

Municipal Elections - By-law Requirements

(City Council on December 14, 15 and 16, 1999, amended this Clause by:

- (1) amending Recommendation No. (4) embodied in the report dated November 17, 1999, from the City Clerk, to provide that the City continue to provide election materials in Tamil, Vietnamese and Somali, and any other languages used in previous elections, and that any language groups numbering more than the lesser of 20,000 or two percent of the City-wide voting population, be provided with election information in their home language; and*
- (2) adding thereto the following:*

“It is further recommended that

 - (a) the necessary funds for the contribution rebate program be provided for in the City’s Operating Budget; and*
 - (b) the necessary funds in the amount of approximately \$50,000.00 required to cover the cost of providing election 2000 information in the additional languages outlined in Recommendation No. (1) be included in the 2000 Operating Budget of the Clerk’s Division.”)*

The Administration Committee recommends the adoption of the report (November 17, 1999) from the City Clerk subject to amending Recommendation No. (3) to provide that the contribution rebate program adopted by the City be similar to that offered by the Provincial Government.

The Administration Committee reports, for the information of Council, having referred the communication (November 30, 1999) from Councillor Pam McConnell, Don River, to the City Clerk for report thereon directly to Council for its meeting scheduled to be held on December 14, 1999.

The Administration Committee submits the following report (November 17, 1999) from the City Clerk:

Purpose:

This report outlines the mandatory and permissive by-laws City Council may enact for the 2000 municipal election.

Financial Implications and Impact Statement:

Should Council decide to enact a by-law to provide for a contribution rebate program for the 2000 municipal election, it is estimated approximately \$2,000,000 will need to be set aside to pay the rebate applications over the years 2001 and 2002.

Recommendations:

It is recommended that:

- (1) Council authorize advance votes to be conducted as indicated in section number 1 of this report;
- (2) Council authorize the use of voting and vote-counting equipment for municipal elections as indicated in section number 2 of this report;
- (3) Council authorize the payment of rebates to persons who make contributions to candidates for the Council of the City of Toronto during the 2000 municipal election as outlined in section number 3 of this report and Appendix "A";
- (4) Council authorize certain election material to be made available in the languages set out in section 4 of this report;
- (5) the City continue the practice of opening voting places at 10:00 a.m. on voting day;
- (6) institutions be open for the full voting day (10:00 a.m. to 8:00 p.m.); and
- (7) leave be granted to introduce the necessary Bills in Council and the appropriate City Officials be authorized to take the necessary action to give effect thereto.

Council Reference:

On June 9, 10 and 11, 1999, City Council, in receiving for information, Clause No. 30 of Report No. 6 of The Corporate Services Committee under "Other Items", was advised of the following action taken by the Committee:

- “(1) the attached background report, "Election 2000", be received for information at this time;
- (2) a copy of this report be circulated to all Members of Council; and
- (3) the City Clerk be authorized to undertake consultations with Members of Council, and through focus groups consisting of candidates, voters and other stakeholders, on the issues and draft proposals contained in the report and report on any necessary legislative amendments, policies and procedures to Council in July and December, 1999.”

This report addresses the mandatory and permissive by-laws City Council may enact for Election 2000. Reports on the necessary legislative amendments to the *Municipal Elections Act, 1996* (the *Act*) and the process and procedures staff intend to implement for Election 2000 are also before the Committee at this time.

A separate report on a proposed election sign by-law is also being developed and will be brought to the Administration Committee in the near future.

Background:

The *Municipal Elections Act, 1996* (the *Act*) significantly altered the manner in which elections were to be administered, from a process strictly mandated by the legislation to one where the municipality has the flexibility to tailor certain elements of the election to suit the particular needs of the municipality.

The *Act* assigns the decision making role to Council for those areas/activities that necessitate political accountability (e.g., the number of advance voting days) or that involve the spending of public funds (e.g., the adoption of a contribution rebate program).

For the 1997 municipal election, section 23 of the *City of Toronto Act, 1997* provided that the 1997 election was to be conducted as if the new City had already been created. This meant, among other things, there was no council in place that could enact the by-laws or resolutions required under the *Municipal Elections Act, 1996*.

To address this issue, the Province, through a series of regulations, dealt with all those matters that normally would be handled by a council by-law or resolution. (The former City of Toronto did enact its own by-laws based upon legal advice it received. These by-laws mirrored the regulatory provisions set out by the Province.)

The regulations provided for the following matters:

- (a) the establishment of a contribution rebate program;
- (b) the establishment of dates and times for advance voting;
- (c) to authorize the use of vote-counting equipment;
- (d) to provide election information in a number of selected languages;
- (e) to permit reduced voting hours in certain institutions;
- (f) to enable the placement of municipal questions on the ballot; and
- (g) to permit council to order a recount.

In preparing this report, election staff analysed the impact of the above noted items on the 1997 municipal election process. Staff also consulted with Members of Council during the early part of 1998 (to obtain feedback from their 1997 municipal election experience) and during the months of September and October, 1999 on the proposed policies, procedures and by-laws for Election 2000. In addition, staff conducted six public meetings during the period October 18 to 26, 1999 to obtain the views of the electors, ratepayer groups and former candidates.

Staff used the opportunity presented by both the East York and Scarborough Highland Creek by-elections to survey electors on various election practices, such as the hours voting places should be open and their preferred day of the week for voting.

