



Staff Report for Council Meeting

Date of Meeting: October 13, 2021

Report Number: SRCM.21.12

Department: Office of the City Manager

Division: Administration

Subject: Clarification on Regional and Local Councillor
Enviro Day Event Exemption

Purpose:

To seek Council direction with respect to the intent of the exemption provided for the Enviro Day Event conducted by Regional and Local Councillor Perrelli.

Recommendations:

That Council confirm that in providing an exemption from the Council Events Policy, approved on May 5, 2021, for Regional and Local Councillor Perrelli's Enviro Day Event, Council's intent was that the Enviro Day event would follow the Council Event Guidelines in place when the planning for the Enviro Day Event was commenced.

Contact Person:

David Dexter, Director Financial Services and Treasurer, Ext. 2484

Report Approval:

Submitted by: Mary-Anne Dempster, City Manager

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.

Background:

Since the inception of Council Events, Members of Council have been required to fund their event through sponsorship, as a tax supported budget does not exist. However, in kind support has been provided in cooperation with each Administrative Assistant including items such as marketing, purchasing, logistics, venue booking, technical requirements and inter-departmental coordination.

In 2018, a compliance audit conducted on Councillor Events resulting in a number of recommendations. One of which was to formalize the Council Events Guidelines (included in Appendix “A”) into a Council Policy. On May 5, 2021, Council approved the City’s Member of Council Events Policy (included in Appendix “B”). As part of this adoption, Council also approved a motion *“That the Enviro Day event planned by Deputy Mayor Perrelli be exempt from the Council Events Policy.”* The discussion at the May meeting prefacing the need for the exemption was to address the timing and sponsorship restrictions in the Policy and the transition rules that would negatively affect the event.

Prior to August 2020, the City’s recycle bins exchange program was a free service for residents. The table below provides the annual average cost of the recycle bins exchange program prior to August 2020. In August 2021, the cost for the City to purchase blue boxes and green bins increased by over 40% due to a sudden increase in the cost of resin. Staff plans to increase the budget for the City’s recycle bins exchange program by \$40K in 2022 to cover the cost increase.

Annual Program Costs (excludes staff and overhead costs):

	No exchange fee (prior to Aug 2020)
Cost to purchases waste containers (3 yr. avg.)	\$98,300
Revenue from sales of new containers (3 yr. avg.)	(\$43,300)
Revenue from developers for containers for new homes	(\$24,000)
Revenue from exchange fee (based on 3,900 bins)	\$0
Net Annual Program Cost	\$31,000

The Regional and Local Councillor has a deficit of \$83,914.35 in his Events Account from net costs incurred with respect to the multiple-day Enviro Day Events. However, the Councillor has recently informed the treasurer through email correspondence that his event is exempt and the revenue of \$55,709.00 in the account is not for the Enviro Day event. The total spent on the event is \$139,623.30. On May 5, 2021, it was staff’s understanding that the exemption meant the event would continue under the Council Events Guidelines, which requires the Councillor to acquire sponsorship to cover the costs. During the May 5th Council meeting, the Councillor did not request the expenditures for the event to be paid for from an alternate source nor provided a suggested source. All City expenditures require a funding source and if it was the Councillor’s intent to pay for the expenditures from a different source, he should have provided the information as part of the motion. At the meeting, multiple Councillors sought clarification on what the exemption meant but paying for the event was never one of the responses.

The only funding source available, if it was the intent for the Councillor to be exempt from paying for the expenses incurred to hold his event, is tax support funded reserves.

Events Accounts

Regional and Local Councillor Perrelli conducted his Enviro Day Event over four days during the weekends of June 12, 13, 19 and 20. This event included free distribution of recycling and compost bins, and incurred a cost of \$139,623.30 despite only collecting \$55,709.00 in sponsorship funds (inclusive of \$6,508.95 carried forward from 2020). In addition, this event incurred over \$17,800 of equivalent staff time for helping to conduct the events. Staff time was not charged to the Councillor's Events Account as the events were conducted under the guidelines used before the approval of the Council Events Policy.

The Regional and Local Councillor had intended to run more Enviro Day Events; however, staff halted any further commitment of staff time and purchase of bins until the deficit of \$83,914.35 is funded. There were two formal communications sent to the Regional and Local Councillor indicating the halt on his event account until the deficit is funded, with no response by the Regional and Local Councillor until recently.

September 22 2021 Council Meeting

At the Council meeting on September 22, 2021, Council approved for the Blue and Green Bin exchange program to return to a free service. The motion was retroactive to June 21, 2021 as this was when the service resumed to the public due to Covid-19 restrictions. Approximately 1,000 bins were exchanged during this time-frame and refunds are in the process of being provided.

Financial/Staffing/Other Implications:

If no form of reimbursement is forthcoming or additional event sponsorship funds attained, the City's 2021 Operating Results will be impacted by a total of \$83,914.35 or \$139,623.30 (if the revenue of \$55,709.00 was not applied to the Councillor's Enviro Day Events). If Council intended to exempt Regional and Local Councillor Perrelli from paying for any costs associated with his Enviro Day Events, Staff will need Council's direction to use a Tax Supported Reserve.

Relationship to Council's Strategic Priorities 2020-2022:

Council will endeavor to keep tax increases below the cost of inflation and will avoid unnecessary expenditures in order to emerge from COVID-19 in a strong financial position.

Climate Change Considerations:

Climate change considerations are not applicable to this staff report.

Conclusion:

Staff are seeking clarification from Council on the intent of the exemption provided to Regional and Local Councillor Perrelli on May 5, 2021. Staff conducted the event in accordance with the Council Event Guidelines in place prior to the Council Events Policy approval. However, the Regional and Local Councillor disagrees with staff's position per the email correspondence received by the Treasurer. If Council's intention is to exempt Regional and Local Councillor Perrelli's Enviro Day events, staff will require Council to provide a funding source.

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" - Council Events Guidelines last updated 2019
- Attachment "B" - Council Events Policy

Report Approval Details

Document Title:	SRCM.21.12 Regional Councillor Accounts Concerns-Final.docx
Attachments:	- Council Events_Guidelines_2019.doc - Member of Council Event Policy_approved May 5 2021.docx
Final Approval Date:	Oct 6, 2021

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

David Dexter - Oct 6, 2021 - 3:16 PM

Stephen Huycke - Oct 6, 2021 - 3:29 PM

MaryAnne Dempster - Oct 6, 2021 - 4:19 PM