

COUNCIL EXPENDITURE AND CODE OF CONDUCT REVIEW TASK FORCE DECEMBER 13, 2016

TASK FORCE FINDINGS REPORT: COUNCIL EXPENDITURES

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:

1. That the following recommended amendments to the Council Member Expense Policy (CL12) 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 e-newsletters) 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(j) and further that any additional events by any Member of Council will require pre-approval 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
 - 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 (CL11) 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).

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.

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.

The Task Force will continue to meet and review the Code of Ethical Conduct for Members of Council (CL11)

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 (CL11). 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

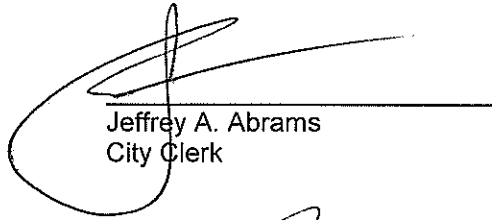
Report prepared by:

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Senior Manager, Corporate Financial Planning & Analysis

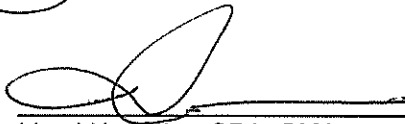
Respectfully submitted,



Laura Mirabella-Siddall, CPA, CA
Chief Financial Officer and City Treasurer



Jeffrey A. Abrams
City Clerk



Lloyd Noronha, CPA, CMA
Director, Financial Planning and Development Finance & Deputy City Treasurer

Attachment 1:

1. 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 (Regional or 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.

2. Standard 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:

Reconciliation of Hosted Community Events

Sponsorship

Paid/Donated by

Amount (\$)

Total 0.00

Expenditures:

Total 0.00

Summary of Event Funding

Councillor Budget

0.00

Goods in Kind

0.00

Sponsorship

0.00

Service in Kind

0.00

Total 0.00

Councillor Budget
Good in Kind
Sponsorship
Service in Kind