Identified issues from the consultations include:

- (a) language issues should be addressed in the voting places to assist electors whose first language is not English;
 - (b) institutional voting hours should ensure that voters are not disenfranchised on voting day if they are unable to attend during imposed reduced hours;
 - (c) advance voting should be designed as more of an outreach program;
 - (d) the fact that contributors cannot receive their rebates until candidates close off their campaigns creates an incredible amount of pressure on the candidates and jeopardizes the participation of these contributors in future elections;
 - (e) City Council should carefully consider whether or not to adopt a contribution rebate program for future elections; and
 - (f) the Chief Financial Officer and Treasurer and the City Auditor should review all audited financial statements prior to any rebate applications being approved for payment.
- (1) Advance Voting:

Authority to pass a by-law establishing the times and dates for advance voting is found in subsection 43(1) of the *Municipal Elections Act, 1996*. This subsection provides that a council must pass a by-law establishing one or more days for advance voting and the hours during which voting places shall be open for advance voting. This by-law must be passed at least 30 days before voting day. The location of the voting places for the advance votes is left to the discretion of the municipal clerk.

In 1997, Ontario Regulation 338/97 provided for two advance voting days - Saturday, November 1 and Wednesday, November 5, 1997 - with voting places open from 12 noon to 8:00 p.m. One voting location was provided for each of the former local municipal wards. A total of 30,598 electors voted over the two days.

The regulation also provided for one week of continuous advance voting at the six civic centres between the hours of 9:00 a.m. and 6:00 p.m. during the period October 27 to October 31, 1997. A total of 6,193 electors voted at the continuous advance vote.

Staff propose that the service level be enhanced over that offered in 1997 to increase voter accessibility.

It is recommended that:

- (i) advance voting using the touch screen units be conducted on Saturday, October 28, 2000 (12 noon to 6:00 p.m.) and Sunday, November 5, 2000 (12 noon to 5:00 p.m.) at several chosen locations throughout the City. An elector will be able to attend at any of these locations to vote as a touch screen unit is capable of storing all 285 ballot faces in its

memory. These locations would be linked to the City's database so that an elector's name would be immediately deleted from the master voters' list to indicate he/she had voted.

- (ii) advance voting using the vote tabulators be conducted on Saturday, November 4, 2000 and Wednesday, November 8, 2000 between the hours of 12 noon to 8:00 p.m. 57 advance voting locations will be provided, one in each of the City's recommended new wards. Where possible the advance voting places will be located in City-owned community and recreation centres so that the voters' lists can be linked to the City's database.
- (iii) continuous advance voting be available at the six civic centres, weekdays between the hours of 12 noon and 6:00 p.m. for the period Monday, October 23, 2000 to Friday, November 3, 2000.

(2) Voting/Vote-counting Equipment:

Authority to pass a by-law authorizing the use of voting and vote-counting equipment is provided in subsection 42(1) of the *Municipal Elections Act, 1996*. A by-law must be passed at least 60 days before voting day.

In 1997, authority was granted by Ontario Regulation 338/97. Poll level optical scan vote tabulators were used in East York, North York and York. Central count optical scan vote tabulators were used in Etobicoke and Scarborough.

At its meeting on September 28, 29 and 30, 1999, City Council authorized the acquisition of up to 1,850 poll level optical scan vote tabulators and up to 100 touch screen voting units for voting purposes in the City of Toronto.

It is recommended that Council authorize the use of voting and vote-counting equipment for municipal elections in the City of Toronto.

(3) Contribution Rebate Program:

Authority to pass a by-law instituting a contribution rebate program is found in subsection 82(1) of the *Municipal Elections Act, 1996*.

In 1997, authority was granted by Ontario Regulation 172/97. The program imposed by the Province mirrored that which had previously been part of the former *Municipal Elections Act*.

In order to administer this program, candidates were given sequentially numbered, three part receipts. The original white form is the contributor's application for rebate, the pink copy is filed with the candidate's financial statement and the yellow copy is for the candidate's records. A database was created to enter all the information contained on the receipt form. It took three staff six months to enter all the information into the database. When the applications for rebates were received, the information on the application form was matched up with the information in the database. A software program was designed to aggregate contributions made by the same

individual, corporation or trade union to ensure that no contributor received more than the maximum rebate allowed. It was also used as a source of information to handle all telephone and written inquiries.

Over 34,000 contribution rebate receipts were issued by candidates during the 1997 election. More than 20,000 cheques have been mailed to date, totalling over \$1,680,000 in rebates. If every contributor had submitted their receipt for a rebate, the total rebate paid would have been \$2,927,000.

To date, the costs to administer the 1997 rebate program are approximately \$120,000 for staffing and the cost of the software development and support. In addition, it costs approximately \$40 to create a cheque under the former North York finance department payment system (which was used to run the rebate cheques), resulting in an additional \$800,000 expenditure.

Rebates were issued based on the following formula:

- (a) for contributions \$100 or less, 75 percent is rebated;
- (b) for contributions more than \$100 but less than \$400, \$75 plus 50 percent of the difference between the total contribution and \$100;
- (c) for contributions over \$400, \$225 plus 33 1/3 percent of the difference between the total contribution and \$400; and
- (d) the maximum amount of the rebate is \$350 regardless of the total amount of the contributions made by a contributor to candidates.

