



## **Staff Report for Committee of the Whole Meeting**

**Date of Meeting:** December 11, 2018

**Report Number:** SRCFS.18.049

**Department:** Corporate and Financial Services

**Division:** Office of the Clerk

**Subject:** Member of Council Community Event Policy

### **Purpose:**

To recommend approval of a policy for Member of Council Community Event Policy.

### **Recommendation(s):**

- a) That staff report SRCFS.18.49 be received.
- b) That the Member of Council Community Event Policy, attached as Attachment "A" to staff report SRCFS.18.049, be approved.

### **Contact Person:**

David Dexter, Director, Financial Services/Treasurer, extension 3656.

Stephen M.A. Huycke, Director, Legislative Services/Town Clerk, extension 2529.

### **Report Approval:**

**Submitted by:** Mary-Anne Dempster, Commissioner of Corporate and Financial Services

**Approved by:** Neil Garbe, Chief Administrative Officer

All reports are electronically reviewed and/or approved by the Division Director, Treasurer (as required), Town Solicitor (as required), Commissioner, and Chief Administrative Officer. Details of the reports approval are attached.

## Page 2

### Background:

On June 12, 2018, Council adopted the following resolution:

- a) That staff be directed, through the internal audit services of York Region, to have a compliance audit conducted on Council Member events;
- b) That a budget of \$35,000 be established from the tax rate stabilization reserve;
- c) That elected officials must sign an authorization for all expenditures related to their accounts, with the approval of the expenditures designated to the Deputy Clerk, Clerk, or Treasurer; and
- d) That a policy be developed for Council Member Events, for the beginning of the new term of Council, that is consistent with the Members of Council Expense Policy including:
  - (i) Eligible expenditures;
  - (ii) Appropriate signing and approval authorities; and
  - (iii) Regular on-line reporting on the Town's website.

Brook Laker and Associates' (the "Auditor") report titled "Town of Richmond Hill Councillor Event Compliance Audit" (Attachment B) was presented at the Committee of the Whole meeting on September 17, 2018. Council adopted the following resolution on September 24, 2018:

- a) That the August 2018 report of auditor Brook Laker and Associates titled "Town of Richmond Hill Councillor Event Compliance Audit" be received;
- b) That a policy for Council Members' events, that addresses the recommendations in the compliance audit report, be presented at a future Committee of the Whole meeting.

Staff recommend that Council approve of the proposed Member of Council Community Event Policy (Attachment A) to addresses the recommendations in Council's June 12, 2018 resolution, as well as those in the Auditor's report.

### Policy Overview

The proposed policy maintains current practices for Members' Community Events as outlined in the guidelines for community events used for the last several years. The policy, however, addresses several gaps in the guidelines as discussed in the Auditor's report.

## **Page 3**

Consistent with current practice and other Town policies, the principles of the proposed policy are:

1. Community Events are to be transparent and accountable.
2. Community Events are not to be directly funded from any Town budget.
3. Community Events will be consistent with the principles and rules of the Council Code of Conduct
4. Any Richmond Hill Resources used to support Community Events must be equally shared between all Members of Council.

The proposed policy defines a Community Event as a social or fundraising event planned by a Member (or by a Member and Staff acting on behalf of the Member), that has a broad community, cultural or celebratory focus, and is not related to the business, services or decisions of Council or Richmond Hill. Meetings and events related to Town business and services are covered in the Member of Council Expense Policy.

### **Financial Rules**

The proposed policy establishes rules for event sponsorship (fundraising), expenses and surpluses. The policy also requires that all sponsorship, expenses and surpluses flow through specific accounts established for the events. Event accounts are required to have a zero balance at the end of each Council term. Staff recommend that any surplus funds not allocated by the end of the Council Term be donated to the annual United Way campaign.

In keeping with current practice, all Community Events are to be fully funded through sponsorship (fundraising). To ensure accountability, Members are required to ensure that sponsors selected will not create a conflict of interest for either the Member or the Town.

As recommended by the Auditor, the proposed policy establishes rules for the types of expenditures that are permitted for Community Events. Only expenses that are reasonably required for the event are permitted. The proposed policy specifically prohibits expenses that are normally charged to Members' Constituency Account, as well as expenditures related to alcohol. The policy also addresses the Auditors recommendation to establish rules for prizes that may be awarded at a Community Event. Prizes are a permitted expense so long as they are reasonable and recipients sign for any prize received.

Consistent with current practice, the policy requires that any surplus funds from a community event be used for a future community event and/or in support of one or more community benefits. Community benefits that can receive surplus funds under the policy include registered charities, not-for-profit organizations and community based projects that will benefit the residents of Richmond Hill. Surplus funds are only allocated after all event expenses have been properly accounted for.

## **Page 4**

As required by Council's June 12, 2018 resolution, the proposed policy requires the Treasurer to prepare and publish an annual report on Members Community Events. This report will be published annually to the Town's website.

### **Roles and Responsibilities**

In keeping with Council's June 12, 2018 direction and the Auditor's report, the proposed policy establishes clear roles and responsibilities related to Members' Community Events. Members of Council are responsible for ensuring that their Community Events comply with the policy and authorizing expenditures. Staff are responsible for establishing procedures to administer the policy, and approving any permitted expenditures authorized by a Member.

### **Financial/Staffing/Other Implications:**

There are no staffing or other implications associated with the adoption of the proposed Member of Council Community Event Policy. The policy principles specifically state that Community Events are not to be directly funded from any Town budget. Additionally, any town resource available for Member's Community Events are to be shared equally.

### **Relationship to the Strategic Plan:**

The adoption of a Member of Council Community Event Policy is consistent with the Strategic Plan goals of Wise Management of Resources, Stronger Connections in Richmond Hill and a More Vibrant Richmond Hill. Council Members' organized social events are not funded by any Town budget, help build stronger connections between Members of Council and residents, as well as making the Town a more vibrant place to live.

### **Conclusion:**

Staff recommend that Council approve a new Member of Council Community Event Policy to address Council's resolution of June 12, 2018, as well as the recommendations contained in Brook Laker and Associates' report titled "Town of Richmond Hill Councillor Event Compliance Audit."

### **Attachments:**

The following attached documents may include scanned images of appendixes, maps and photographs. If you require an alternative format please call contact person listed in this document.

- Attachment A – proposed Member of Council Community Event Policy
- Attachment B - Report of Brook Laker and Associates titled "Town of Richmond Hill Councillor Event Compliance Audit – August 2018"

## Page 5

### Report Approval Details

Document Title:	SRCFS.18.049 - Members of Council Community Event Policy.docx
Attachments:	- SRCFS.18.049 - Attachment A - Member of Council Community Event Policy.pdf - SRCFS.18.049 - Attachment B - Richmond Hill Event Compliance Audit Final Report.pdf
Final Approval Date:	Nov 29, 2018

This report and all of its attachments were approved and signed as outlined below:

**David Dexter - Nov 27, 2018 - 9:53 AM**

**MaryAnne Dempster - Nov 27, 2018 - 12:44 PM**

**Neil Garbe - Nov 29, 2018 - 2:57 PM**