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Item No. 5
Halifax Regional Council
July 6, 2010

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:

A handwritten signature in black ink, appearing to read "Ken Reashor", written over a horizontal line.

Ken Reashor, P.Eng., Acting Director Transportation and Public Works

DATE: June 16, 2010

SUBJECT: Vehicle Use within TPW

INFORMATION REPORT

ORIGIN

Through the EUGS Committee on March 19, 2010, an Information Report was requested regarding staff taking HRM vehicles home and complaints about vehicles going to East Hants, etc.

BACKGROUND

An HRM Vehicle Use Policy was presented to Council in 2000; however, it only addresses personal use and taxable benefits calculations. Since that time, seven HRM staff have challenged CRA on the taxable benefit calculations. CRA conceded there was no taxable benefit to those employees for the use of HRM-owned vehicles to travel between the employees home and workplace. This is documented in 2009 by Porter Hetu in their review of the facts leading to the reassessment of personal income tax returns of certain HRM employees in respect to an employee's travel between home and workplace using a motor vehicle provided by an employer.

DISCUSSION

As part of the 2010/2011 Budget process, the need for a Service Review of Corporate Fleet Services was identified.

The initial focus of the service review is to reduce costs in order to meet the 2010/11 Budget gap. Corporate Fleet Services will be providing a report of all light vehicles under the stewardship of each business unit, and will be working with the business units to reduce the size of the fleet. A business case template will be required to be completed to rationalize all vehicles used less than 10,000 kms per year. Subsequently, decisions will be made in concert with Fleet, the Business Unit Director, and the Deputy CAO, to eliminate these vehicles from the fleet if deemed appropriate. An initial estimate of annual operating savings of \$120,000 has been included in the Savings Expenditures and Revenues (SER) report with an additional \$270,000 in asset disposal proceeds.

Currently all staff who take HRM vehicles home do so under operational necessity as deemed by their supervisor/manager.

Transportation and Public Works has undertaken research to determine what other Canadian Municipalities have in place for policies. Additional information is required from Finance to clarify and implement the taxable benefit reporting as required by CRA. This is currently being updated by Finance and will be presented to EMT for approval.

The Vehicle Use Policy will be revisited once EMT approves the procedure and reporting requirements for CRA compliance regarding the taxable benefit reporting.

BUDGET IMPLICATIONS

There are no associated Budget implications with this report.

FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Project and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Project and Operating reserves, as well as any relevant legislation.

COMMUNITY ENGAGEMENT

Community Engagement was not deemed to be necessary in this process as it is an operational procedure.

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/agenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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