



Staff Report

Administration – Chief Administrative Officer

Report To: COW-Finance, Admin, Fire, Legal, Community Services
Meeting Date: August 14, 2023
Report Number: FAF.23.127
Title: Costs Associated with the June 1, 2023 Grey County Compliance Audit Committee Meeting
Prepared by: Shawn Everitt, Chief Administrative Officer

A. Recommendations

THAT Council receive Staff Report FAF.23.127, entitled “Costs Associated with the June 1, 2023 Grey County Compliance Audit Committee Meeting”;

AND THAT Council acknowledge that the municipal costs associated with the June 1, 2023 meeting of the Grey County Compliance Audit Committee totaled \$14,134.61;

AND THAT, for the purposes of providing clear and transparent information to the public, it is acknowledged that the decision of the June 1, 2023 meeting of the Grey County Compliance Audit Committee was to not commence a legal proceeding against Mr. Stooke “the Contributor” for an apparent contravention of the Municipal Elections Act.

B. Overview

This staff report was requested by Council through the approval of Councillor Hope’s Notice of Motion that requested a summary of costs related to the Grey County Compliance Audit Committee proceedings of June 1, 2023, be brought to Council.

C. Background

Councillor Hope provided the following Notice of Motion at the June 6, 2023 Committee of the Whole Meeting:

WHEREAS the monitoring of municipal candidate election campaign finances is an important contribution to the democratic process;

AND WHEREAS it is an expensive and time-consuming process, for both municipal staff as well as the candidate, requiring further scrutiny and exploration of alternate, effective, and less costly measures;

THEREFORE, it is requested that the staff of the Town of The Blue Mountains prepare a staff report on all hard and soft costs, for both Town staff and the candidate, related to the recent Grey County Audit Compliance Committee response to the \$300 overcontribution of a contributor to a candidate's 2022 campaign. The benefits to the municipality to this process should also be reviewed in the staff report.

At the June 19, 2023, Council meeting the Notice of Motion was considered and, by way of resolution, Council approved the Motion as presented.

D. Analysis

It is important to note that the compliance audit process is a very prescribed, legislated process that the Town Clerk must follow when an elector requests a compliance audit of a candidate's financial statement or when the Town Clerk identifies that a contributor to a candidate for office appears to have contravened any of the contribution limits under the Municipal Elections Act. Where there has been an apparent contravention, the Town Clerk is required to initiate the process.

How the Grey County Compliance Audit Committee was Established

The municipalities of Grey County, by way of municipal resolutions, established a joint committee of members who serve on retainer to address applications for compliance audits and any identified over-contributions. [Staff Report FAF.22.073 "Municipal Election, Appointment of Grey County Compliance Audit Committee for the 2022 to 2026 Term of Council"](#) was considered by Council at the August 30, 2022 Committee of the Whole Meeting. [By-law 2022-69 Being a By-law to Appoint the Grey County Compliance Audit Committee for the 2022 to 2026 Term of Council](#) was passed on September 26, 2022 to appoint the Grey County Compliance Audit Committee Members.

Members of the Grey County Compliance Audit Committee provide a skillset and have the ability to understand and apply the election campaign finance provisions of the Municipal Elections Act and are considered impartial with respect to their ability to fulfill their responsibilities.

The current Grey County Compliance Audit Committee was established in 2022 and continue until 2026. Members receive a retainer of \$1,000 for the four-year term which includes one mandatory training session and any preparation/review required. As well, a per-meeting remuneration and mileage will be paid when a Sitting Committee convenes. In this case, and identified in Table 2 of this report, each member of the Sitting Committee received \$300 plus the submitted mileage costs.

There are five (5) appointed members of the Grey County Compliance Audit Committee and where a Sitting Committee is called, the Sitting Committee is comprised of three (3) of the five (5) appointed members. When considering the selection of the Sitting Committee, it is recommended as best practice to consider the participation of members of the Grey County Compliance Audit Committee that are not residents of the municipality that the specific file that

the Sitting Committee will be responding to. In this case, staff can confirm that the best practice was followed, and can confirm that no member of the Sitting Committee was a resident of the Town of The Blue Mountains.

Requirement to Initiate the Grey County Compliance Audit Committee

To begin, staff confirm that this is the first time the Grey County Compliance Audit Committee has been called upon in the Town of The Blue Mountains.

In December 2009, the Good Government Act was passed that, among other changes to the Municipal Elections Act, provided new rules as it relates to the requirement for compliance audits. In advance of the 2010 municipal election, the Clerks of six (6) Grey County municipalities (The Blue Mountains, Owen Sound, Georgian Bluffs, Grey Highlands, West Grey, and Meaford) considered the benefits of appointing one compliance committee to represent the named municipalities. Each municipality submitted the name of one committee member from their respective municipalities and together, the Grey County Joint Compliance Audit Committee was appointed for the 2010 Municipal Election. The same process was followed for the 2014 Municipal Election. In the 2018 and 2022 Municipal Elections, all nine (9) Grey County municipalities participated in the appointment of a Grey County Compliance Audit Committee that would respond to compliance audits in any of the nine (9) municipalities.

Pursuant to Section 88.34(2) of the Municipal Elections Act (the “Act”), the Clerk of a municipality shall prepare a report identifying each contributor to a candidate for office on a Council who appears to have contravened any of the contribution limits under Section 88.9 of the Act.

