



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

**Date of Meeting:** February 7, 2023

**Report Number:** SRCFS.23.005 – Deferred to the February 14, 2023 Budget  
Committee of the Whole Meeting

**Department:** Corporate and Financial Services

**Division:** Office of the Clerk

**Subject:** **SRCFS.23.005 – Municipal Elections Campaign  
Contribution Rebate Program**

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### **Purpose:**

To respond to the Council resolution adopted on November 23, 2022, requiring staff to provide options for the establishment of a Municipal Elections Campaign Contribution Rebate Program.

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

- a) That staff report SRCFS.23.005, regarding a Municipal Elections Campaign Contribution Rebate Program, be received.
- b) That Council provide direction on the implementation of a Municipal Elections Campaign Contribution Rebate Program for Richmond Hill.

### **Contact Person:**

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

Ryan Ban, Manager, Legislative Services/Deputy City Clerk, extension 5547

### **Report Approval:**

**Submitted by:** Sherry Adams, Commissioner of Corporate and Financial Services

**Approved by:** Darlene Joslin, 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 November 23, 2022, Council adopted a resolution (Attachment “A”) which included the following operative clause:

- “a) That Staff be asked to report back to Budget Committee of the Whole on options to establish a Municipal Elections Campaign Contributions Rebate Program for municipal elections in Richmond Hill, starting with the 2026 Municipal Election; including:
- i. options on the structure of such a program, including recommendations and potential criteria for the various program elements (including, but not limited to, criteria to qualify for a rebate, and maximum rebate levels); and,
  - ii. potential costs, potential funding sources and any additional information to assist Council in assessing the viability of the program.”

Section 88.11 of the *Municipal Elections Act, 1996*, S.O. 1996, c.32, as amended (the “Act” or “Municipal Elections Act) states that:

**88.11** (1) A municipality may, by by-law, provide for the payment of rebates to individuals who made contributions to candidates for office on the municipal council.

#### Same

(3) The by-law or resolution shall establish the conditions under which an individual is entitled to a rebate.

#### Same

(4) The by-law or resolution may provide for the payment of different amounts to different individuals on any basis.

In other words, Council is permitted to establish a Municipal Elections Campaign Contribution Rebate Program (“Rebate Program”) for individuals who make contributions to candidates running for any office on Richmond Hill Council, and establish the conditions and amount of any rebate provided. For greater certainty, the Act does not permit Council to establish a Rebate Program for third-party advertisers, or any candidates running for school board trustees.

It is generally understood that the objectives of a Municipal Elections Campaign Contribution Rebate Program are to:

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1. Reduce financial barriers to candidates running for municipal office; and
2. Increase civic engagement in Municipal Elections.

A Rebate Program may reduce barriers to candidates running for municipal office by making it easier to raise the funds necessary to run a campaign. For candidates who participate in Rebate Programs, it is possible that their total contributions received will increase because the Rebate Program may be an incentive for contributors to increase their total contributions. A Rebate Program may increase civic engagement by providing an incentive for persons to contribute to a municipal candidate's campaign that they would not otherwise make in the absence of a rebate.

### **Municipal Elections Campaign Contribution Rebate Programs in Other Municipalities**

Staff undertook a comprehensive review of the various Rebate Programs in eight Ontario municipalities. Staff focused on the programs as they existed for the 2018 regular Municipal Elections. Reporting on the costs of Rebate Programs for the 2022 Municipal Elections is not possible until after candidate campaign financial filings and rebates have been paid which will not be completed until the end of 2023 or early in 2024.

### **Rebate Formulas and Contribution Amounts**

Table A below (also attached as Attachment "B") summarizes some of the key features of each of the eight municipal Rebate Programs that existed for the 2018 Municipal Elections. Toronto is a clear outlier in program parameters compared to the seven other municipalities. Staff analysis of the Rebate Programs follows the table.