There is a similar rebate program for contributors to provincial parties, constituency associations and candidates. In each year, a person, corporation or trade union may contribute up to \$7,500 to any provincial party. A contributor may also contribute up to \$1,000 to a constituency association on an annual basis, but the total contribution to all constituency associations of the same party must not exceed \$5,000. This means, the maximum annual political contribution allowed in a non-election year is \$12,500 to each registered party and its constituency associations. During an election campaign a contributor may make extra contributions of an additional \$7,500 to any provincial party and up to \$1,000 to any candidate so long as the total contribution to all candidates of the same party does not exceed \$5,000.

For every political contribution made, an individual contributor will receive a receipt for tax credit purposes on a contributor's income tax return. The criteria for calculating the tax credit for individuals is outlined below:

- (a) contributions up to \$300 get 75 percent back as a credit;
- (b) contributions from \$300 to \$1,000 get \$225 plus 50 percent of the amount over \$300;
- (c) contributions over \$1,000 get \$575 plus 33 percent of the amount over \$1,000; and

- (d) the maximum amount credited can not exceed \$1000. This is obtained when contributions total \$2,275.

The tax credit for corporations is different. Under the *Corporations Tax Act*, companies may deduct up to a maximum of \$15,000 from the Ontario portion of their taxable income. This deduction cannot be used to create a tax loss.

There is also a rebate program for contributions made to federal parties, constituency associations and candidates. In non-election years, contributions made to political parties are receipted and claimed as tax credits on the contributor's personal income tax return.

During election years, contributions made to candidates are governed by the following rules:

- (a) contributions from \$1 to \$100 get 75 percent back as a tax credit;
- (b) contributions from \$100.01 to \$550 get \$75 plus 50 percent of the amount over \$100;
- (c) contributions from \$550.01 to \$1,150 get \$300 plus 33 1/3 percent of the amount over \$550; and
- (d) the maximum tax credit is \$500.

Federal and provincial programs have very similar formulas for calculating rebates as does the current City of Toronto program, but have a higher maximum contribution amount to candidates, provincially being \$1,000 and federally \$1,150. The maximum rebate or tax credit allowed by each program varies from \$350 for the City's program, to \$500 for the federal program and \$1,000 for the Provincial program.

If City Council chooses to have a contribution rebate program for the 2000 municipal election, it must enact a by-law to authorize such a program. To be fair to candidates, a decision on this matter should be made prior to the start of the campaign period, being January 1, 2000.

Section 82 of the *Municipal Elections Act, 1996* provides total flexibility to Council in establishing the program, including the conditions under which a person is entitled to a rebate, the rebate amounts payable and the administration of the program.

A contribution rebate program certainly does assist candidates in raising sufficient funds to mount a campaign, particularly for the first time candidates. It is seen as an incentive for contributors to give more money to candidates as they might normally do as they would receive a rebate for a portion of the contribution.

During consultations with Members of Council, the majority were of the opinion the current program provisions worked well and should be continued. The main complaint was that rebates were not paid to contributors until after the candidate had completely closed off the campaign, filed the final financial statement and the 90 day compliance period had ended.

In setting the parameters for the 1997 rebate program payment, the province, in the interest of protecting public funds, stipulated that no rebate was to be paid until the candidate had satisfied all the filing requirements of the legislation. In reviewing the candidates from the 1997 election and the 1998 by-election in East York, only one candidate failed to file the additional supplementary financial filings after having filed the initial statement. All other candidates have continued to file the necessary supplementary statements.

To address the concerns expressed by the Members of Council, it is suggested that rebates will be paid for contributions shown on each financial statement or supplementary financial statement, as the case may be, after the end of the 90 day compliance period. In adopting this approach, there is the risk that public funds could have already been given to contributors while the candidate, ultimately, failed to continue to meet the financial filing requirements.

As part of the streamlining process, staff intend to amend the rebate application form to track donations by associated companies to provide much needed administrative ease when determining rebate qualifications.

Staff are recommending that Council authorize the payment of rebates to persons who make contributions to candidates for the Council of the City of Toronto during the 2000 municipal election as outlined above and in the attached Appendix "A".

(4) Languages:

Authority to pass a by-law authorizing the use of French in prescribed forms (e.g., the ballot) or French and other languages for notices, non-prescribed forms and any other information provided under the *Act*, is found in subsection 9(2) of the *Municipal Elections Act, 1996*.

In 1997, authority was granted by Ontario Regulation 338/97. In 1997, the formula applied for determining languages was all those languages that made up more than 2 percent of the population of the entire new City of Toronto. Certain notices, non-prescribed forms and certain other information provided under the *Act* were available in Chinese, French, Greek, Italian, Polish, Portuguese, Somali, Spanish, Tagalog, Tamil and Vietnamese.

Some Members of Council have suggested the language calculation should be more properly done on a ward basis rather than across the entire City. Individual suggestions from Councillors ranged between 2 percent and 5 percent of the population in the ward. Staff have examined the dominant first languages by ward based upon the 1996 census data. Using three percent of the population in a ward will result in election information being made available in the following languages, in addition to English and French, for the 2000 municipal election: Chinese (both Cantonese and Mandarin), Greek, Italian, Polish, Portuguese, Punjabi, Spanish, Tagalog and Ukrainian.

