City and County Motor Vehicle Policy

SUMMARY
The 1996-1997 San Francisco Civil Grand Jury investigated after-hours use of City and County-owned motor vehicles. The Jury’s investigation included questionnaires sent to all departments, meetings with several of department heads, and review of appropriate sections of the Administrative Code. The Grand Jury concludes that the present system for monitoring such after-hours use of vehicles is unsatisfactory and that some unauthorized use occurs. The citizens of the City and County of San Francisco are entitled to have confidence in the fact that the hundreds of motor vehicles purchased or leased with their tax dollars should be used appropriately, and that personal use of such vehicles is not abused. The Grand Jury recommends a more formalized system of reporting and review of such use.

BACKGROUND
The City and County of San Francisco owns and operates a great number of motor vehicles of all types. (The Grand Jury investigation dealt only with cars and pick-up trucks.) Historically, employees of various departments have used such vehicles after hours for a variety of reasons. There have been periodic instances of abuse of such use. These have given rise to attempts at reform. The most recent effort, in 1992, an effort led by then-Supervisor Terrence Hallinan, resulted in the passage of Administrative Code Section 4.11, which regulates the use of City-owned vehicles. That section provides, in part, that “vehicles owned, leased, or rented by the City and County and assigned to or under the jurisdiction of any departments of the City and County shall be used only in the discharge of municipal business.” (Section 4.11(a)). Such use may occur only with the consent of the head of the department.

There are two exceptions to this rule, set forth in Section 4.11(b). One applies to employees who must be away from their residences on City and County business before or after the normal work day. This exception applies only to employees residing within the City and County or residing and working outside the City and County. The second exception applies to employees who operate emergency vehicles. Employees of the Police Department, Sheriff’s Department or Emergencies Services Department may use City vehicles, no matter where they live, if they have prior written permission from their department head. Detailed records of such use must be kept and be open for inspection by the Mayor’s Office and the Board of Supervisors.

Department heads and City officers, who are presumed to be "always on duty" are exempt from these regulations.

By law, the use of motor vehicles must be reported as taxable income. Each department is supposed to report to the Controller of the City and County each instance of personal use, for which each employee is then charged $3.00 of taxable income. Such income is reported on the employee's W-2 Form.

Findings
The current system of allowing each department to decide, without any oversight review, which employees may take vehicles home with them overnight or on weekends, and on what occasions, is unsatisfactory. The current system lacks any supervisory control. Abuses of the current system are widespread.
There are certain instances where use that would be improper by a literal reading of the Administrative Code nevertheless makes good sense. For instance, some departments lack adequate garage space. Cars owned by these departments would have to be left on the street overnight if not taken home by employees. In such instances, employees are often allowed to take vehicles home at night simply so that they will not stand unattended on the street overnight. While such a practice may be reasonable, it is nonetheless subject to abuse. Oversight of these practices is lacking.

Prior to the commencement of this investigation, certain departments were not adequately reporting employees' use of vehicles to the Controller for tax purposes. This investigation has changed some of those practices, but probably not all. The Controller's office does not investigate each department's method of reporting vehicle use, and therefore has no way of knowing whether such reports are accurate. The entire system appears to operate on the "honor system."

Recommendations
1. A more formalized approach to after-hours use of City and County-owned vehicles needs to be undertaken.
2. On a periodic basis, monthly or quarterly, each department should report to one designated official each instance of after-hour use of all motor vehicles assigned to that department. The person designated to receive and review these reports must have the authority to investigate them for accuracy, and must do so. The Controller's office is best equipped to perform this function.
3. The reports must certify that, for each reportable pay period, each employee who has used a motor vehicle has been appropriately charged with the $3.00 imputed income that will be reported on the employee's W-2 Form.

REQUESTED RESPONSES
Mayor's Office
Board of Supervisors
Controller