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Table A - Municipal Elections Contribution Rebate Program - Formulas and Cost										
Program Details	Ajax	Markham	Mississauga	Oakville	Ottawa	Toronto	Vaughan	Whitby		
Electoral Population	77,885	202,594	451,333	125,718	633,946	1,880,371	202,254	90,099		
Population (2016)	119,677	328,966	721,599	193,832	934,243	2,731,571	306,233	128,377		
Population (2021)	126,666	338,503	717,961	213,759	1,017,449	2,794,356	323,103	138,501		
Minimum Contribution eligible for a Rebate	\$ 20	\$ 50	\$ 25	\$ 100	\$ 25	\$ 25	\$ 25	\$ 50	\$ 25	\$ 25
Maximum Contribution eligible for a Rebate	\$ 300	\$ 550	\$ 600	\$ 1,200	\$ 200	\$ 2,275	\$ 200	\$ 200	\$ 200	\$ 600
Rebate Amount Formula	75%	75% between \$50 and \$300, 50% in excess of \$300	25%	50%	50% between \$25.01 and \$100, 25% in excess of \$100	75% between \$25.01 and \$300, 50% between \$300.01 and \$1,000, 33.33% in excess of \$1,000	75%	25%	75%	25%
Maximum Rebate Payable	\$ 225	\$ 350	\$ 150	\$ 600	\$ 75	\$ 1,000	\$ 150	\$ 150	\$ 150	\$ 150
Total 2018 Election Rebates Paid Out	\$ 23,373	\$ 549,964	\$ 35,735	\$ 99,948	\$ 119,100	\$ 2,902,087.79 (See Note 1)	\$ 75,198	\$ 7,788	\$ 75,198	\$ 7,788
2018 Estimated Administrative Costs	\$ 20,000	Unavailable	Unavailable	Unavailable	Unavailable	\$ 115,000.00	Unavailable	Unavailable	Unavailable	Unavailable
Number of Contributor Rebates Issued	142	2,300	344	292	2,023	10,509	531	94	531	94
Number of Candidates Participating in Rebate Program	17 of 32	66 of 72	75 of 78	42 of 46	103 applied, 51 were eligible of 120	146 of 368	38 of 39	15 of 30	38 of 39	15 of 30
NOTES										

1. Toronto has an outstanding compliance audit prosecution; upon completion of the prosecution, this amount may increase

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As shown in Table A, all programs have a minimum contribution amount eligible for a rebate. This minimum amount ranges from a low of \$20 in Ajax to a high of \$100 in Oakville. The average minimum contribution required to be eligible for a rebate is \$40.

Each program also establishes a maximum contribution amount eligible for a rebate, ranging from a low of \$200 in Vaughan and Ottawa, to a high of \$2,275 in Toronto. The maximum rebate payable to a contributor for eligible contributions ranges from a low of \$75 in Ottawa to a high of \$1,000 in Toronto. The average maximum contribution is \$740. If Toronto is excluded from the calculation, the average maximum contribution is \$521.

The formula to calculate rebates in the municipalities varies. Five of the eight municipalities provide a flat-rate rebate percentage amount. For example, Mississauga and Whitby pay a rebate equal to 25% of eligible contributions, while Ajax and Vaughan pay a rebate equal to 75% of eligible contributions. In 2018, three municipalities had tiered rebate amounts. For example, Markham's rebate amount was 75% for contributions between \$50 and \$300, and 50% on the portion of the contribution exceeding \$300.

The total amount of election rebates paid out for the 2018 Municipal Elections by municipality ranges from a low of \$7,788 (Whitby) to a high of over \$2.9 million dollars (Toronto); the average total of election rebates paid out by a municipality, across the eight municipalities, was \$476,649; if Toronto is excluded from this calculation, the average total of election rebates paid out by a municipality was \$130,158.

Table B below provides the average values of key metrics across eight Ontario municipalities with Rebate Programs.

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**Table B - Average Rebate Program Costs**

Average Value	Amount
Average Minimum Contribution	\$40
Average Maximum Contribution (excluding Toronto)	\$521
Average Maximum Contribution (including Toronto)	\$740
Average Maximum Rebate Amount Payable (excluding Toronto)	\$242
Average Maximum Rebate Amount Payable (including Toronto)	\$338
Average Total of 2018 Municipal Election Rebates Out (excluding Toronto)	\$130,158
Average Total of 2018 Municipal Election Rebates Out (including Toronto)	\$476,649

**Candidate and Contributor Eligibility**

Table C below (also attached as Attachment “C”) details some of the key eligibility criteria for the eight municipal Rebate Program’s for both candidates and contributors. All programs provided rebates for monetary contributions only. Contributions of goods and services are not usually eligible, nor are the proceeds of fundraising events which are reported differently on the provincially mandated campaign finance statements. The majority of municipalities calculate rebate amounts on the total contribution made by a contributor to all eligible candidates. The majority of Rebate Program’s required a contributor to be a resident of the municipality and to apply for a rebate in order to receive one. In the 2018 Municipal Elections, only Markham, Ottawa and Toronto provided rebates to persons who reside outside of the municipality. Most Rebate Program’s required candidates to opt-in to the rebate program and most excluded candidates and their spouses from being eligible to receive a rebate.

