

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF FEBRUARY 5, 2013

Item 7, Report No. 15, of the Finance and Administration Committee, which was adopted without amendment by the Council of the City of Vaughan on February 5, 2013.

7

ELECTION RESERVE CONTRIBUTION

The Finance and Administration Committee recommends approval of the recommendation contained in the following report of the City Clerk, dated December 10, 2012:

Recommendation

The City Clerk in consultation with the Director of Budgeting and Financial Planning recommends:

- 1) That contributions to the election reserve be increased by \$50,000 to \$400,000 per annum subject to overall direction on the 2013 budget and operating plan; and
- 2) That the City Clerk report back on recommended further adjustments to contributions to the election reserve as may be appropriate when refinements are made to the 2014 election project budget.

Contribution to Sustainability

The administration of fair elections in an impartial manner is a fundamental statutory responsibility of Municipal Clerks in Ontario. The highest priority for a municipal clerk in the course of an election is to carry out their duties in accordance with the provisions of the *Municipal Elections Act, 1996*, and within an established set of election principles. It is also the responsibility of Election administrators to manage expenditures and other resources in a manner which contributes to the financial and operational sustainability of the municipality.

Economic Impact

An election reserve account has been established to fund elections, recounts and by-elections with the balance in the account at present being approximately \$640,000. The annual contribution was increased to \$350,000 for 2012, as a phased approach pending a detailed report on the projected costs of the 2014 election.

Committed expenditures still to be drawn from the reserve include annual payments for tabulator leasing at \$136,000 per annum, contracted Voters' List services at \$6,100 per annum, and the salary and benefits of the Elections Coordinator.

A working estimate for advance voting and Election Day in 2014 is approximately \$1.1 million to cover such matters as Election Day staffing, additional tabulator deployment, printing, postage, communications and hardware acquisition and leasing. After including committed annual expenditures, for example the cost for the base number of leased tabulators, the salary and benefits for the Elections Coordinator, and contracted voters' list services, the preliminary total cost for the 2014 election is estimated to be approximately \$1.8 million. Maintaining the existing annual funding contribution of \$350,000 will result in a projected shortfall. Staff recommend as shown in Table 1 that the annual contribution be increased to \$400,000 for 2013, as a further phasing-in to minimize the shortfall pending a detailed report on the projected costs of the 2014 election.

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Table 1

Election Reserve Forecast	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Opening Balance	477,697	642,730	731,632	(13,910)	4,968	80,956	154,350
Existing Contribution	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Interest	6,934	8,536	4,458	(56)	534	1,462	(3,261)
Total Contributions	356,934	358,536	354,458	349,944	350,534	351,462	346,739
Committed Annual Expenses	(191,901)	(269,634)	(269,634)	(271,067)	(274,545)	(278,068)	(281,635)
Election Expense Estimate			(830,366)				(898,815)
Election Rebate Program Estimate				(60,000)			
Total Expenses	(191,901)	(269,634)	(1,100,000)	(331,067)	(274,545)	(278,068)	(1,180,450)
Closing Balance	642,730	731,632	(13,910)	4,968	80,956	154,350	(679,361)
Revised Balance after proposed additional contributions							
Opening Balance			781,998	87,426	157,882	286,098	412,378
Additional Funding		50,000	50,000	50,000	50,000	50,000	50,000
Additional Interest		366	970	1,579	2,227	2,886	3,517
Additional Contributions		50,366	50,970	51,579	52,227	52,886	53,517
Closing Balance		781,998	87,426	157,882	286,098	412,378	(367,816)

Detailed planning for the 2014 election has commenced and options to decrease election delivery costs are being examined. Preliminary plans for the election will be presented to Committee of the Whole (Working Session) in the first quarter of 2013.

Communications Plan

No specific communications are planned for the election budget, as it will form part of the overall City budget. As in the 2010 general municipal election, a communication strategy will be undertaken to support the election itself.

Purpose

The purpose of the report is to facilitate contributions to the election reserve account so as to minimize the potential shortfalls in the funding of the general municipal and school board elections in 2014.

Background - Analysis and Options

The City Clerk has the statutory responsibility to conduct municipal elections. The previous report dated January 16, 2012 set out preliminary forecasted expenditures required to carry out the statutory and logistical requirements for delivering a fair and unbiased election in accordance with the *Municipal Elections Act, 1996* and the principles that guide Municipal Clerks in their election related duties.

In preparing preliminary estimates for the 2014 election, the City Clerk is taking into account the 2010 experience and will incorporate measures to improve the voting process. At its May 24, 2011 meeting, Council approved Item 2 of Report No. 29 of the Committee of the Whole (Working Session) titled, "Learning from the Election – Preparations for the 2014 Municipal and School Board Elections" which set out a number of planned initiatives to improve upon the 2010 election event. Detailed planning for the 2014 election event is ongoing and it is not possible to fully cost the election at this point in time.

Without increasing reserves over time the City's predicted shortfall will continue to grow particularly as it relates to the 2018 events. Further, should unanticipated events occur, such as a by-election, the source of funding would have to be found as expenditures occur.

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Relationship to Vaughan Vision 2020/Strategic Plan

This report is consistent with the priorities set by Council as set out in the Strategic Plan particularly:

ORGANIZATIONAL EXCELLENCE -
Ensure Financial Stability

SERVICE EXCELLENCE -
Demonstrate Excellence in Service Delivery

STAFF EXCELLENCE -
Demonstrate Effective Leadership

Regional Implications

N/A

Conclusion

The preparation of the 2014 election began after the 2011 York Catholic District School Board by-election and has run concurrently with the Contribution Rebate Program and the Compliance Audit Process. The lessons learned from the administration of the 2010 Elections are integral to the planning effort for the 2014 events.

Given the scope and magnitude of election administration, the City Clerk is recommending an increase to the reserve contribution at this time so that preparations can be suitably resourced and all the required elements of the election can be implemented in a timely and professional manner. Refinements to the election budget that have implications for the reserve will be reported as necessary in future budget cycles.

Report prepared by:

Donna Winborn, Election Coordinator

FINANCE AND ADMINISTRATION COMMITTEE – DECEMBER 10, 2012

ELECTION RESERVE CONTRIBUTION

Recommendation

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Economic Impact

An election reserve account has been established to fund elections, recounts and by-elections with the balance in the account at present being approximately \$640,000. The annual contribution was increased to \$350,000 for 2012, as a phased approach pending a detailed report on the projected costs of the 2014 election.

Committed expenditures still to be drawn from the reserve include annual payments for tabulator leasing at \$136,000 per annum, contracted Voters' List services at \$6,100 per annum, and the salary and benefits of the Elections Coordinator.

A working estimate for advance voting and Election Day in 2014 is approximately \$1.1 million to cover such matters as Election Day staffing, additional tabulator deployment, printing, postage, communications and hardware acquisition and leasing. After including committed annual expenditures, for example the cost for the base number of leased tabulators, the salary and benefits for the Elections Coordinator, and contracted voters' list services, the preliminary total cost for the 2014 election is estimated to be approximately \$1.8 million. Maintaining the existing annual funding contribution of \$350,000 will result in a projected shortfall. Staff recommend as shown in Table 1 that the annual contribution be increased to \$400,000 for 2013, as a further phasing-in to minimize the shortfall pending a detailed report on the projected costs of the 2014 election.

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Report prepared by:

Donna Winborn, Election Coordinator

Respectfully submitted,

Jeffrey A. Abrams
City Clerk