Using three percent of languages in a ward will mean the addition of Punjabi and Ukrainian and the deletion of Somali, Tamil and Vietnamese from the languages used for the 1997 municipal election.

The information to be made available in these languages will be the voting instructions in the voting places, the election tabloid and the translation services in the election call centre.

It is recommended that Council authorize the provision of the above noted election information for the 2000 municipal election to be made available in English and French as well as Chinese (both Cantonese and Mandarin), Greek, Italian, Polish, Portuguese, Punjabi, Spanish, Tagalog and Ukrainian.

(5) Voting Hours:

Authority to pass a by-law to provide that specified voting locations will be open earlier than 10 a.m. on voting day is provided in subsection 46(2) of the *Municipal Elections Act, 1996*. This practice was not adopted for the 1997 municipal election.

During the consultations with Members of Council, some Councillors expressed an interest in opening the voting places earlier than 10:00 a.m., suggesting either a 6:00 a.m. or 8:00 a.m. start. In the recent Scarborough Highland Creek by-election, only 12.5 percent of surveyed voters indicated they would want to vote before 10:00 a.m. In addition, some survey responses from the election day workers in the by-election indicated they would not be willing to start work any earlier as it would make for a very long day and some have children they need to see off to school in the morning.

Staff are concerned that difficulties would be experienced in recruiting sufficient knowledgeable staff to work. Election day workers are required to be at the voting places an hour before the opening, so with a 6:00 a.m. start, workers would have to be at the voting places at 5:00 a.m. and would be working until 9:30 p.m. by the time all supplies are returned to the warehouse. These additional early morning hours would cause a higher level of exhaustion at the time when the voting place is the busiest (6:00 p.m. to 8:00 p.m.), particularly for the seniors.

Every additional hour that the voting places are open costs the City \$200,000.00 based upon the 1997 election pay rates. Opening at 6:00 a.m. would increase the election cost by \$800,000.00 and opening at 8:00 a.m. would increase it by \$400,000.00. This amount does not include any additional charges the owners of the voting place facilities might impose upon the City to have their staff present to open the building at 5:00 a.m.

Staff are concerned difficulties might arise with opening the voting places on time if election workers are trying to drive to the locations during rush hour and are caught in traffic. Parking at the voting places would also be an issue during the morning rush hour, especially at the schools as parents or school buses drop off children.

Staff are of the opinion that electors are too rushed in the morning with getting to work to think about voting. While early voting would be attractive to multi-residential building tenants with a voting place in the lobby, staff are unsure of how many electors would go out of their way to vote on their way to work.

It is recommended that the City continue the practice of opening voting places at 10:00 a.m. on voting day.

(6) Voting Hours In Institutions:

Authority to pass a by-law authorizing reduced hours of voting for voting places in institutions is provided in subsection 46(3) of the *Municipal Elections Act, 1996*. In 1997, authority was granted by Ontario Regulation 338/97 as amended by Ontario Regulation 402/97.

In 1997, four of the six former municipalities chose to proceed with reduced hours in institutions. This initiative met with mixed results. In some instances, eligible electors were absent during the designated voting hours of the institution, necessitating a return trip by election officials so that the electors would not be disenfranchised.

It is recommended that institutions be open for the full voting day (10:00 a.m. to 8:00 p.m.) based on the 1997 experience.

(7) Council Resolutions:

Certain provisions of the *Municipal Elections Act, 1996* provide for Council to pass a resolution to authorize the following:

(a) Scrutineers - Question(s) - By-law(s):

Authority to pass a resolution to appoint scrutineers to oversee the voting on a by-law or question submitted to the electors is found in subsection 16(5) of the *Municipal Elections Act, 1996*.

(b) Recounts:

Authority to pass a resolution to require the Clerk to conduct a recount is found in subsection 57(1) of the *Municipal Elections Act, 1996*. A resolution must be passed within 30 days of the Clerk's declaration of the official results of the election.

(c) Compliance Audits:

Authority to pass a resolution to appoint an auditor to conduct a compliance audit of a candidate's election campaign finances is found in subsection 81(4) of the *Municipal Elections Act, 1996*.

Should one of these situations arise during the 2000 Election, staff will prepare the appropriate report and draft resolution at that time.

Conclusions:

This report outlines the mandatory and permissive by-laws City Council may enact for the 2000 municipal election.

Staff are recommending that Council authorize by-laws for advance voting dates and hours, the use of voting and vote-counting equipment, the establishment of a contribution rebate program, the selection of languages that certain election information will be made available in.

The enactment of these by-laws will give direction to staff and candidates for the 2000 municipal election.

Contact Name:

John Hollins, Director of Elections, City Clerk's Division
Telephone: (416) 392-1867 E-mail: jhollins@city.toronto.on.ca