Table C - Municipal Elections Contribution Rebate Program - Candidate and Contributor Eligibility									
Program Details	Ajax	Markham	Mississauga	Oakville	Ottawa	Toronto	Vaughan	Whitby	
Contributor Residency Criteria	Ajax Residents Only	Ontario Residents (see Note 1)	Mississauga Residents Only	Oakville Residents Only	Ontario Residents	Ontario Residents	Vaughan Residents only	Whitby Residents Only	
Goods and Service Eligibility	Not Eligible - Monetary Contributions Only	Not Eligible - Monetary Contributions Only	Not Eligible - Monetary Contributions Only	Not Eligible - Monetary Contributions Only	Not Eligible - Monetary Contributions Only	Not Eligible - Monetary Contributions Only	Not Eligible - Monetary Contributions Only	Not Eligible - Monetary Contributions Only	
Candidate/Spouse/Family Member Eligibility	Not Eligible	Not Eligible	Not Eligible	Not Eligible	Not Eligible	Not Eligible	Not Eligible	Not Eligible	
Candidates required to Opt in	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	
Contributors required to apply for Rebate or Rebate automatically paid	Application Required	Application Required	Application Required	Application Required	Application Required	Application Required	Application Required	No Application Required	
Rebates Amount Calculated on total contributions made by a Contributor to all Eligible Candidates	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Notes:									
1. Markham has since changed their residency eligibility to Markham voters only as of December 7, 2021.									

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It should be noted that some of the municipalities made changes to their Rebate Program for the recent 2022 Municipal Elections. For example, Markham changed the program for the 2022 Municipal Elections so that only Markham residents would be eligible for rebates. Municipalities that made adjustments to their 2022 Municipal Elections Rebate Program did so to make the program more fiscally responsible, ensure that monies were kept within their own municipality, increase civic engagement by providing a higher rebate at lower levels and reduce staff administration by increasing the minimum contribution amounts eligible for a rebate.

### **Richmond Hill Municipal Contribution Rebate Program**

To make recommendations on the implementation of a Richmond Hill Rebate Program, staff analyzed the campaign finances for candidates in the 2018 Richmond Hill Municipal Elections. Given that 2018 candidate financial filings were submitted in the absence of a Rebate Program, staff have had to make certain assumptions as part of the analysis. Staff have had to assume that 100% of all candidates in the 2018 Municipal Elections would have participated in a Rebate Program. Additionally, because staff do not have the ability to determine what percentage of contributions less than \$100 came from residents vs. non-residents of Richmond Hill, staff have assumed that 100% of contributions less than \$100 are from residents.

### **Potential Costing**

As noted previously, Toronto is a significant outlier in Rebate Program design (in both eligibility and rebate amounts). Staff do not believe a program similar to Toronto's to be a viable option for Richmond Hill. Toronto's program has been excluded from the costing analysis of a potential Richmond Hill Rebate Program. It should also be noted that for the 2022 Municipal Elections, Mississauga made significant changes to their Rebate Program to more closely align with Toronto's program (e.g. the maximum rebate payable increased from \$150 to \$1,500). As a result, staff are not including the redesigned 2022 Mississauga program in the options for Council consideration.

Table D below (also attached as Attachment "D") provides details showing the estimated costs of implementing the associated municipalities program (with noted exclusions) in Richmond Hill using the data from campaign finances from candidates of the 2018 Richmond Hill Municipal Elections. This table includes options for a Rebate Program based on seven other municipalities, and includes where different, a municipality's 2018 and 2022 Municipal Elections Rebate Program details.

