

October 7, 2008

Ms. Maggie Brown, President
Columbia Association Board of Directors
10221 Wincopin Circle
Columbia, MD 21044

Dear Ms. Brown:

On behalf of the Alliance for a Better Columbia, I am writing to request clarification of some items in your response dated June 9, 2008 to our initial request for information pertaining to fringe benefits provided by CA to their employees. You indicated that there are 32 employees currently receiving a monthly business mileage allowance "which is reported as compensation on their W-2 and on which they are taxed." In addition, you noted that 12 CA employees have been furnished with take-home vehicles. You justified this policy on two grounds: that their business responsibilities require regular facility or open space inspections and that they may need to be on call outside of normal business hours.

ABC would like answers to the following questions:

1. Are any of these employees allowed to use either their own or CA-owned cars for personal reasons unrelated to CA business? The IRS would not consider any mileage allowances paid to those individuals who may be using their own cars as part of compensation and therefore taxable if these trips were related to official CA business. In that case, the affected employees would generally be reimbursed by the employer for these expenses, and there would be no need to report the mileage allowance to the IRS. They would only be required to report such allowances as income if the trips were of a personal nature. Likewise, the IRS would regard any mileage allowances paid to employees using company-owned cars for personal reasons also as a form of compensation and therefore taxable.
2. If the answer to question 1 is yes, how many employees receive this benefit, what is the total cost, and is there any limit on such usage? Please provide this information separately for CA-owned and personally-owned vehicles.
3. Why is the use of take-home vehicles so prevalent when CA maintains its own fleet of cars and SUVs? Open space and facility inspection can be scheduled well in advance and should take place during normal business hours and not require the use of a personal vehicle available on a 24-hour basis. Furthermore, we don't understand why employees required to be on call outside of normal operating hours would need a take-home vehicle. Wouldn't it be more cost effective to just reimburse them for any mileage they put on their personal vehicles for that purpose? The high fixed costs of maintaining vehicles (insurance, depreciation, etc.) could then be avoided.

Alliance for a Better Columbia
P.O. Box 735
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(410) 730-0428

ABC

<http://www.ABetterColumbia.org>

Please answer the following questions pertaining to all vehicles in the motor pool only:

4. What are the annual number of miles driven broken down by personal (if applicable) and business-related use for each of these vehicles?

5. What are the annual costs of fueling and maintaining these vehicles by individual vehicle as well as their MPG ratings?

We would also like to obtain similar information for the take-home vehicles as follows:

6. What are the annual miles driven for each of these cars and the breakdown between personal (if applicable) and CA business-related miles?

7. Does CA pay for the cost of fueling and maintaining these vehicles? If so, what are the costs by individual vehicle?

8. What are annual trends in the usage of these vehicles over the most recent 3-year period, broken down by personal (if applicable) and CA-related use?

We would appreciate your cooperation in providing the information we seek. Please let me know if you have any questions concerning this request or if any of the requested information is not available in CA's records. We are not asking for the names of individual employees who may be receiving fringe benefits of this nature, so there should be no problem with confidentiality.

Sincerely,

Joel Yesley

President