Appendix "A" - Proposed Contribution Rebate Program

- (1) That the payment of rebates to persons who make contributions to candidates for the Council of the City of Toronto for the 2000 municipal election, is hereby authorized.
 - (1) An individual, corporation or trade union that, during the 2000 municipal election, makes a contribution to candidates for the offices of Mayor or Councillor of the Council of the City of Toronto may, on or after January 1, 2000 apply to the clerk for a rebate.
 - (2) The application shall be made on or before July 31, 2001, unless the candidate's campaign period is extended under paragraph 4 or 5 of subsection 68(1) of the Act, in which case the application may be made within 6 months after the date the receipt is issued.
 - (3) The application shall be in the form provided by the clerk.
 - (4) The application shall include a receipt that is signed by or on behalf of the candidate.
 - (5) A candidate referred to in subsection 1(1) is required to comply with subsections 78(1) to (4) of the Act, despite subsection 78(5) of the Act; the candidate shall include with the documents filed under subsection 78(1) or (2) of the Act, as the case may be, a copy of the receipt issued for the contribution.
 - (6) The clerk shall compare the receipt filed by the applicant and the copy filed by the candidate to ensure consistency.
 - (7) The clerk shall pay the applicant a rebate in accordance with subsections (8) and (9) if the following conditions are met:

- (a) The application complies with subsections (2), (3) and (4).
 - (b) The candidate has complied with subsection (5).
 - (c) The clerk is satisfied that the receipt filed by the applicant and the copy filed by the candidate are consistent.
 - (d) The clerk is satisfied that the candidate has filed the document (either the audited financial statement or the supplementary audited financial statement, as the case may be) as required by section 78 of the Act by the relevant date, and that no such document shows on its face that the candidate has incurred expenses exceeding what is permitted under section 76 of the Act.
 - (e) The clerk is satisfied that the candidate has paid any amount required by section 79 of the Act to the clerk by the relevant date if the audited financial statement or the supplementary audited statement, as the case may be, shows on its face the candidate has a surplus amount.
 - (f) In the case of a contribution made on or before December 1, 2000, the time for applying for a compliance audit under section 81 of the Act in respect of the candidate's financial statement has expired.
 - (g) In the case of a contribution made after December 1, 2000 to a candidate whose election campaign period continues beyond that date, the time for applying for a compliance audit under section 81 of the Act in respect of the relevant supplementary financial statement has expired.
- (8) The rebate shall be calculated as follows, subject to subsection (9):
- (a) Contributions less than \$50 will not be subject to a rebate.
 - (b) If the contribution is \$100 or less, the rebate is 75 percent of the contribution.
 - (c) If the contribution is more than \$100 but not more than \$400, the rebate is \$75 plus 50 percent of the difference between the contribution and \$100.
 - (d) If the contribution is more than \$400.00, the rebate is the lesser of:
 - (i) \$225.00 plus 33 1/3 percent of the difference between the contribution and \$400.00, and
 - (ii) \$350.00.
- (9) An applicant who makes contributions to more than one candidate may apply for a rebate in respect of each contribution, but is not entitled to receive total rebates amounting to more than the following maximums:

- (a) If the total of the applicant's contributions to all candidates is \$100.00 or less, the maximum is 75 percent of that total.
- (b) If the total of the applicant's contributions to all candidates is more than \$100 but not more than \$400, the maximum is \$75 plus 50 percent of the difference between that total and \$100.
- (c) If the total of the applicant's contributions to all candidates is more than \$400, the maximum is the lesser of,
 - (i) \$225 plus 33 1/3 percent of the difference between that total and \$400, and
 - (ii) \$350.

The Administration Committee also submits the following communication (November 30, 1999) from Councillor Pam McConnell, Don River:

I am writing to express my deep concern about Item No. (7) on your agenda which recommends that election information no longer be made available in Tamil, Vietnamese and Somali.

The City made election information available in these languages in 1997, and it seems to me an unconscionable step backwards to eliminate this badly needed service.

I would ask that the Committee recommend the provision of election information in these languages as well as those already recommended. If the Committee cannot agree to make that change today, I ask that the Committee defer this matter to a future meeting so that they can hear from the community on the impact of this change.

Thank you for your consideration in this matter.

(City Council on December 14, 15 and 16, 1999, had before it, during consideration of the foregoing Clause, the following report (December 10, 1999) from the City Clerk:

Purpose:

This report responds to a request from the Administration Committee for the City Clerk to report directly to Council on the communication dated November 30, 1999 from Councillor Pam McConnell regarding the provision of election information in Tamil, Vietnamese and Somali for the 2000 municipal election.

Financial Implications and Impact Statement:

The preliminary 2000 Election Budget contains an amount of \$110,000 for the provision of election information in languages other than English. The recommended languages contained in

the City Clerk's report (November 17, 1999) can be accommodated within these budgeted funds. Should Council choose to include more languages, additional funds will need to be added to the budget. It is estimated that each additional language will cost an additional \$10,000 for translation costs and the provision of the documents, posters and AT&T call capability.

The Chief Financial Officer and Treasurer has reviewed this report and concurs with the financial impact statement.

Recommendation:

It is recommended that this report be received for information.

Background:

On November 30, 1999, the Administration Committee considered a report from the City Clerk (November 17, 1999) outlining the mandatory and permissive by-laws Council may enact for the 2000 municipal election, one of which deals with the languages in which certain election information is to be made available.

The Administration Committee also had before it a communication (November 30, 1999) from Councillor Pam McConnell expressing her concerns that election information would not be available in Tamil, Vietnamese and Somali as was the case in the 1997 municipal election.

The Administration Committee recommended to Council the adoption of the City Clerk's recommendation pertaining to the use of languages in the 2000 election.

The Administration Committee also referred the communication from Councillor Pam McConnell to the City Clerk, for report thereon directly to Council for its meeting scheduled to be held on December 14, 1999.

Comments:

Traditionally, with the exception of the former City of Toronto, all former municipalities provided election information in English only.