**Table D - Estimated Costing of a Richmond Hill Municipal Elections Campaign Contribution Rebate Program**

Program Details	Option 1 Ajax	Option 2 Ajax 2022	Option 3 Markham	Option 4 Markham 2022	Option 5 Mississauga	Option 6 Oakville	Option 7 Ottawa	Option 8 Vaughan	Option 9 Whitby	Option 10 Whitby 2022
Minimum Contribution eligible for a Rebate	\$ 20	\$ 20	\$ 50	\$ 50	\$ 25	\$ 100	\$ 25	\$ 50	\$ 25	\$ 25
Maximum Contribution eligible for a Rebate	\$ 300	\$ 250	\$ 550	\$ 200	\$600*	\$ 1,200	\$ 200	\$ 200	\$ 600	\$ 600
Rebate Amount Formula	75%	75%	75% between \$50 and \$300, 50% in excess of \$300	75%	25%	50%	50% between \$25.01 and \$100, 25% in excess of \$100	75%	25%	75% between \$25 and \$100, 25% in excess of \$100
Maximum Rebate Payable	\$225	\$ 188	\$ 350	\$ 150	\$ 150	\$ 600	\$ 75	\$ 150	\$ 150	\$ 200
Total Contributions to all Richmond Hill Council Candidates in 2018 Election (See Note 1)	<b>\$575,096.39</b>									

Program Cost RH Residents Only	
Estimated Total Rebates paid to Richmond Hill Resident Contributors only (including 10% contingency)	\$ 66,000
Annual Contribution to Election Contribution Rebate Reserve	\$ 16,500
Total four year Contribution to Election Contribution Rebate Reserve	\$ 66,000

Program Cost including Non-resident Contributors	
Estimated Total Rebates paid to all Contributors (including non-resident contributors and a 10% contingency)	\$ 159,500
Annual Contribution to Election Contribution Rebate Reserve	\$ 39,875
Total four year Contribution to Election Contribution Rebate Reserve	\$ 159,500

Notes:

1. Due to the Provincial Reporting form, candidates did not have to identify Contributors who made contributions under \$100, nor does it indicate if the contributions were monetary or for goods and services. Staff have assumed that all contributions under \$100 were monetary

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### **Analysis and Discussion**

If it is Council's goal to promote more participation in Municipal Elections (i.e. increased civic engagement), staff are of the view that a program should incentivize lower dollar contributions at a higher percentage rebate, such as Ajax. It is staff's expectation that any increase in contributions will come from persons making lower dollar contributions rather than those who make higher dollar contributions. Staff generally believe that a Rebate Program based on Ajax or Vaughan best achieves the goal of increased civic engagement at the lowest cost to the municipality.

Staff believe that any Rebate Program should only come into effect for the 2026 regular Municipal Elections, and any by-election or regular election thereafter. In other words, staff do not believe a Rebate Program should be in place for any potential by-election during the 2022 to 2026 Term of Council.

To fund any Rebate Program beginning with the 2026 Municipal Elections, staff recommend that Council authorize the creation of a separate Election Contribution Rebate Reserve. Similar to the Election Reserve (discussed further below), the new reserve would be used to set aside the necessary funds to pay for the Rebate Program over a four-year period.

If Council intends on implementing a Rebate Program, staff recommend the rebate formula be a flat rebate percentage amount (such as that used in Ajax or Vaughan) and not a tiered amount similar to Ottawa. Tiered amounts require more administration to manage the program due to the calculations required and increase the complexity of the information that needs to be communicated to candidates, contributors and the public at large.

Should Richmond Hill implement a Rebate Program based on one of the programs that exist in Ontario (excluding Toronto), the estimated total amount of rebates payable depends on the criteria selected by Council. Staff estimate, based on the 2018 candidates financial statements, that if rebates are only paid to Richmond Hill residents, the total rebates paid would have been in the range of \$30,000 to \$95,000 (including a 10% contingency). Alternatively, if rebates are paid to all residents of Ontario, the total rebates paid would have been in the range of \$61,600 to \$275,000 (including a 10% contingency). These amounts, and those in Table D include a 10% contingency of the amounts calculated based on the 2018 Municipal Elections as an allowance for any increase in total contributions that may be made as a result of the implementation of a Rebate Program.

