

UPDATE TO COUNCIL EXPENDITURE POLICY AND PROPOSED NEW OPERATING PROCEDURE FOR MEMBER ORGANIZED COMMUNITY EVENTS**Recommendation**

The Chief Financial Officer / City Treasurer, City Clerk and Director of Financial Planning and Development Finance / Deputy City Treasurer, in consultation with the Director of Internal Audit and Integrity Commissioner, recommend:

1. That the recommendations as outlined in Attachment 1 be approved for inclusion into the Council Expenditure and Code of Conduct Review Task Force Findings Report, subject to the determination of an appropriate advertising cut off date as noted in the respective section of this report; and
2. That the standard operating procedure outlined in Attachment 2 and the template presented in Attachment 3 be endorsed by the Task Force and be approved for inclusion into the Council Expenditure and Code of Conduct Review Task Force Findings Report.

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.

Purpose

The purpose of this report is to summarize and submit the Task Force recommendations into a consolidated finding report that will be forwarded to a future Finance, Administration and Audit committee meeting. This report is also to provide the Task Force with a proposed standard operating procedure and template for Council members to use to report on the expenditures and associated funding sources for member hosted social community events.

Background - Analysis and Options**Recommendations for the Council Expenditure Policy have been made**

The Task Force has completed a review of the Council Expenditure Policy. As result of this review, there have been numerous recommendations proposed 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. Several recommendations that have come out of Task Force discussions have been outlined in Attachment 1, examples of broad categories include:

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

A new Standard Operating Procedure for Event Reporting has been developed

At the September 14, 2016 meeting of the task force, staff were directed to:

...prepare for the Task Force's consideration, a draft Standard Operating Procedure to address the treatment of financial transactions related to Social Community Events.

Attachment 2 provides the proposed Standard Operating Procedure and Attachment 3 provides a template for a Statement of Event that accompanies the procedure.

A working group of staff from Council Member offices were shown the proposed procedure and Statement of Event template. Input received as a result of this consultation were incorporated into the procedure and template. The working group commented that the procedure was relevant and simple to follow. They also commented that template should assist with the tracking and posting of the financial accounting of the event.

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. Members of Council could continue this practice, but staff recommend that only the completion of the Statement of Event template for an event that falls under the category of a Member Organized Community Event be required. The approval of Recommendation 2 above would result in this reporting practice being instituted and incorporated into the Council Expenditure Policy as necessary.

An election year advertising cut off date can now be determined as a result of the enactment of amendments to the Municipal Elections Act

Amendments to the Municipal Elections Act are now in force. As a result, the nomination period for candidates has been adjusted as follows:

- Beginning of the nomination the period moves to May 1 in an election year, from January 1 ;
- End of the nomination period moves to the fourth Friday in July, from the second Friday in September, in an election year;

The Task Force should therefore give consideration to the election year advertising cut off date either being adjusted to:

May 1;

The fourth Friday in July; or

Remain at June 30, which aligns to the end of Council meetings prior to summer hiatus

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 the Task Force 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. Substantive Recommendations for the Findings Report
2. Standard Operating Procedure – Member Hosted Social Community Events
3. Reporting Template – Statement of Event

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Substantive Recommendations for the Finding Report

Consolidated formal recommendations:

The following recommendations have been made by the Task Force to date (subject to consolidation into the Council Expenditure and Code of Conduct Review Task Force Findings Report):

1. That consideration be given to establishing a requirement that the source of funding be identified in any advertisements placed by the Mayor and Members of Council in on-line publications, or larger than a quarter page ad (5 inches by 5 inches) in printed form;
2. That in an election year, paid advertisements or corporate newsletters (including e-newsletters) after the cut-off date be 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. Publications shall not be placed to issue greetings on behalf of a councillor or merely to provide contact information.

