

**CITY OF VAUGHAN**  
**REPORT NO. 8 OF THE**  
**COUNCIL EXPENDITURE AND CODE OF CONDUCT REVIEW**  
**TASK FORCE**

*For consideration by the Finance, Administration and Audit Committee  
of the City of Vaughan  
on January 16, 2017*

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The Council Expenditure and Code of Conduct Review Task Force met at 9:37 a.m. on December 13, 2016.

Present: Councillor Marilyn Iafrate, Chair  
Regional Councillor Gino Rosati  
Councillor Rosanna DeFrancesca  
Councillor Sandra Yeung Racco

Staff Present: Laura Mirabella-Siddall, Chief Financial Officer and City Treasurer  
Jeffrey A. Abrams, City Clerk  
Lloyd Noronha, Director, Financial Planning and Development Finance/Deputy City Treasurer  
Barbara McEwan, Deputy City Clerk  
Jackie Macchiusi, Senior Manager of Corporate Financial Planning & Analysis  
Adelina Bellisario, Council / Committee Administrator

The following item was dealt with:

**1                    TASK FORCE FINDINGS REPORT: COUNCIL EXPENDITURES**

The Council Expenditure and Code of Conduct Review Task Force advises Council:

That the following recommendations were approved:

1. **That the recommendation contained in the report of the Chief Financial Officer and City Treasurer, the City Clerk, and the Director of Financial Planning & Development Finance and Deputy City Treasurer, on behalf of the Council Expenditure and Code of Conduct Review Task Force, dated December 13, 2016, be approved subject to amending the recommendations to read as follows:**
  1. **That the following recommended amendments to the Council Member Expense Policy (CL 12) be approved, as the first phase of the Task Force's Findings Report:**
    - a. **That the source of City funding be identified on any advertisements placed by the Mayor and Members of Council;**
    - b. **That advertising funded by third parties or paid for by a Member of Council using personal funds shall not be permitted;**
    - c. **That the election year advertising cut-off date shall remain as June 30;**

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- d. That in an election year, paid advertisements or corporate newsletters (including enewsletters) after the cut-off date may be permitted only if directly related to city business such as communicating with respect to a pending Planning Act application or development matter, the facilitation of a community meeting, the opening of a city facility, and community consultations relating to a matter to be considered by Council before the end of the term. After the cut-off date advertising may not be placed to issue greetings on behalf of a councillor or merely to provide contact information;**
- e. That business card publications shall be permitted; however care shall be taken to avoid multiple business cards from different Council Offices in one publication;**
- f. That if a corporate greeting is placed, no individual ads (or business cards) shall be permitted, particularly for holiday greetings;**
- g. That the Office of Corporate Communications inform Council of all corporate advertisements annually;**
- h. That as a principle, the manner of advertising chosen shall be made on the basis of reaching the most residents for the lowest cost;**
- i. That congratulatory letters (provided they are at no cost) shall not be subject to the restrictions in the expense policy regarding paid advertising;**
- j. That 'on-line publications' shall be added to the list of media eligible for paid postings;**
- k. That the \$2000/\$4000 (Council Member/Mayor) limit for advertisements in 'charitable' publications shall be maintained, but for other publications there shall be no maximum otherwise so long as the advertising expense is within budget;**
- l. That the definition of Social Community Event shall be “a social event such as a picnic, public skate or swim, movie night or similar public gathering arranged by a Member or Members of Council to support community building and/or public access to elected officials”;**
- m. That Council may host up to 2 Social Community events per year and approval of this policy recognizes conformity with the Code of Ethical Conduct on Gifts and Benefits Rule No. 2 1 U) and further that any additional events by any Member of Council will require preapproval or authorization from Council;**
- n. That Social Community Events are to be funded entirely by donations and sponsorships, with the exception of reasonable indirect city expenses such as council staff time;**
- o. That a post Social Community Event filing shall be required setting out the donations and services that have been provided to support the event and further that monetary transactions continue to be processed through the City's Financial Services;**