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### **Richmond Hill Rebate Program Standard Terms and Conditions**

If Council chooses to establish a Rebate Program, staff recommend that, regardless of the rebate amounts, that the draft standard terms and conditions as set out in Attachment “E” should apply to the Rebate Program. Highlights of those terms and conditions include:

1. Rebates will only be paid on contributions made by residents of Richmond Hill;
2. Only monetary (cash) contributions would be eligible for a rebate (goods and services are not eligible);
3. Candidates and their spouse would not be eligible for a rebate;
4. Rebate amounts will be calculated on the total contributions made by a contributor to all participating candidates (e.g. if one person contributes \$100 to two different candidates who participate in the Rebate Program, and also contributes \$100 to a candidate who opts out of the Rebate Program, for a total contribution of \$300, only \$200 of the contributions will be eligible for rebate);
5. Candidates will be required to opt-in to the Rebate Program in writing, and all candidates would be required to notify their contributors whether they are or are not participating in the Rebate Program;
6. Candidates who opt-in to the Rebate Program will be required to file an audited financial statement and supplementary financial statements (if required) even if their total contributions or expenses are less than \$10,000;
7. Contributors must apply for a rebate by an established deadline;
8. Rebates will only be paid once all candidate campaign financial filing (including the filing of supplementary financial statements if any) are completed (in other words, rebates will only be paid once all campaign financial filings have been completed);
9. Rebates for contribution amounts that are subject to compliance audits or other legal proceedings will only be paid once all those proceedings are completed, and provided that there is no related conviction;
10. The City Clerk can establish any form, procedure or process deemed necessary to implement the Rebate Program, and participating candidates will be required to comply with those; and
11. Rebates will not be paid on contributions to candidates who do not comply with the Rebate Program rules.

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Some of the reasons why staff have recommended the standard terms and conditions are as follows:

1. A Rebate Program will be funded from property taxes and staff do not recommend adopting a policy that will transfer any of the rebate funds outside of Richmond Hill to non-residents;
2. Providing rebates on contributions of goods or services would significantly increase the complexity of any Rebate Program because staff would be required to verify the true market value of any goods or service;
3. Candidates and their spouses are already permitted to refund any contributions that they or their spouse have made to their own campaign from any surplus funds;
4. The goal of a Rebate Program is to increase contributions from persons other than the candidate or their spouse;
5. To avoid potential duplication of rebate payments, staff recommend that the rebates be based on total contributions to all participating candidates;
6. Candidates should be required to decide to participate in (opt-in) a Rebate Program because it places extra administrative burdens on candidates (e.g. contributions tracking and forms submission), as well as potentially increasing the cost to a campaign (e.g. requiring an audited financial statement);
7. Contributors would be required to apply for rebates to avoid potential duplicate payments, and as a process to verify eligibility for a rebate by comparing the application with candidate financial statements; and
8. To ensure that the City only pays rebates on eligible contributions, and does not under or overpay any rebate, no rebates will be paid until all of the campaign financial statement filings have been completed.

### **Human Resource Requirements and other Administrative Considerations**

Richmond Hill funds its regular elections costs through annual contributions of \$200,000 to the Elections Reserve. In the year of any regular Municipal Elections, the balance in the reserve as well as the costs associated with any enhanced programs is transferred to the operating fund to cover the costs of the election (currently budgeted at \$800,000).

To effectively manage Municipal Elections, the City Clerk hires, on a 13 to 14 month contract, one Elections Coordinator and one Elections Assistant. Additionally, the City Clerk is required to provide financial support from the Elections Budget for additional

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human resources in both Strategic Communications and Information Technology to support the election project. In the 2022 Municipal and School Board Elections, the City Clerk was unable to recruit a qualified Elections Assistant due to the very tight labour market. As a result, two full-time staff were required to allocate 50% of their time to the elections, resulting in a significant gap in fulfilling non-election related work.

Based on the experience of other municipalities with a Rebate Program, such a program effectively triples the amount of post-election work required by the Office of the Clerk (e.g. managing candidate financial filings, compliance audits, reviewing, calculating and paying rebates, etc.). It is not feasible to extend the Elections Coordinator or Elections Assistant contract for the additional 14 to 20 months to manage a Rebate Program, as the volume of post-election work is not consistent being tied to legislative timelines that occur at irregular intervals. There is also insufficient staff within the Office of the Clerk to manage a Rebate Program and all other existing duties without affecting the delivery of other services or legislative responsibilities.

