



<b>TO:</b>	<b>CHAIR AND MEMBERS FINANCE AND ADMINISTRATION COMMITTEE MEETING ON SEPTEMBER 14, 2011</b>
<b>FROM:</b>	<b>CATHY SAUNDERS CITY CLERK</b>
<b>SUBJECT</b>	<b>COUNCIL MEMBERS' USE OF PERSONAL VEHICLE FOR LOCAL CITY BUSINESS</b>

<b>RECOMMENDATION</b>
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That, on the recommendation of the City Clerk, the Civic Administration **BE DIRECTED** as to how the Municipal Council wishes to proceed with respect to reimbursing Council Members for use of their personal vehicle for local City business, so that the necessary steps can be taken to implement the policy direction of the Municipal Council.

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
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None.

<b>BACKGROUND</b>
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The Municipal Council, at its session held on November 15, 2010, resolved “That the Civic Administration **BE REQUESTED** to report back to the Finance and Administration Committee with respect to a policy which clearly identifies what use of personal vehicles by elected officials for City business is eligible for reimbursement by the City; it being noted that Controller Barber enquired as to what could be done to clarify eligible expenses as it pertains to use of personal vehicles by elected officials for City business.”

The current procedure applicable to Council Members provides for a rate of reimbursement of \$0.50 per kilometer for use of their personal vehicle on local City-related business. Councillors must complete monthly expense forms, indicating the distance of, and reason for, each trip they have used their personal vehicle for in conducting local City business, in order to be reimbursed for those costs. The requirement to track odometer readings for each business trip can be onerous, particularly given that the trips may be frequent, but short in distance. Further, there is staff time involved in verifying and processing the monthly claims for reimbursement. At present, the Council Members’ Office annual budget includes \$22,000.00 to cover these costs.

The Mayor receives a monthly car allowance, which was established some years ago, in lieu of the provision of a corporate vehicle. The costs associated with the Mayor’s monthly car allowance is accommodated in the annual budget for the Mayor’s Office.

Several municipalities were surveyed as to their policies for reimbursement of use of personal vehicles by Council Members for City-related business. The responses are summarized on the chart attached as Appendix ‘A’. Based upon the responses, the following three alternatives are being put before the Municipal Council, for its consideration, in determining how it wishes to address reimbursement to Council Members for use of personal vehicles for local City-related business on a go forward basis. No changes are being suggested to the Mayor’s monthly car allowance at this time.

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- (a) maintain the current procedure but develop a policy which specifies eligible costs;
- (b) discontinue the current procedure and implement a policy which allows for a fixed-rate car allowance for each Council Member, excluding the Mayor, at a rate of \$125.00 per month, to cover their costs for local travel; it being noted that a fixed-rate car allowance would be treated as a taxable benefit, which would be taxed at the applicable rate, and reimbursement at this level could be accommodated within the existing budget;
- (c) discontinue the current procedure for local travel and apply the current budgeted amount of \$22,000 evenly amongst the annual expense allocation for each Council Member, excluding the Mayor, and amend the policy for the Council Members' annual expense allocation to provide for reimbursement of eligible local travel from those monies; it being noted that this would allow the Council Members to use the monies for any eligible expenditure identified in the Council policy applicable to their annual expense allocation, and the associated costs could be accommodated within the existing budget.

Should the Municipal Council determine that the current budget allocation for reimbursement for use of a Council Member's personal vehicle for local City-related business is inadequate, it may wish to consider adjusting the monies budgeted for this purpose as part of the current review being undertaken of the allocation of the residual local government funding arising from the recent restructuring of the governance model.

<b>PREPARED BY:</b>	<b>RECOMMENDED BY:</b>
<b>JIM PURSER MANAGER OF RECORDS AND INFORMATION SERVICES</b>	<b>CATHY SAUNDERS CITY CLERK</b>