



## **Staff Report for Council Meeting**

**Date of Meeting:** April 28, 2021

**Report Number:** SRCM.21.05

**Department:** Office of the City Manager

**Subject:** SRCM.21.05 Member of Council Events Policy

### **Purpose:**

To provide of a policy for Council-led events for consideration as requested by Council at its April 14, 2021 Council meeting.

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

- a) That Staff Report SRCM.21.05 be received.
- b) That the Member of Council Events Policy, attached as Attachment "A" to Staff Report SRCM.21.05 be approved.

### **Contact Person:**

Dan Di Ruscio, Acting Manager, Events and Marketing Services

David Dexter, Director of Financial Services/Treasurer

Stephen M.A. Huycke, Director, Legislative Services/City Clerk

### **Report Approval:**

**Submitted by:** Lise Conde, Manager, Strategy and Government Relations

**Approved by:** Mary-Anne Dempster, City Manager

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

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### 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 City'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.

At that time staff recommended that Council approve of a proposed Member of Council Community Event Policy to addresses the recommendations in Council's June 12, 2018 resolution, as well as those in the Auditor's report. Council did not approve the recommendation and instead received the report for information at its meeting of December 17, 2018.

As a result of discussion on a Member's Motion on Council events considered at the April 14, 2021 Council meeting, staff were directed to report back to Council with a policy on Council Events Policy for considerations.

### Policy Overview

The proposed policy maintains many current practices for Members' 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

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Auditor's report.

### Policy Principles and Definitions

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

1. Council-led Events are to be transparent and accountable.
2. Council-led Events are not to be directly funded from any City budget.
3. Council-led Events will be consistent with the principles and rules of the Council Code of Conduct.
4. Council-led Events planning and delivery will be governed by the Service Level Agreement between the Events and Marketing Services Section of the Community Services Department and the Mayor and Members of Council.

Meetings and events related to City business and services are covered in the Member of Council Expense Policy.

The responsibility for determining the appropriateness of sponsorship and expenses rests with the individual Member of Council. Each Member of Council is accountable to the public.

The policy defines three types of events: City-led Events, Council-led Events and Community-led Events.

It further defines **Council-led Events** as falling into three streams:

**Private or Events by Invitation:** where the main objective is to raise profile for a Member to a select audience where there is or is not a charitable fundraising component. Examples of this type of event would be golf tournaments, galas or dinners.

**Cultural Events:** where the main objective is to raise profile for a specific ethnic or sociocultural audience where there is or is not a charitable fundraising component. Examples of this type of event would be cultural or faith-based celebrations, such as prayer breakfasts, Lunar New Year, Nowruz or Holocaust Education Week.

**Ward or Themed Events:** where the main objective is to create interaction with residents within a local community where there is or is not a charitable fundraising component. Examples of this would be local ward barbecues, skating events, picnics, or the Maple Syrup Festival.

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### **Service Level Agreement – Event and Marketing Services Support**

Support for Ward or Themed Council-led Events from the Events and Marketing Section of the Community Services Department can be requested by Members and will be governed by this policy and a Service Level Agreement between the Mayor and Members of Council and the Events and Marketing Services Section of the Community Services Department. The Manager of Events & Marketing Services will evaluate the size and scope of the proposed Council-led event when requested by a Member and determine if support is feasible with existing resources prior to committing to support the Council-led Event. Only Ward or Themed Council-led Events will be supported by the Events and Marketing Section of the Community Services Department.

A Service Level Agreement is currently being drafted by staff and, pending approval of this policy, will be brought forward to a future meeting of Council for approval.

Note that Council-led Ward or Themed Events that are already in process and have incurred costs and/or been publicly advertised will continue following existing practices should Council approve this policy.

### **Sponsorship and 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.

In keeping with current practice, all Council-led 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 City and is otherwise within the Council Code of Conduct and any other legislation or City policy.