### **Coordinator of Legislative Services & Special Projects Position**

If Council chooses to implement a Rebate Program, it will be necessary for Council to authorize one additional full-time employee (FTE) for the Office of the Clerk. This new position, to be titled Coordinator of Legislative Services & Special Projects, would replace the Elections Coordinator contract role. The new coordinator's time would be allocated 100% to election and by-election projects. In non-Election periods, the new FTE would provide support to the entire Office of the Clerk and work on Special Projects, such as ward boundary reviews, policy development, and the implementation of any legislative changes that affect the City. The Coordinator of Legislative Services & Special Projects would also assume responsibility for the day-to-day management of staff in the Legislative Services and Office Services section. This would have the additional benefit of providing more capacity for the Deputy City Clerk to focus on leading and improving service delivery in the Council Committee Secretariat, Information Governance and Legislative Services functions.

The new Coordinator of Legislative Services & Special Projects would be classified on the Administrative Salary Grid as Level 7. With a start date of July 1, 2023, the new FTE requires an increase in the Office of the Clerk's proposed 2023 operating budget in the amount of \$79,100 (including salary and benefits). A full year cost for the Coordinator of Legislative Services & Special Projects, based on the 2023 Administrative Salary grid, is \$156,500 (including salary and benefits). Because it is a contract role, and in order to attract the right candidate, the Elections Coordinator was

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paid at a rate of approximately \$150,000 per year, not including any overtime or benefits.

The increased operational cost of the new FTE is partially offset by avoiding any increase in the annual contributions to the Elections Reserve. Based on the 2022 Municipal Elections, the City Clerk was considering requesting an increase in the annual contributions to the Elections Reserve of between \$25,000 and \$43,750, for a total regular elections budget of between \$900,000 and \$975,000. This increase is required to offset the growing cost of implementing election related technology (including internet voting), increased costs associated with the growth in the number of eligible voters, increased communications costs and subsequent increase in materials and other resources.

### Administrative Changes

In addition to this partial offset, staff recommend that Council adopt a policy (Attachment “F”) to allocate any candidate or third party advertiser surpluses or other contributions that a candidate or third party advertiser are required to pay to the City, which may provide a further partial offset. Under Section 88.31(4) of the Act, candidates and registered third party advertisers are required to pay any campaign surpluses to the City of Richmond Hill which becomes property of the City. In the 2018 Municipal Elections, the City received \$4,401.33 in surplus monies. In the 2022 Mayoral By-election, the City received \$3115.50 in surplus monies. In addition to surpluses, under Sections 88.22(1)(p) and 88.22(1)(q) of the Act, a Candidate is required to pay any illegal contributions or anonymous contributions that are not returned to the contributor to the City.

The City currently does not have a standardized approach or policy to address the allocation of any surplus campaign money paid to the City. Staff recommend that Council adopt a resolution to define how the City will allocate surplus campaign money, as follows:

1. To fund any rebates owing under the Rebate Program, related to a regular election, that cannot be funded from the balance available in the Election Contribution Rebate Reserve.
2. Should any remaining surplus funds remain, they are to fund any deficit in the regular election budget and/or any post-election expenses such as recounts and compliance audits that cannot be accommodated within the election budget.
3. Should any surplus funds remain, they are to be allocated to the Election Contribution Rebate Reserve.

The proposed policy provides for the return of surpluses as required.

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Staff note that a formal By-law to establish the Elections Reserve was never passed by previous Council's; staff recommend that a By-law to establish

### Option 1 - Implement a Municipal Elections Campaign Contribution Rebate Program

If Council wants to implement a Rebate Program for the City, beginning with the 2026 regular Municipal Elections, Council should adopt the below resolution. Before adopting the resolution Council will have to specifically determine the parameters of the Rebate Program as identified in Table E below, where values could be taken from Table D:

**Table E - Contribution Rebate Program Parameters**

Formula	Values
Minimum contribution amount [clause c) iii]	
Maximum contribution amount [clause c) iv]	
Rebate Amount Formula (in Percentage) [clause c) v]	
Maximum rebate paid to a single contributor [clause c) vi]	
Annual Contribution to the Elections Contribution Rebate Reserve [clause e]	
Total Contribution over a Four-year Period to the Elections Contribution Rebate Reserve [clause e]	