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- p. That there must be full transparency when sponsors are involved in Social Community Events and that Sponsorships shall only be provided in conjunction with set criteria to be defined;
    - q. That in circumstances where an unforeseen expenditure from the Council Corporate Budget is proposed, and where in the joint opinion of the City Clerk and the Chief Financial Officer and City Treasurer, the expenditure is warranted but not so substantial as to require a report to Council (either due to time constraints or the minor nature of the expenditure) such expenditures shall be consolidated into a monthly expenditure report; and
  - 2. That the standard operating procedure for Member Hosted Social Events as outlined in Attachment 1 and the accompanying report template presented in Attachment 2 be approved, recognizing that the completion and posting of this template fulfils the reporting requirements under Rule Nos 2 and 3 of the Code of Ethical Conduct for Members of Council (CL11);
  - 3. That the standard operating procedures for Attending a Charitable Fund-raising Event as outlined in Attachment 1 be approved;
  - 4. That the reporting threshold for funds received by any one source during the course of a calendar year for a Member Organized Community Event under Rule No 2 of the Code of Ethical Conduct for Members of Council (CL 11) be amended from \$500 to \$800; and
- 2. The Task Force advises that the following actions were taken:
  - 1. The Task Force provided further input on the topics outlined under the section "For Task Force Consideration" in the body of this report, and the responses were incorporated into the recommendations of the findings report;
  - 2. The Task Force will submit its initial findings report in accordance with its mandate to the January 16, 2016 meeting of the Finance, Administration and Audit Committee;
  - 3. The Chief Human Resources Officer reported back with amendments to the Volunteer Policy to allow Members of Council to retain volunteer staff, as outlined in Communication C1, memorandum from the Chief Human Resources Officer, dated December 12, 2016, and recommendation approved as follows:

That this report be received for consideration as part of the Task Force findings;  
and
- 3. That the Clerk, on behalf of the Council Expenditure and Code of Conduct Review Task Force, forward the foregoing recommendations to the Finance, Administration and Audit Committee of January 16, 2017 for consideration.

Report of the Chief Financial Officer and City Treasurer, the City Clerk, and the Director of Financial Planning & Development Finance and Deputy City Treasurer, on behalf of the Council Expenditure and Code of Conduct Review Task Force, dated December 13, 2016.

**Recommendation**

The Chief Financial Officer and City Treasurer, the City Clerk, and the Director of Financial Planning & Development Finance and Deputy City Treasurer, on behalf of the Council Expenditure and Code of Conduct Review Task Force, forward for Council's consideration:

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1. That the following recommended amendments to the Council Member Expense Policy (CL 12) be approved:
  - a. That the source of City funding be identified on any advertisements placed by the Mayor and Members of Council;
  - b. That advertising funded by third parties or paid for by a Member of Council in their personal capacity not be permitted;
  - c. That the election year advertising cut-off date shall remain as June 30;
  - d. That in an election year, paid advertisements or corporate newsletters (including enewsletters) after the cut-off date may be permitted only if directly related to city business such as communicating with respect to a pending Planning Act application or development matter, the facilitation of a community meeting, the opening of a city facility, and community consultations relating to a matter to be considered by Council before the end of the term. After the cut off date advertising may not be placed to issue greetings on behalf of a councillor or merely to provide contact information;
  - e. That business card publications shall be permitted; however care shall be taken to avoid multiple business cards from different Council Offices in one publication. In those cases a corporate ad shall be placed instead;
  - f. That if a corporate greeting is placed, no individual ads (or business cards) shall be permitted, particularly for holiday greetings;
  - g. That as a principle, the manner of advertising chosen shall be made on the basis of reaching the most residents for the lowest cost;
  - h. That congratulatory letters (provided they are at no cost) shall not be subject to the restrictions in the expense policy regarding paid advertising;
  - i. That 'on-line publications' shall be added to the list of media eligible for paid postings;
  - j. That the \$2000/\$4000 (Council Member/Mayor) limit for advertisements in 'charitable' publications shall be maintained, but for other publications there shall be no maximum otherwise so long as the advertising expense is within budget;
  - k. That a definition for Community Events shall be provided, with different treatment to be given to 'Social Community Events' versus 'City Business Community Events';
  - l. That Council may host up to 2 Social Community events per year and approval of this policy recognizes conformity with the Code of Ethical Conduct on Gifts and Benefits Rule No.2 1 U) and further that any additional events by any Member of Council will require preapproval or authorization from Council;
  - m. That Social Community Events are to be funded entirely by donations and sponsorships, with the exception of reasonable indirect city expenses such as council staff time; n. That a post Community Event filing shall be required setting out the donations and services that have been provided to support the event and further that monetary transactions continue to be processed through the City's Finance Office;
  - o. That there must be full transparency when sponsors are involved in Social Community Events and that Sponsorships shall only be provided in conjunction with set criteria to be defined; and

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- p. That the Corporate Communication Department inform Council of all corporate advertisements annually;
2. That the standard operating procedure for Member Hosted Social Events as outlined in Attachment 1 and the accompanying report template presented in Attachment 2 be approved, recognizing that the completion and posting of this template fulfills the reporting requirements under Rule Nos 2 and 3 of the Code of Ethical Conduct for Members of Council (CL11);
3. That the standard operating procedures for Attending a Charitable Fund-raising Event as outlined in Attachment 1 be approved;
4. That the reporting threshold for funds received by any one source during the course of a calendar year for a Member Organized Community Event under Rule No 2 of the Code of Ethical Conduct for Members of Council (CL 11) be amended from \$500 to \$800;
5. The the Task force provide further input on the topics outlined under the section "For Task Force Consideration" in the body of this report, and the responses be incorporated into the recommendations of the findings report; and
6. That the Task Force submit its findings report in accordance with its mandate to a future meeting of the Finance, Administration and Audit Committee.

