

SECTION: FINANCE SUBJECT: Automobile for Council & Senior Staff	POLICY 13.1.0
ORIGINAL EFFECTIVE DATE: January 1, 2001 REVISED EFFECTIVE DATE: December 11, 2013	REPLACES: AF014-2001 / C179-2001 AF154-2002 / C430-2002 PAGE: 1 of 5
APPROVED BY: C W B 0 2 0 - 2 0 1 3 (3 4)	Effective until December 1, 2018 (C047-2018)

POLICY STATEMENT:

This policy establishes the proper procedure for claiming automobile expenditures.

PURPOSE:

The Mayor, City Councillors, Regional Councillors, the Chief Administrative Officer, Department Chiefs, Executive Directors, Fire Chief and Deputy Fire Chief incur automobile expenses in connection with the duties and responsibilities associated with their respective positions. The purpose of this policy is to ensure eligible automobile expenses are reimbursed.

SCOPE:

This policy applies to the Mayor, City Councillors, Regional Councillors, the Chief Administrative Officer, Department Chiefs, Executive Directors, Fire Chief and Deputy Fire Chief(s).

PROCEDURE:

The Mayor, City Councillors, Regional Councillors, the Chief Administrative Officer, Department Chiefs and Executive Directors incur automobile expenses in connection with the duties and responsibilities of their position. Currently, the Mayor and some senior staff are provided with leased vehicles and others receive a monthly allowance.

Monthly Allowance

With the original effective date of this policy, City Councillors, Regional Councillors, the Chief Administrative Officer, Department Chiefs and Executive Directors will receive a monthly allowance in accordance with the following rules.

1. The Chief Administrative Officer, Department Chiefs and Executive Directors will receive a monthly unaccountable earnings allowance of \$940 effective on the Original Effective Date. The monthly unaccountable earnings allowance will be treated as exclusive of the base salary bands and will increase on



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January 1st of each year based on the prior year's Consumer Price Index for Toronto as published by Statistics Canada. The allowance will be implemented on an individual basis for those staff members who are provided with a leased vehicle when the City becomes no longer responsible for the associated lease costs and operating costs.

2. City Councillors and Regional Councillors will receive a monthly car allowance that, on an after tax basis, is the same as the monthly unaccountable earnings allowance referred to in paragraph 1 above. The monthly car allowance will be set at \$816.35 effective on the Original Effective Date and is calculated based on the current provisions of the Income Tax Act that stipulates that 1/3 of the allowance is not subject to tax and a marginal tax rate of 31.24% for the remaining 2/3's.

A. Mayor

The Mayor will receive the same monthly car allowance that is provided to the City Councillors and Regional Councillors under Section A of this policy.

B. Leased Vehicles – Transition Rules

1. Some senior staff have been provided with a leased vehicle for both business purposes and personal use. Upon approval of this policy, the leased vehicle program for senior staff will be discontinued on an individual basis at the earlier of:
 - i. An election by the senior staff member to assume all responsibility for the leased vehicle, thereby eliminating the City of Brampton's responsibility for the leased vehicle.
 - ii. The normal lease expiration date.
2. During the remaining life of the leases, the vehicles may only be operated by the person to whom the vehicle is assigned with respect to personal use.
3. Personal use shall be defined as use of a City provided vehicle by only the

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employee to whom the vehicle is assigned for purposes other than City business

4. Only licensed City employees may operate City provided vehicles.
5. The senior staff member to whom the leased vehicle is assigned may designate one non-City staff member as an alternative driver of the leased vehicle provided that the designated driver is more than 25 years old. Such designation may be changed once per annum. Information concerning the designated driver such as name, birth date, Driver's License #, and any other relevant information shall be provided to the Treasurer in writing.
6. Notwithstanding the above limitations affecting who is authorized to drive the leased vehicle assigned to the senior staff member, the vehicle may be operated by another licensed driver for emergency purposes.
7. Despite the prohibitions above, should a City provided vehicle be involved in an accident or other costs be incurred while under the care and control of a non-City employee other than a non-City employee designated under section C.5 or C.6 of this policy, the employee to whom the vehicle is assigned shall be personally responsible for all costs related to that operation including the total insurance deductible amount. This deductible is currently set at a maximum of \$500,000 per occurrence. The senior staff member may obtain alternative insurance at their cost, to reduce the deductible amount.
8. Until such time that the City is no longer responsible for a leased vehicle, the City will continue to pay the monthly lease cost to a maximum of \$600 per month, inclusive of taxes, plus the operating, repair and maintenance costs. The employee to whom the vehicle is assigned shall receive a taxable benefit for their personal use of the vehicle, calculated in accordance with the requirements of the Income Tax Act. The employee shall not be required to reimburse the City for personal use of the vehicle however; they will be required to reimburse the City for any lease costs in excess of the maximum allowable amount.

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C. Senior Fire Department Staff

The Fire Chief, Deputy-Fire Chief and other fire staff designated by the Chief of Public Services and approved by the Chief Administrative Officer require vehicles at their disposal at all times. These vehicles require physical alterations including the installation of a fire radio, emergency lights and siren and are used to transport personal fire fighting equipment and emergency reference materials.

The City will provide the Fire Chief, Deputy-Fire Chief(s) and other designated fire staff as approved by the Chief Administrative Officer with a vehicle. The maximum monthly lease cost (or equivalent purchase price) is equivalent to the unaccountable monthly earnings allowance defined in Section A, reduced by 1/12 of the average of both vehicles prior year's operating costs (based on the Revenue Canada prescribed operating cost rate). The Fire Chief, Deputy Fire Chief(s) and designated fire staff will be assessed taxable benefits calculated in accordance with the requirements of the Income Tax Act. Personal use of these vehicles is restricted to the person to whom the vehicle is assigned and subject to the following personal use rules. The Fire Chief, Deputy Fire Chief(s) and designated fire staff shall not be required to reimburse the City for personal use of the vehicle however, they will be required to reimburse the City for any lease costs in excess of the maximum allowable amount.

- i. Personal use shall be defined as use of a City provided vehicle by only the employee to whom the vehicle is assigned for purposes other than City business
- ii. Only licensed City employees may operate City provided vehicles.
- iii. Despite the prohibitions above, should a City provided vehicle be involved in an accident or other costs be incurred while under the care and control of a non-City employee, the employee to whom the vehicle is assigned shall be personally responsible for all costs related to that operation including the total insurance deductible amount. This deductible is currently set at a maximum of \$500,000 per occurrence.

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ACCOUNTABILITY:

The following steps set out the action to be taken to resolve any disputes that may arise regarding reimbursement and payments. This dispute resolution clause also applies to all other City of Brampton policies that address similar reimbursements and payments.

1. Executive Directors and Department Chiefs shall resolve disputes arising within their own departments.
2. The Treasurer and/or Deputy Treasurer resolve disputes that cannot otherwise be resolved.

ADMINISTRATION:

Treasury Services will be responsible for keeping this policy up to date.