#### Option 1 - Resolution

- a) That staff report SRCFS.23.005, regarding the Municipal Elections Campaign Contribution Rebate Program, be received.
- b) That, in accordance with and authorized by Section 88.11 of the *Municipal Elections Act, 1996*, S.O. 1996, c. 32, as amended (the "Act"), Council hereby establishes a Municipal Elections Campaign Contribution Rebate Program (the "Contribution Rebate Program") for candidates for election to Richmond Hill Council beginning with the next regular Municipal Elections scheduled, pursuant to Subsection 4(1) of the Act, for October 26, 2026.
- c) That Council direct the City Clerk to bring forward any by-law necessary to implement the Municipal Elections Campaign Contribution Rebate Program, and said by-law shall include, as required, the following provisions:



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- i. Only residents of Richmond Hill shall be eligible to receive a rebate under the Municipal Elections Campaign Contribution Rebate Program;
  - ii. The rebate shall apply to any regular Municipal Elections or municipal by-election for an office on Richmond Hill Council beginning with the regular Municipal Elections to be held in 2026;
  - iii. A contributor needs to make a minimum contribution of [\$insert value] to all candidates participating in Municipal Elections Campaign Contribution Rebate Program to be eligible to receive a rebate;
  - iv. The maximum total contributions made by a single contributor that are eligible for a rebate will be \$ [insert value];
  - v. The contribution rebate amount will be [insert value]% of the value of contribution;
  - vi. That the maximum rebate that will be paid to a single contributor shall be \$ [insert value];
  - vii. The standard terms and conditions set out in Attachment “E” to Staff Report SRCFS.23.005.
- d) That an Election Contribution Rebate Reserve be and is hereby established for the purpose of funding the Municipal Elections Campaign Contribution Rebate Program over a four-year period and staff be directed to place an appropriate By-law establishing the reserve on a future Council agenda for enactment.
- e) That the 2023, 2024, 2025 and 2026 Operating Budgets include an annual contribution of \$ [insert value] to the Election Contribution Rebate Reserve for the purpose of ensuring that the fund achieves a balance of \$ [insert value] for the 2026 Municipal Elections.
- f) That the Office of the Clerk full-time employee complement be increased by one (1) to permit the hiring of a Coordinator of Legislative Services & Special Projects beginning in July 1, 2023, with the full year cost to be included in the 2024 and future Operating Budgets.
- g) That the Office of the Clerk’s 2023 Operating Budget be increased by a total of \$79,100 for the purpose of funding the approved Coordinator of Legislative Services & Special Projects position beginning in July 1, 2023, with the full year cost of the position to be included in the 2024 Operating Budget.

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- h) That staff be directed to bring forward an appropriate By-law to a future Council Meeting to formally establish an Election Reserve that was created by previous Council's.
- i) That the “Allocation of Election Campaign Surpluses and Other Contributions Policy”, attached as Attachment “F” to staff report SRCFS.23.005, be approved.

### **Option 2 – Not Implement a Municipal Elections Campaign Contribution Rebate Program**

If Council chooses not to implement a Municipal Elections Campaign Contribution Rebate Program, staff still recommend that Council endorse a policy on the allocation of any campaign surplus funds paid to the City. Attachment “G” is a version of the “Allocation of Election Campaign Surpluses and Other Contributions Policy” that does not include references to a Rebate Program. In this version of the Policy, Campaign Surplus would be allocated as follows:

1. Firstly, to pay for any deficit in the regular election budget and/or any post-election expenses such as recounts and compliance audits that cannot be accommodated within the election budget.
2. Secondly, any remaining surplus funds be allocated to the Election Reserve to offset, however minimally, future increases in the cost of administering Elections.

#### Option 2 - Resolution

- a) That staff report SRCFS.23.005 regarding the Municipal Elections Campaign Contribution Rebate Program be received.
- b) That the “Allocation of Election Campaign Surpluses and Other Contributions Policy”, attached as Attachment “G” to staff report SRCFS.23.005, be approved.
- c) That staff be directed to bring forward an appropriate By-law to a future Council Meeting to formally establish an Election Reserve that was created by previous Council's.

