.g., training or conferences to which a BOC member has been appointed by the BOC or BOC Chairperson through BOC action. See Attachment “B” for identified boards, commissions, and committees,
    - (2) Quarterly Interdepartmental Meetings normally held on the last Wednesday of January, April, July, and October,
    - (3) Attendance in Michigan Association of Counties (MAC) activities in which participation or appointment has occurred,

- (5) One publicly noticed local unit meeting per month for each local unit in a commissioner's district,
- (4) All other meetings, Board approval will be required.
- Based on an assumption of each commissioner attending one publicly noticed local unit meeting per month for each local unit in a commissioner's district, at an average round trip of 30 miles, the additional nontaxable mileage would be \$8,253, which is not budgeted in 2023.

OPTION #3 – Reinstate the current standards as they were.

- Administrative overhead would stay the same.
- The County and Commissioners incur a tax burden relative to the taxable mileage reimbursement.
- Insert language into Board Rules:
  - i. BOC Mileage: The following BOC-related meetings shall be eligible for mileage reimbursement at the current IRS rate:
    - (1) Attendance in any official meeting of the BOC or a board, commission, committee, or official activity, e.g., training or conferences to which a BOC member has been appointed by the BOC or BOC Chairperson through BOC action. See Attachment "B" for identified boards, commissions, and committees,
    - (2) Quarterly Interdepartmental Meetings normally held on the last Wednesday of January, April, July, and October,
    - (3) Attendance in Michigan Association of Counties (MAC) activities in which participation or appointment has occurred,
    - (4) All other meetings, Board approval will be required.

OPTION #4 – Eliminate current taxable mileage (commute) and add local unit meetings.

- Administrative overhead would be slightly reduced.
- Commissioners would be ineligible to seek reimbursement for meetings at County property.
- Based on 2022, the total taxable mileage reimbursement for 5 Commissioners was \$4,438 (out of the total mileage reimbursement of \$13,364) and did not include reimbursement for local unit meetings.
- Eligibility for attending any publicly noticed local unit meeting, the additional nontaxable mileage would be higher than the projected \$8,253; however, the \$4,438 would offset a portion.
- Neither the County nor the Commissioner would incur a tax burden relative to the mileage reimbursement being not taxable.
- Insert language into Board Rules:
  - i. BOC Mileage: The following BOC-related meetings, except for meetings held at county-owned properties, shall be eligible for mileage reimbursement at the current IRS rate:
    - (1) Attendance in any official meeting of the BOC or a board, commission, committee, or official activity, e.g., training or conferences to which a BOC member has been appointed by the BOC or BOC Chairperson through BOC action. See Attachment "B" for identified boards, commissions, and committees,
    - (2) Quarterly Interdepartmental Meetings normally held on the last Wednesday of January, April, July, and October,
    - (3) Attendance in Michigan Association of Counties (MAC) activities in which participation or appointment has occurred,
    - (4) Attendance in any publicly noticed local unit meeting in a commissioner's district,
    - (5) All other meetings, Board approval will be required.

In close, I recommend option 4.

S T A T E O F M I C H I G A N

BOARD OF COMMISSIONERS OF THE COUNTY OF ALLEGAN

**BOARD OF COMMISSIONERS—COMMISSIONER MILEAGE REIMBURSEMENT**

**WHEREAS**, as a result of eliminating Commissioner per diem and setting an overall fixed salary, on April 27, 2023, County Administration requested clarity regarding the intent of mileage reimbursement; and

**WHEREAS**, the Board of Commissioners added the topic to the May 11, 2023, Planning agenda to revisit the intent of mileage reimbursement.

**THEREFORE, BE IT RESOLVED** that the Board adopts the overall policy of eliminating current taxable mileage (commute) and adding local unit meetings using the parameters below:

- Commissioners would be ineligible to seek reimbursement for meetings at a county property.
- Eligibility for attending any publicly noticed local unit meeting.
- Insert language into Board Rules, under Section 10, b.:
  - i. BOC Mileage: The following BOC-related meetings, except for meetings held at county-owned properties, shall be eligible for mileage reimbursement at the current IRS rate:
    - (1) Attendance in any official meeting of the BOC or a board, commission, committee, or official activity, e.g., training or conferences to which a BOC member has been appointed by the BOC or BOC Chairperson through BOC action. See Attachment "B" for identified boards, commissions, and committees,
    - (2) Attendance in Quarterly Interdepartmental Meetings normally held on the last Wednesday of January, April, July, and October,
    - (3) Attendance in Michigan Association of Counties (MAC) activities in which participation or appointment has occurred,
    - (4) Attendance in any publicly noticed local unit in a commissioner's district,
    - (5) All other meetings, Board approval will be required; and

**BE IT FINALLY RESOLVED** that the County Administrator is authorized to perform a budget adjustment to cover the additional expense within the 2023 Budget.