

Limestone District School Board

Agenda

Committee of the Whole Board (Budget) Meeting

Tuesday, May 29, 2018

Limestone Education Centre

220 Portsmouth Ave., Kingston

4:30 p.m.

Acknowledgement of Territory:

"The Limestone District School Board is situated on the traditional territories of the Anishinaabe and Haudenosaunee. We acknowledge their enduring presence on this land, as well as the presence of Métis, Inuit and other First Nations from across Turtle Island.

We honour their cultures and celebrate their commitment to this land."

Approval of Agenda

Declaration of Conflict of Interest

Information Items

1. Kilometre Reimbursement Rate, Paul Babin, Superintendent of Business (Report Appended)
2. 2018-2019 Preliminary Operating Expenditures, Myra Baumann, Manager of Financial Services (To be distributed)

Other Business

Next Meeting Dates

Wednesday, June 13, 2018 4:30 p.m. (Budget recommendation to the Board June 20, 2018)

Adjournment



We're Putting Wellness First



We're Turning Innovation into Action



We're Committed to Collaboration

Committee of the Whole Board (Budget) Meeting ADMINISTRATIVE REPORT - KILOMETRE REIMBURSEMENT RATE

MAY 29, 2018

Purpose:

To provide Trustees with an analysis of the Kilometre Reimbursement Rate and advise of a proposed adjustment to be effective September 1, 2018.

Background:

Administrative Procedure 510 identifies the Kilometre Reimbursement Rate for personal vehicles to be paid at the rate of \$0.42 per kilometre driven for board business use.

Given the increasing price of gasoline at local stations over the past several months and the rapid and unpredictable nature of price swings, many staff have asked if our reimbursement rate will be adjusted in September 2018.

Observation/Analysis:

Board staff periodically review the kilometre reimbursement rate paid by the Ontario government, the Government of Canada, other school boards and the cost of operating a vehicle in Ontario as estimated by the Canadian Automobile Association.

Management Board of Cabinet updates the Travel, Meal and Hospitality Expenses Directive for ministries and agencies of the Ontario government on a regular basis and the kilometre reimbursement rates for southern Ontario are:

0	to	4,000 km	\$0.40
4,001	to	10,700 km	\$0.35
10,701	to	24,000 km	\$0.29
24,001		and more	\$0.24

The Canada Revenue Agency (CRA) annually sets the limit of tax-exempt allowances to employees who use their personal vehicle for business purposes and the rates are:

0	to	5,000 km	\$0.55
5,001		and more	\$0.49

Limestone District School Board is situated on traditional territories of the Anishinaabe & Haudenosaunee.

Many school boards are choosing to align their kilometre reimbursement rate to within the CRA reasonable kilometre allowance rates. As an example, the Kawartha Pine Ridge District School Board has aligned its kilometre reimbursement rate to the annual CRA posted rate greater than 5,000 km, that being \$0.49.

The Canadian Automobile Association has an online Driving Costs Calculator tool at www.caa.ca/carcosts that helps in understanding the ongoing costs of owning a vehicle. The calculator estimates the annual driving costs for a category of vehicles such as compacts or for specific vehicles. The top selling vehicle in Canada for almost the past 20 years is the Honda Civic. The calculator estimates the cost per kilometre to operate a 2018 Honda Civic in Ontario is \$.037 kilometre as follows:

KM per Year		20,000
City vs Highway Mileage		45%/55%
Current Fuel Price/Litre		\$1.396
Avg Fuel Economy (L/100KM)		6.81
Estimated Costs		
Fuel		1,901.35
Depreciation		3,122.60
Maintenance		725.18
Licence & Registration Fees		82.00
Insurance		1,344.97
Other		309.94
Total Estimated Costs per Year		7,486.04
Total Estimated Cost per Kilometre		\$0.37

There are many variables in determining the cost of owning and operating a vehicle, such as vehicle type (truck, SUV or car), engine type (gas, diesel or electric) and driving conditions. The Honda Civic detailed above is an example of a popular vehicle that can be operated well within the current LDSB rate of \$.042 a kilometre, based upon a set of industry assumptions developed by the Canadian Automobile Association (see above website for more details).

Total kilometres driven by LDSB staff for business purposes is approximately 880,000 per year. A \$.01 increase in the kilometre reimbursement rate would equate to an expenditure increase of about \$8,800.

Senior Staff has reviewed available kilometre reimbursement information and is proposing that the rate be adjusted effective September 1, 2018 to \$0.49 a kilometre.

The 2018-2019 Preliminary Operating Budget – Expenditures being presented to Trustees for discussion and deliberation includes an increase of approximately \$61,000 reflecting the adjusted kilometre reimbursement rate to \$.049.

Recommendation:

That this report be received for information.

Author/s: Paul Babin, Superintendent of Business
 Reviewed and Approved By: Debra Rantz, Director of Education