The policy sets out limits for sponsorship, and permits sponsorship from any one source up to \$5,000 in a calendar year. It also sets an annual fundraising limit of \$25,000. These limits are proposed based on a review of recent account balances and event expenditures.

Contribution limits to politicians are an important part of any government's accountability and transparency framework. These are codified in federal, provincial and municipal legislation. The *Canada Elections Act* limits contributions to a federal registered political party of \$1650 per year. That Act also limits total contributions to all the registered associations, nomination contestants and candidates of each registered party to \$1650 per year. Similarly the *Election Finances Act* in Ontario limits annual contributions to \$1,625 per year. The *Municipal Elections Act, 1996*, also has contribution limits for all candidates. These limits are \$1,200 to any one candidate and a total contribution limit of \$5,000 to all candidates running for office on the same council or local board. All three pieces of legislation also do not allow corporations or trade unions to contribute to political parties and candidates.

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As recommended by the Auditor, the proposed policy establishes rules for the types of expenditures that are permitted for Council-led Events. Only expenses that are directly related to the event are permitted. The proposed policy specifically prohibits expenses that are normally charged to Members' Constituency Budget, as well as expenditures related to alcohol. Expenditures for any election or expenditures related to any election-related matter, including any election campaign related matter, or any other partisan political matter are not permitted. The policy also addresses the Auditor's recommendation to establish rules for prizes that may be awarded at a Council-led 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 Council-led event be used for a future 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, and can only be donated to a community benefit as defined in the policy.

As required by Council's June 12, 2018 resolution, the proposed policy requires the Treasurer to prepare and publish a report on Members Council-led Events. This report will be published quarterly to the City's website. Additionally, consistent with Council expenses, the revenue and expenses will be published on the City's website quarterly.

### **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 Council-led Events. Members of Council are responsible for ensuring that all of their events comply with the policy and authorizing expenditures. The responsibility for determining the appropriateness of sponsorship and expenses rests with the individual Member of Council. Each Member of Council is accountable to the public. For this reason, it is imperative for transparency purposes for the revenue and expenses for the Council led events to be published as with Council expenses.

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 Events Policy. The policy principles specifically state that Council-led Events are not to be directly funded from any City budget.

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### **Relationship to Council’s Strategic Priorities 2020-2022:**

The adoption of a Member of Council Community Event Policy aligns with the priority of “Fiscal Responsibility”. Council Members’ organized social events are not to be directly funded by any City budget and any City resource available for Member’s Events are to be shared equally.

### **Climate Change Considerations:**

Climate change considerations are not applicable to this staff report.

### **Conclusion:**

Staff recommend that Council approve a new Member of Council Events Policy to address Council’s resolution of June 12, 2018, the recommendations contained in Brook Laker and Associates’ report titled “Town of Richmond Hill Councillor Event Compliance Audit and best practices.

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### **Attachments:**

The following attached documents may include scanned images of appendixes, maps and photographs. All attachments have been reviewed and made accessible. If you require an alternative format please call the contact person listed in this document.

- Attachment A – Proposed Member of Council Events Policy
- Attachment B – Report of Brook Laker and Associates titled “Town of Richmond Hill Councillor Event Compliance Audit – August 2018”
- Attachment C – SRCFS.18.044 Council Members’ Event Compliance Audit

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### Report Approval Details

Document Title:	SRCM.21.05 Members of Council Community Events Policy.docx
Attachments:	- SRCM21.05 - Attachment A - Member of Council Community Event Policy.docx - SRCM.21.05 - Attachment B - Council Members' Events Compliance Audit Staff Report_BRIacc.pdf - SRCM21.05 - Attachment C - Richmond Hill Event Compliance Audit Final Report Aug 29_BRIacc.pdf
Final Approval Date:	Apr 21, 2021

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

**Lise Conde - Apr 21, 2021 - 4:22 PM**

**MaryAnne Dempster - Apr 21, 2021 - 4:36 PM**