

STAFF REPORT: Financial Services



REPORT TO: Finance & Administration
Committee
MEETING DATE: June 24, 2008
REPORT NO.: FS.08.25
SUBJECT: Mileage Rate Increase
PREPARED BY: Robert Cummings, Director of
Finance

A. Recommendations

THAT Council receive Staff Report FS.08.25 "Mileage Rate Increase" and approve the recommendation contained therein, being a mileage rate increase from \$0.42 to \$0.45 / kilometre, effective July 1, 2008.

B. Background

The Town last increased its' per kilometre rate for the use of personal vehicles for Town related business for Staff and Council on August 1, 2006 from \$0.38 per kilometre to \$0.42 per kilometre. This increase was consistent with the increase implemented by the County of Grey at that time. The County of Grey increased their rate to \$0.45 effective January 1, 2008.

Since August 2006, fuel costs have increased by approximately 16% (+/- \$1.08 per litre to +/- \$1.25 per litre in Toronto) and operating costs (insurance, maintenance, etc.) have also increased. It is acknowledged by Town Staff that fuel costs and other operating costs represent only a small portion of the costs associated with the operation of a vehicle however, it is felt that it is appropriate to increase the per kilometre rate for the use of personal vehicles for Town related business at this time.

Since the last change of the per kilometre rate in 2006, the Consumer Price Index indicates that fuel price at the pump increased from March '07 to March '08 by 7.9% and from March '06 to March '07 by 13.5% (total increase from March '06 to March '08 of approximately 22.5%).

With respect to other municipalities, the table below reflects the kilometre rates for the respective municipalities as at May 15, 2008. Also included are survey results from the Municipal Finance Officers' Association, where the average rate for municipalities surveyed is \$.45/km.

Municipality	Staff Rate	Council Rate
City of Owen Sound	\$0.44	\$0.44
County of Grey	\$0.45	\$0.45
County of Simcoe	\$0.50	\$0.50
Grey Highlands	\$0.42	\$0.42
Municipality of Meaford	\$0.40	\$0.40
The Blue Mountains	\$0.42	\$0.42
Town of Collingwood	\$0.40	\$0.40
Parry Sound	\$0.46	\$0.46
Hanover	\$0.45	\$0.45
Wasaga Beach	\$0.42	\$0.42
Municipal Average(All)	\$0.45	
Highest municipal rate/km	\$0.53	
Lowest municipal rate/km	\$0.31	

If the Town increases its' per kilometre rate on July 1, 2008 by \$0.03 per kilometre, or 7%, to continue to be consistent with the County of Grey, it is projected that it would represent an unbudgeted cost in the magnitude of \$1,700 across the Corporation. If an increase was adopted, Department Heads would be asked to attempt to address these additional costs within their approved 2008 Budgets (either within the "Travel" area or other areas).

C. The Blue Mountains' Strategic Plan

"Providing a strong, well managed municipal government."

D. Environmental Impacts

N/A

E. Budget Impact (cc: Treasury if required)

The 2008 total Travel budget is \$50,446. The amount used to date is \$15,576.04. This increase in rate will likely mean an expected increase of \$1,600 to \$1,800 for the remainder of 2008.

F. Attached (Relevant documentation not personal information about an identifiable person)

N/A

Respectfully submitted,

Signature