If the contributor’s total contributions to a candidate for office appear to exceed the limit under Section 88.9 the report shall set out the contributions made by that contributor to the candidate.

As part of drafting this report, staff consulted with the Town Clerks network to gain a better understanding of how often the Compliance Audit Committee processes are called upon to review and investigate apparent contraventions of contribution limits under the Act. Of the thirty-nine (39) responses received, sixteen (16) municipalities indicated they have called upon their Compliance Audit Committee at least one (1) time since 2010, and twenty-three (23) municipalities indicated that they have not been required to call upon their Compliance Audit Committee since 2010.

Table 1: Responses from Town Clerks Network

| Municipality | Has Their Audit Committee Been Called |
|---------------------------|--|
| Municipality of Killarney | No |
| Town of Ajax | No |

| Municipality | Has Their Audit Committee Been Called |
|----------------------------------|---|
| Township of Perry | No |
| Town of Hearst | No |
| Township of Eanturel | No |
| Greater Napanee | No |
| Town of Whitchurch - Stouffville | Yes in 2019 |
| Town of Whitby | Yes in 2022 |
| Municipality of West Grey | Yes in 2018 |
| Municipality of French River | No |
| Greater Sudbury | Yes, 2 |
| Township of North Kawartha | No |
| Municipality of Mattice-Val Cote | No |
| Mount Elgin | Yes in 2014 |
| Oakville | Yes in 2018 and proceeded with Legal Action against Contributor |
| Town of Amherstburg | No |
| Town of Caledon | Yes, 2023 |
| Gravenhurst | Yes, 2023 |
| City of Clarence-Rockland | Yes, 2022, Audit Committee rejected the application |
| Town of South Bruce Peninsula | No |
| Municipality of Meaford | Yes, 2014 |
| City of Vaughan | Yes, 4 in 2018 |
| City of Toronto | Yes, Committee called ten (10) times between 2019 and 2022 |

| Municipality | Has Their Audit Committee Been Called |
|-------------------------------|---------------------------------------|
| Municipality of Greenstone | No |
| Township of South-West Oxford | Yes in 2014 |

Question Regarding Reimbursement

For the benefit of providing additional information, it is important to note that the Grey County Compliance Audit Sitting Committee's purpose was to review a contribution, in this case, that was made by the Contributor "Mr. Trevor Stooke" to the Campaign of Candidate Paula Hope.

The question relating to the potential reimbursement of legal costs incurred by the Parties other than the Town was not part of the actual Notice of Motion brought forward by Councillor Hope. However, there was significant discussion relating to whether legal costs could be reimbursed. A formal Legal Opinion was sought as to the potential consideration of the reimbursement of the legal expenses of the Parties, at Council's discretion. As a result of this Legal Opinion and additional responses received through the Town Clerk's network, staff suggest that Council should not consider payment of the Parties' legal expenses incurred for the defence of the apparent contravention.

E. Strategic Priorities

2. Organizational Excellence

We will continually seek out ways to improve the internal organization of Town Staff and the management of Town assets.

F. Environmental Impacts

None.

G. Financial Impacts

Table 2: Costs Incurred to Date to Complete the Election Compliance Audit Committee

| Task | External Costs | Town Costs |
|--|---------------------------------|-------------------|
| Staff Time: Initiation of process, drafting materials, Agenda Preparation, and participation in Sitting Committee | N/A | \$6,077.75 |
| Compliance Audit Sitting Committee Per Diem | \$900 for all three (3) members | N/A |
| Compliance Audit Committee Mileage | \$94 for all three (3) members | N/A |
| Legal Counsel: Town is required to provide this assistance to the Compliance Audit Committee | \$3,823.92 | N/A |
| Meeting Expenses: Lunch | \$82.91 | N/A |
| Legal Opinion: As a result of a challenge to the interpretation of legislation | \$3,131.23 | N/A |
| Postage: Specific to June 1, 2023 Sitting Committee meeting | \$24.80 | N/A |
| Sub-Total | \$8,056.86 | \$6,077.75 |
| Total | \$14,134.61 | |

Table 3: Costs Incurred to Complete Staff Report FAF.23.127

| Task | External Costs | Town Costs |
|---|----------------|------------|
| Staff Time Preparing Staff Report (FAF.23.127) | N/A | \$460 |
| Legal Opinion: Regarding reimbursement of legal expenses | \$5,420 | N/A |
| Total | \$5,880 | |

The total combined cost of the Election Compliance Audit Committee, including associated staff reports, is \$20,014.61.

H. In Consultation With

Town Clerk

I. Public Engagement

The topic of this Staff Report has not been the subject of a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required. However, any comments regarding this report should be submitted to Shawn Everitt, Chief Administrative Officer cao@thebluemountains.ca.

J. Attached

None

Respectfully submitted,

Shawn Everitt
Chief Administrative Officer

For more information, please contact:
Shawn Everitt, Chief Administrative Officer
cao@thebluemountains.ca
519-599-3131 extension 234

Report Approval Details

| | |
|----------------------|---|
| Document Title: | FAF.23.127 Costs Associated with the June 1, 2023 Grey County Compliance Audit Committee Meeting.docx |
| Attachments: | |
| Final Approval Date: | Jul 25, 2023 |

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

Shawn Everitt - Jul 25, 2023 - 7:47 AM