For the 1997 election, it was decided that election information would be made available in those languages that were spoken by at least 2 percent of the population across the new City. Accordingly, election information was available in Chinese, French, Greek, Italian, Polish, Portuguese, Spanish, Tagalog, Tamil and Vietnamese. Somali was also added to the list of languages.

During the recent consultations with Members of Council on the Election 2000 process, the majority of the Members suggested that the formula used to determine the use of languages should more properly be on a ward basis rather than a City-wide basis. Consequently, staff identified the dominant first languages spoken by at least 3 percent of the population in each ward, using the 1996 Statistics Canada data. The 3 percent formula was chosen given budget considerations and the need to treat all communities on a consistent basis.

The information to be made available in these languages will be the voting instructions in the voting places, the election tabloid and the translation services in the election call centre.

Four options for a language strategy were examined.

1. Using 3 Percent on a Ward Basis (the recommended option)

A formula based upon 3 percent of the population in a ward would result in election information being available in the following languages for the 2000 municipal election: Chinese (both Mandarin and Cantonese), Greek, Italian, Polish, Portuguese, Punjabi, Spanish, Tagalog and Ukrainian, for a total of 10 languages in addition to English and French. The estimated cost for this language package is \$110,000.

2. Using 2 Percent on a Ward Basis

If the formula is decreased to 2 percent per ward, Arabic, German, Hungarian, Tamil and Vietnamese would also be included, for a total of 15 languages in addition to English and French. The estimated cost for this language package is \$160,000.

3. Using “Home Language” Spoken by at least 15,000 Population on a City-wide Basis

The ward based language information provided by Statistics Canada is based upon “dominant first language”, i.e., the original language spoken by the individual. Statistics Canada has also identified, on a City-wide basis only, the “home language” of Toronto residents, i.e., the language spoken in the home.

Appended as “Attachment No. 1” is a table showing the home language percentages for the City of Toronto. It is noted that English is the home language of 69.36 percent of Toronto residents, French is 0.49 percent and other non-official languages account for 30.16 percent.

It might be argued that the home language would be a more appropriate formula to use since the language spoken at home would most likely be the language best understood by the individual. Unfortunately, as the home language information is not available on a ward basis, staff did not consider this option since it does not comply with the majority view of Members of Council to establish the formula on a ward basis.

This option would result in a total of 14 languages, in addition to English and French, for an estimated cost of \$150,000.

Using this option rather than the recommended 3 percent per ward formula, Ukrainian would be excluded and Arabic, Persian (Farsi), Korean, Tamil and Vietnamese would be included.

4. Addition of Somali

Somali does not appear on the list of 44 home languages as identified by Statistics Canada. Communications staff have advised the reason why Somali does not appear on the list is that the majority of the Somalis have arrived since the latest Statistics Canada survey was taken in 1996. It is not known how many of these recent immigrants are Canadian citizens and therefore entitled to vote. Adding Somali would cost an additional \$10,000.

Conclusions:

The choice of which languages to use in providing election information is Council's discretion; it may pass a by-law to this effect.

During the consultations with Members of Council, it was clear that Members wished the language formula to be determined on a ward basis rather than across the City as a whole.

Accordingly, elections staff recommended that election information be made available in those 10 languages that make up 3 percent of the population on a ward basis, plus French. It is important that a formula be established and applied consistently across all communities. Should Council decide to selectively choose languages, it opens itself to the risk of a challenge from members of other non-selected language groups.

The preliminary Election 2000 budget contains an amount of \$110,000 for the provision of certain election information in languages other than English. This amount was based on the 10 languages which make up 3 percent of the population in a ward, plus French. Any increase in the number of languages to be utilized will necessitate the need for additional funds in the 2000 operating budget.

Contact:

*John Hollins, Director of Elections
Telephone: 392-8019 Fax: 392-1867
E-mail: jhollins@city.toronto.on.ca*

Attachment No. 1

1996 Population by Home Language, City of Toronto

| <u><i>Language</i></u> | <u><i>Population</i></u> | <u><i>% of Total</i></u> |
|--|--------------------------|--------------------------|
| <i>Home Language, single responses</i> | <i>2,261,120</i> | |
| <i>English</i> | <i>1,568,415</i> | <i>69.36%</i> |
| <i>French</i> | <i>11,050</i> | <i>0.49%</i> |

