
CITY OF KELOWNA

MEMORANDUM

Date: January 31, 2007
File No.: 0550-06
To: City Manager
From: Director of Works and Utilities
Subject: Amendments to City Policy 253

RECOMMENDATION:

THAT Council approves the amendments to Council Policy 253 regarding city owned and personal vehicles used for corporate business, as outlined in the Director of Works & Utilities report dated January 31, 2007 .

DISCUSSION:

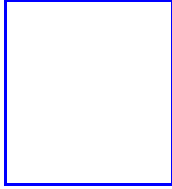
City staff has reviewed this policy to address issues that have arisen in the past year and to better identify corporate directions for the use of passenger vehicles by its staff. The amendments are:

- 1) Personal vehicle usage by daily users is clarified. Business usage must be between 2400 and 7200 kilometers per year. Below this usage pool vehicles must be used and above it departments should consider using city owned passenger vehicles for cost effective reasons.
- 2) Use of pool cars are encouraged – The City has installed at City Hall a computerized pool vehicle booking system that has proven very successful. In outlying areas pool vehicles should also be further encouraged where there are multiple low mileage users. This also fits with TDM strategies since it eliminates the need for employees to provide their personal vehicles to work on a daily basis.
- 3) Use of city vehicles for personal uses – The policy reinforces that city vehicles are not to be used for personal purposes.
- 4) Payment rate for over 5000 business kilometers – The policy indicates that mileage payments will be at 50% of the Canada Revenue Agency rate.
- 5) Taxable benefit costs for daily users – The policy confirms that all payments for these users are taxable consistent with Canada Revenue Agency rules.

John Vos

Attachment

cc. Director of Financial Services
Director of Corporate Services



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POLICY: 253

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COUNCIL POLICY MANUAL

APPROVAL DATE:

RESOLUTION #:

REPLACING #: R081/06/01/23,R914/04/09/27;I556/01/07/16; R900/99/11/08

DATE OF LAST REVIEW: January, 2007

SUBJECT: USE OF CITY-OWNED PASSENGER VEHICLES/PERSONAL VEHICLES
REQUIRED FOR CITY BUSINESS/CASUAL PERSONAL VEHICLE USE FOR CITY
BUSINESS

City-Owned Passenger Vehicle Policy

With the exception of vehicles required for on a temporary basis, all marked City passenger vehicles and compact pickup trucks will be acquired with City Funds. The general criteria for providing a City supplied passenger vehicle or pickup truck are one or more of the following:

- Public visibility as a City representative is important
- Utilization levels are cost effective (over 7,200 business kilometers per year)
- Work locations may dictate supply (e.g. severe construction zones, difficult access to remote sites, etc.)
- Materials and supplies are required to be carried as a part of the job
- Pool cars that are required to facilitate transport of a number of staff

- 1, Passenger vehicles purchased by the City will meet the operating and safety needs of the corporation. Alternative fuels will be considered for environmental and cost effective reasons. Use of pool vehicles shall be maximized to reduce the need for staff to bring personal vehicles to the workplace
2. The City vehicle fleet is operated and managed by the Transportation Division within the Works & Utilities Department. The Roadway and Equipment Superintendent is responsible for establishing vehicle charge rates, maintenance policy, replacement policy and working with operating departments to establish vehicle purchase specifications necessary to meet the operating and safety

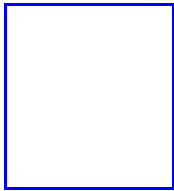
needs of the corporation.

3. The City will not generally permit the use of a City vehicle for the purpose of transportation to and from the employee's residence except where special circumstances dictate. (i.e.. emergency response requirements, required travel directly to and from job sites).
4. Use of city vehicles for personal uses including shopping, transporting family members, etc is strictly prohibited.
5. Where it is desirable to free up parking at certain downtown locations or address after work hour vehicle security issues, employees may be authorized (subject to City Manager approval) to take vehicles to and from home but are restricted from using city vehicles for any type of personal use. This type of usage is a taxable benefit to the employee and the level of taxable benefit is directly related to the distance the employee lives from the place of employment.

Personal Vehicles Required for City Business

The use of personal vehicles, required for City business on a daily basis, shall be considered for staff who travel between 2,400 to 7,200 business kilometers per year where City Owned Passenger Vehicle Policy criteria above does not apply and pool vehicles cannot fulfill their work transportation needs. This policy reduces the City's overall investment in the Vehicle Fleet while at the same time ensuring that employees within this category are adequately compensated for the assurance that they have a vehicle available for City business use at all times in order to perform their daily duties.

A sub-committee of the Senior Management Team will review and approve all requests for the use of personal vehicles for City business, where the following reimbursement policy would apply.



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COUNCIL POLICY MANUAL

APPROVAL DATE: 2004/09/27

RESOLUTION #: R081/06/01/23

REPLACING #: R914/04/09/27; I556/01/07/16; R900/99/11/08

DATE OF LAST REVIEW: April 2006

**SUBJECT: USE OF CITY-OWNED PASSENGER VEHICLES/PERSONAL VEHICLES
REQUIRED FOR CITY BUSINESS/CASUAL PERSONAL VEHICLE USE FOR CITY
BUSINESS**

Persons eligible for this program are those who travel greater than 2,400 km and less than 7,200 km per year for business purposes and need their vehicle at work to attend to daily and/or emergent business needs that cannot be addressed by pool cars.

Compensation for personal vehicle usage for City business, which covers both capital and variable costs, is as follows:

1. Flat Rate Payment of \$200.00 per month, plus
2. First 5,000 km in a calendar year – the tax exempt per kilometer allowance recommended by the Canada Revenue Agency; and
3. Excess of 5,000 km in a calendar year – 50% of the recommended CRA per kilometer rate.

NOTE: As per CRA rules all payments are taxable.

The employee being reimbursed under this policy is responsible for:

- Maintaining a daily log of business mileage driven
- Providing bi-weekly reports to the supervisor for approval of usage payment.
- Ensuring that the vehicle is insured as per City requirements and providing the Financial Services Department with a copy of the insurance policy upon each renewal date
- Ensuring that the personal vehicle used for City business is adequately maintained, safe, and in good running condition.

The supervisor responsible for approving employee claims for reimbursement shall:

- Ensure that travel log records are maintained
- Be satisfied that trips claimed for are required and distances recorded are reasonable
- Ensure that travel to and from home are not claimed as business mileage
- Ensure that employee provides documentation of appropriate insurance coverage, including \$2,000,000 liability insurance, to the Financial Services Department
- Approve claims for reimbursement in a timely manner

All claims for reimbursement must be submitted in accordance with procedures as developed by the Financial Services Department and modified from time to time. Reimbursement rates will be provided by Financial Services to all participants of this program by Dec. 31st of each year.

Casual Personal Vehicle Use for City Business

Occasionally, when a City pool vehicle is unavailable, city employees may be required to use their personal vehicle for City business. The City of Kelowna will reimburse employees at the rate of the tax exempt per kilometer allowance recommended by the Canada Revenue Agency for all kilometers driven on City business.

Reimbursement rates are to be reviewed on an annual basis to ensure compensation is representative of

costs incurred by the employee.

REASON FOR POLICY: To consolidate existing practices in policy form.

LEGISLATIVE AUTHORITY: Council Resolution

PROCEDURE FOR IMPLEMENTATION: The appropriate forms have to be completed as outlined in the policy.