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

The implementation of a Municipal Elections Campaign Rebate Program will require the creation of an Election Contribution Rebate Reserve to be funded over a four-year period at the amount decided on by Council. The annual contribution is estimated to be between \$7,500 and \$31,000, for an estimated total over four years of \$30,000 to \$95,000 if the Rebate Program is for Richmond Hill Residents only.

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The implementation of a Municipal Elections Campaign Rebate Program would also require Council approval for one additional FTE for the Office of the Clerk. For 2023, this new role would be budgeted at Administrative Salary Schedule Grade 7, Level 3. The required total budget for the new Coordinator of Legislative Services & Special Projects, with a start date of July 1, 2023, is \$79,100 (including salary and benefits). The full year costs of this position, based on the 2023 Admin Salary Schedule, would be \$156,500 (including salary and benefits).

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

The creation of a Municipal Elections Campaign Contribution Rebate Program relates to the strategic priority of fostering a strong sense of belonging by potentially increasing civic engagement in Municipal Elections and reducing financial barriers to candidates who run for municipal office.

### **Conclusion:**

On November 23, 2022, Council directed staff to provide options for the establishment of a Municipal Elections Campaign Contribution Rebate Program. Staff have conducted a comprehensive review of Rebate Programs existing in eight Ontario municipalities. Based on those reviews, staff recommend that if Council wants to establish a Rebate Program for Richmond Hill, it will need to adopt a resolution that:

1. Only implements the Rebate Program for elections and by-elections beginning with the regular Municipal Elections on October 26, 2026.
2. Sets a minimum contribution amount to be eligible to receive a rebate.
3. Sets a maximum contribution amount that will be eligible for a rebate.
4. Sets a flat-rate rebate percentage amount.
5. Approves the standard terms and conditions for the program.
6. Approves the creation of an Election Contribution Rebate Reserve, and determine the annual contribution to the reserve.
7. Approves an increase in the FTE staff complement and associated budget for the Office of the Clerk to hire a Coordinator of Legislative Services & Special Projects.

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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” – November 23, 2022 Council Extract – Item 14.1 – Members Motion Mayor West - Municipal Campaign Contribution Rebate Program
- Attachment “B” – Municipal Elections Contribution Rebate Program Details – Formulas and Cost
- Attachment “C” – Municipal Elections Contribution Rebate Program Details – Candidate and Contributor Eligibility
- Attachment “D” – Estimated Costing of a Richmond Hill Municipal Elections Campaign Rebate Program
- Attachment “E” – Draft Standard Terms and Conditions for any Richmond Hill Municipal Elections Campaign Rebate Program
- Attachment “F” – Draft Allocation of Election Campaign Surpluses and Other Contributions Policy (with Rebate Program)
- Attachment “G” – Draft Allocation of Election Campaign Surpluses and Other Contributions Policy (without Rebate Program)

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### Report Approval Details

Document Title:	SRCFS.23.005 - Municipal Election Campaign Contribution Rebate Program - Final - Accessible .docx
Attachments:	<ul style="list-style-type: none"><li>- SRCFS.23.005 - Attachment A - Nov 23 2022 Council Extract - Accessible.pdf</li><li>- SRCFS.23.005 - Attachment B - Municipal Elections Contribution Rebate Program Details – Formulas and Cost.xlsx</li><li>- SRCFS.23.005 - Attachment C - Candidate and Contributor Eligibility - FINAL.xlsx</li><li>- SRCFS.23.005 - Attachment D - Estimated Costing of a Richmond Hill Rebate Program - Final.pdf</li><li>- SRCFS.23.005 - Attachment E - Rebate Program Standard Terms and Conditions - FINAL.docx</li><li>- SRCFS.23.005 - Attachment F - Election Campaign Surplus Allocation Policy (with Rebate Program) - FINAL.docx</li><li>- SRCFS.23.005 - Attachment G - Election Campaign Surplus Allocation Policy (without Rebate Program) - FINAL.docx</li></ul>
Final Approval Date:	Jan 30, 2023

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

**Stephen Huycke - Jan 25, 2023 - 3:16 PM**

**Gigi Li - Jan 25, 2023 - 3:22 PM**

**Sherry Adams - Jan 25, 2023 - 4:10 PM**

**Darlene Joslin - Jan 30, 2023 - 11:02 AM**