| <u>Language</u> | <u>Population</u> | <u>% of Total</u> |
|-------------------------------|-------------------|-------------------|
| <i>Non-official languages</i> | 681,650 | 30.15% |
| <i>Chinese</i> | 164,865 | 7.29% |
| <i>Italian</i> | 64,195 | 2.84% |
| <i>Portuguese</i> | 49,960 | 2.21% |
| <i>Tamil</i> | 40,500 | 1.79% |
| <i>Spanish</i> | 39,885 | 1.76% |
| <i>Polish</i> | 32,140 | 1.42% |
| <i>Tagalog (Pilipino)</i> | 25,005 | 1.11% |
| <i>Greek</i> | 22,735 | 1.01% |
| <i>Vietnamese</i> | 22,665 | 1.00% |
| <i>Punjabi</i> | 18,725 | 0.83% |
| <i>Persian (Farsi)</i> | 17,395 | 0.77% |
| <i>Arabic</i> | 15,150 | 0.67% |
| <i>Korean</i> | 15,075 | 0.67% |
| <i>Russian</i> | 13,580 | 0.60% |
| <i>Urdu</i> | 10,595 | 0.47% |
| <i>Gujarati</i> | 10,425 | 0.46% |
| <i>Ukrainian</i> | 9,505 | 0.42% |
| <i>Serbian</i> | 6,825 | 0.30% |
| <i>Macedonian</i> | 6,805 | 0.30% |
| <i>Hungarian</i> | 6,415 | 0.28% |
| <i>Romanian</i> | 5,760 | 0.25% |
| <i>Armenian</i> | 4,820 | 0.21% |
| <i>Croatian</i> | 4,585 | 0.20% |
| <i>German</i> | 4,090 | 0.18% |
| <i>Hindi</i> | 4,070 | 0.18% |
| <i>Bengali</i> | 3,865 | 0.17% |
| <i>Japanese</i> | 2,885 | 0.13% |
| <i>Turkish</i> | 2,325 | 0.10% |
| <i>Estonian</i> | 2,255 | 0.10% |
| <i>Hebrew</i> | 2,115 | 0.09% |
| <i>Czech</i> | 1,630 | 0.07% |
| <i>Yiddish</i> | 1,355 | 0.06% |
| <i>Khmer (Cambodian)</i> | 1,055 | 0.05% |
| <i>Finnish</i> | 1,030 | 0.05% |
| <i>Slovak</i> | 925 | 0.04% |
| <i>Lao</i> | 890 | 0.04% |
| <i>Creoles</i> | 560 | 0.02% |
| <i>Dutch</i> | 455 | 0.02% |
| <i>Inuktitut (Eskimo)</i> | 50 | 0.00% |

| <u>Language</u> | <u>Population</u> | <u>% of Total</u> |
|--------------------|-------------------|-------------------|
| Ojibway | 20 | 0.00% |
| Cree | 10 | 0.00% |
| Montagnais-Naskapi | 0 | 0.00% |

(City Council also had before it, during consideration of the foregoing Clause, the following report (December 9, 1999) from the City Clerk:

The Administration Committee at its Special Meeting on December 8, 1999, during its consideration of a report dated December 7, 1999, from the City Clerk, entitled “Contribution Rebate Program and Advance Voting Days”:

- (1) requested the City Clerk, in consultation with the Chief Financial Officer and Treasurer, to review and report to the Administration Committee on the idea of giving a financial incentive to contributors who apply for the rebate to encourage them to take the rebate in a form of property tax as opposed to a cheque as a cost-savings measure;*
- (2) recommended to the Policy and Finance Committee that budgeting for any rebate program in future years be over the three years of the term of Council; and*
- (3) received the aforementioned report (December 7, 1999) from the City Clerk.*

The Administration Committee reports having forwarded the foregoing action of the Committee to Council for consideration with Clause No. 6 of Report No. 8 of the Administration Committee, entitled “Municipal Elections – By-law Requirement”.

Background:

The Administration Committee at its special meeting held on December 8, 1999, had before it a report (December 7, 1999) from the City Clerk, reporting as requested by the Administration Committee respecting the impact on the planned advance voting days given the recommendation to amend the Municipal Elections Act, 1996 to move voting day to the Thursday after Thanksgiving in October; providing additional information on the impact of adopting the Provincial rebate percentages for the City’s contribution rebate program and the impact of refunding the contribution rebates by way of a property tax credit versus the production of a cheque; advising that Council has absolute flexibility in the design of the contribution rebate program; that during the consultations with Members of Council, the majority indicated the existing program parameters were reasonable; that any decision to adopt the Provincial levels of rebate percentages would cost the City at least an estimated \$1.2 million more than the existing percentages; and while potential savings in cheque production costs could be realized if the City were to give property tax credits rather than issuing a rebate cheque, it is doubtful the majority of taxpayers would prefer this option given the time delay in receiving the credit; that additionally, many contributors are not taxpayers in the City of Toronto and therefore could not receive a tax credit; that should the Province decide to move voting day to the Thursday after Thanksgiving in October, staff will bring a further report to Council setting out the revised advance voting days; and recommending that this report be received for information.

*(Report dated December 7, 1999,
addressed to the Administration Committee
from the City Clerk, referred to above.)*

Purpose:

This report responds to a request from the Administration Committee for the City Clerk to review the impact on the planned advance voting days given the recommendation to amend the Municipal Elections Act, 1996 to move voting day to the Thursday after Thanksgiving in October. The report also responds to a request for additional information on the impact of adopting the Provincial rebate percentages for the City's contribution rebate program and the impact of refunding the contribution rebates by way of a property tax credit versus the production of a cheque.

Financial Implications and Impact Statement:

There are currently no funds budgeted for a contribution rebate program for the 2000 municipal election. Should Council decide to implement such a program, funds would have to be identified for payment in the 2001 and 2002 budget years. To date, the City has paid out approximately \$1,780,000 in rebates from the 1997 municipal election. The impact of moving to the Provincial contribution rebate percentage levels could cost the City an additional \$1.2 million based upon the 1997 contribution levels.

Approximately 20,000 cheques have been prepared to date for the 1997 rebate program, at a cost of approximately \$800,000. Should every contributor be eligible for and choose to take a property tax credit, there would be a savings of approximately \$600,000 over the cost of producing a cheque. However, as some contributors are not taxpayers in the City and there is no way of knowing how many contributors would prefer a tax credit over a cheque, particularly given the timing issues identified in this report, the actual savings would be much less.