Consolidated recommendations made by consensus:

The following recommendations have been made by consensus and are subject to formal approval and consolidation into the Council Expenditure and Code of Conduct Review Task Force Findings Report:

- a) Business card publications should be permitted; however care should be taken to avoid multiple business cards from different Council Offices in one publication. In those cases a corporate ad should be placed instead;
- b) If a corporate greeting is placed, no individual ads (or business cards) should be permitted, particularly for holiday greetings;
- c) As a principle, the manner of advertising chosen should be made on the principle of reaching the most residents for the lowest cost;
- d) Congratulatory letters (provided they are at no cost) should not be subject to the restrictions in the expense policy regarding paid advertising;
- e) 'On-line publications' should be added to the list of media eligible for paid postings;
- f) The election year advertising cut-off date should be established once amendments to the Municipal Elections Act are approved;
- g) The \$2000/4000 (Council Member/Mayor) limit for advertisements in 'charitable' publications should be maintained, but there should be no maximum otherwise so long as the advertising expense is within budget;
- h) A definition for Community Events should be provided, with different treatment to be given to 'Social Community Events' versus 'City Business Community Events';
- i) Social Community Events should require the pre-approval/authorization by Council. Regard should be had to the first bullet under 'Narrative' in section 9.13 of the policy: "Where the Council Member is raising funds, receiving donations or services-in-kind, the event or initiative must be authorized or endorsed by Council so as to be in alignment with the Code of Ethical Conduct on Gifts and Benefits Rule No.2 1(j).
- j) 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. Reasonable indirect expenses should be defined, and subject to a limit to be established;

- k) A post Community Event filing should be required setting out the donations and services that have been provided to support the event. Cash will continue to flow through Finance (note also pending recommendation below re direct donor payments)
- l) There must be full transparency when sponsors are involved in Social Community Events. Sponsorships should only be provided in conjunction with set criteria to be defined.

Attachment 2: Standard Operating Procedure: Member Hosted Social Community Event

This is an event organized by a Member of Council for the community. If the Council Member is raising funds, receiving donations, services-in-kind or good-in-kind, the event should be authorized or endorsed by Council (Rule No 2. 1(j) Code of Ethical Conduct). Examples of events may include:

- Movie nights
- Community free public skate
- Community free public swim
- Community social event

All events should be in compliance with the Council Member Expense Policy (CL-12) and the Code of Ethical Conduct (CL-11).

There should be a posting of the costs for the event with the corresponding funding sources on the Member of Council's web-site within thirty days of the Member hosted community event.

Information should include:

1. Detail of all expenditures associated with the event
2. Detail of the funding sources for the event. These may include:
 - a. Sponsorships received
 - i. cheques should be made payable to the City of Vaughan
 - ii. cheques should be forwarded to the Financial Planning and Development Finance department, indicating for which event the sponsorship was received. The cheque will be deposited to the Councillor's office budget (Ward sponsorship)
 - b. Good in kind (reasonable estimate)
 - c. Services in kind (reasonable estimate)
 - d. Member's of Council office budgets

The posting of this statement would replace the requirement to file a Councillor Information Statement as outlined in 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...

The posting of this statement would also serve to meet the requirement under Rule No 3 (c) 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.

Per Section 9.13 of the Council Member Expense Policy, if sponsorships received exceed the total expenditures for the event, surplus funds can be carried forward to be used for the same event in the following year. If this is a one-time event, excess funds should be forwarded to the Council Corporate Budget.

A template has been provided to assist with this reconciliation.

Operating Procedure: Attending a charitable or fund-raising event

If the event is to be paid by the City directly, the member can forward the registration form to Finance for processing and payment.

1. Complete the registration form.
2. Complete a cheque request form.
3. If this is a new event, complete a new vendor form.
4. Send package to the Financial Services department for processing.

If the Member of Council is to be reimbursed for the event, the member should complete an expense reimbursement form, attaching an event notice/flyer/registration form or email requesting the member's attendance as well as proof of payment. This can be forwarded to the Financial Services department for processing.

Statement of Event

Councillor Member:

Event:

Date of Event:

Councillor Budget	
Good in Kind	
Sponsorship	
Service in Kind	

Paid/Donated by

Amount (\$)

Total

0.00

Total

0.00

Total

0.00



Reconciliation of Hosted
Community Events
Sponsorship

Expenditures:

Summary of Event Funding
Councillor Budget
Goods in Kind
Sponsorship
Service in Kind