**Contribution to Sustainability**

Council is responsible for overall governance and policy making, which directly influences the financial and operational sustainability of the municipality.

**Economic Impact**

There is no direct economic impact from this report.

**Communications Plan**

Meetings of the Task Force are open to the public and appear on Council's calendar of meetings posted to the City's web site. The findings report will be published to the City's website ([www. vaughan.ca](http://www.vaughan.ca)).

**Purpose**

The purpose of this report is to consolidate the Council Expenditure and Code of Conduct Task Force's initial recommendations so that a findings report to the Finance, Administration and Audit committee can be submitted.

**Background -Analysis and Options**

**There have been 11 meetings of the Council Expenditure and Code of Conduct Task Force since May of 2015.**

The mandate of the Task Force is:

- To review the Council Office Expenditure Policy and report its findings; and
- To review the Code of Ethical Conduct for Members of Council.

In 2015, the Task Force amended the discretionary office budgets formula and this was incorporated into the 2016 budget deliberations. In 2016, the focus of these meetings has been a review of the Council Office Expenditure Policy. The Task Force will continue to meet in 2017 to review the Code of Ethical Conduct for Members of Council.

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**Recommendations for the Council Expenditure Policy have been made**

The Task Force has completed a review of the Council Expenditure Policy. As a result of this review, there have been numerous recommended revisions to the Council Expenditure Policy that are intended to provide some additional guidance to Members of Council to assist with the administration of their office budgets. Examples of broad categories include:

- Sources of funding for advertising
- Types of advertising
- Councillor expenditures in an election year
- Member hosted versus community hosted events

**A new Standard Operating Procedure for Event Reporting has been developed**

Attachment 1 provides the proposed Standard Operating Procedure and Attachment 2 provides a template for a Statement of Event that accompanies the procedure.

The proposed procedure and template have been provided to the Integrity Commissioner and Director of Internal Audit for review and comment. Through this review it has been highlighted that there may be a duplication of reporting of expenditures in light of the new procedure.

Rule No 2 of the Code of Ethical Conduct which states:

*... if the total value received from any one source during the course of a calendar year exceeds \$500, the member shall within 30 days of receipt of the gift or reaching the annual limit, list the gift or benefit on a Councillor information statement ...*

Rule No 3 (c) of the Code of Ethical Conduct which states:

*... Members of Council must report to the Integrity Commissioner, the names of all donors and the value of their donation that supplement the event.*

Currently, Members of Council would be required to file separate reports to comply with the rules above as well as posting a Statement of Event to their web-site. The approval of Recommendation 2 above would result in eliminating the need for this duplication and this revised reporting practice being instituted for Member Organized Community Events.

**For Task Force Consideration**

In preparing the the consolidated recommendations that appear in this report staff have identified additional points of clarification for the Task Force's consideration. In particular,

- For matters not already articulated in the policy, what should trigger an expenditure to be funded by the Council Corporate budget?
- How should:
  - Social Committee Event; and
  - City Business Community Event be defined?
- Whether changes should be made to the staffing model in Council Offices (Chief Human Resources Officer to present options at the meeting)

Further the discussion on the above may be consolidated into the work plan to be completed by the Task Force in 2017.

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**The Task Force will continue to meet and review the Code of Ethical Conduct for Members of Council (CL 11)**

An approval of Item 4 at the December 5 meeting of the Finance, Administration and Audit Committee results in the continuation of the Task Force to review the Code of Ethical Conduct for Members of Council (CL 11 ). The proposed meeting dates are as follows:

Tuesday, January 31  
Tuesday, February 28  
Tuesday, March 28  
Tuesday, April 25  
Tuesday, May 30

At the conclusion of this review, a findings report will be brought to the Finance, Administration and Audit Committee for consideration and approval.

**Relationship to Term of Council Service Excellence Strategy Map 2014-2018)**

The report supports the goals established by Council in the Term of Council Service Excellence Strategy Map (2014-2018), particularly those relating to the Corporate Governance and Accountability Framework.

**Regional Implications**

There are no regional implications from this report.

**Conclusion**

This report provides the members of Council with a consolidated listing of recommended changes to the Council Expenditure Policy and a draft Standard Operating Procedure to address the treatment of financial transactions related to Social Community Events.

**Attachments**

1. Standard Operating Procedure- Member Hosted Social Community Events
2. Reporting Template- Statement of Event

**Report prepared by:**

Jackie Macchiusi, CPA, CGA  
Senior Manager, Corporate Financial Planning & Analysis

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The meeting stood adjourned at 10:44 a.m.

Respectfully submitted,

Councillor Marilyn Iafrate, Chair

Report prepared by: Adelina Bellisario, Council / Committee Administrator