There is no financial impact of the potential need to alter the advance voting days should an amendment be made to the Municipal Elections Act, 1996 to move voting day. Advance voting needs to happen and the costs have been included in the 2000 operating budget. There is no additional cost to the City if the advance voting period occurs a month earlier.

The Chief Financial Officer and Treasurer has reviewed this report and concurs with the financial impact statement.

Recommendation:

It is recommended that this report be received for information.

Background:

On November 30, 1999, the Administration Committee considered a report from the City Clerk (November 17, 1999) outlining the mandatory and permissive by-laws Council may enact for the 2000 municipal election.

The Administration Committee is recommending to Council the adoption of the report subject to amending Recommendation No. (3) to provide the contribution rebate program adopted by the City be similar to that offered by the Provincial Government.

Staff was requested to determine the impact of increasing the rebate percentage levels to match that offered by the Province and the impact of refunding the contribution rebates by way of a property tax credit versus the production of a cheque as it has cost the City \$800,000 to date to issue cheques for the 1997 rebate program.

The Administration Committee also considered on November 30, 1999, a report from the City Clerk (November 17, 1999) on the necessary legislative amendments to the Municipal Elections Act, 1996 that would improve the administration of the election process. In recommending the adoption of the report to Council, with amendments, the Committee directed the City Clerk to review the impact on the planned advance voting dates given the recommendation to move voting day to the Thursday after Thanksgiving in October.

Comments:

1. Impact of Using the Provincial Percentages in a Contribution Rebate Program

The City of Toronto 1997 contribution rebate program provided rebates based upon the following formula:

- a) for contributions \$100 or less, 75 percent is rebated;*
- b) for contributions more than \$100 but less than \$400, \$75 plus 50 percent of the difference between the total contribution and \$100;*
- c) for contributions over \$400, \$225 plus 33 1/3 percent of the difference between the total contribution and \$400; and*
- d) the maximum amount of the rebate is \$350 regardless of the total amount of the contributions made by a contributor to candidates.*

Under this program, rebates totalling \$1,779,193.26 have been issued to date to those contributors who applied for a rebate. (Not all contributors applied for a rebate.)

The Provincial program provides for tax credits based upon the following formula:

- a) contributions up to \$300 receive 75 percent as a credit;*
- b) contributions from \$300 to \$1,000 receive a credit of \$225 plus 50 percent of the amount over \$300;*

- c) contributions over \$1,000 receive a credit of \$575 plus 33 percent of the amount over \$1,000; and
- d) the maximum amount credited is \$1,000 (which is obtained when total contributions total \$2,275).

Under the Provincial formula, the 1997 contribution rebate program would have cost the City \$2,959,631.75, an increase of \$1,180,438.49 over that paid under the existing rebate program.

It is possible, given the incentive in the increased rebate provisions, that contributors would contribute more money to candidates. It could potentially cost the City more to fund the rebate program if the Provincial model were adopted.

2. Impact of a Tax Credit Versus the Production of a Cheque for Payment of the Rebate

There are two options for the issuance of the rebates – the production of a cheque to the contributor or the provision of a tax credit for the contributor's municipal property taxes.

Under the former rebate system in the Municipal Elections Act, the rebate was first applied to any debts the contributor owed the City. If there were no debts, a contributor had the option of either applying the rebate as a credit to future taxes or receiving a cheque.

In 1997, the rebate program imposed by the Province provided for the rebates to be paid only by way of a cheque. This was in recognition of the fact that the new City had six different tax billing systems and the associated problems with trying to properly identify and process those contributors eligible for a property tax credit.

Over 34,000 contribution receipts were issued by candidates during the 1997 municipal election. More than 20,000 cheques have been mailed to date, totalling approximately \$1,780,000 in rebates. It costs approximately \$40 to create a cheque under the former City of North York finance department payment system (which was used to run the rebate cheques).

It is estimated it would cost approximately \$10 in staffing costs to process a property tax credit.

From a purely fiscal standpoint, the issuance of a property tax credit would be the more logical approach. However, there are issues that would make a tax credit not a particularly viable option in the eyes of the contributor.

a) Eligible Recipients of a Property Tax Credit

Under the Municipal Elections Act, 1996, a contribution may be accepted from an individual who lives in Ontario, a corporation that carries on business in Ontario or a trade union that holds bargaining rights for employees in Ontario. Not all of these eligible contributors would be property taxpayers in the City of Toronto.

In fairness to Toronto's taxpayers they should be given the option of whether they would prefer a tax credit or a cash payment.

It would therefore be necessary to have two parallel rebate systems, one for Toronto taxpayers wishing a tax credit and one for non-Toronto taxpayers and Toronto taxpayers who want a cash payment.

A separate issue that would need to be resolved is if the contribution is drawn on a joint bank account but the property is in the name of only one of the contributors.

b) Timing

Currently, the Municipal Elections Act, 1996 requires candidates to file their financial statements by January 31 in the year after the election. The Administration Committee, at its meeting of November 30, 1999, recommended the adoption of a report on suggested legislative amendments to the Act. Among these is an amendment to provide that the financial statement be filed by March 31 in the year after the election.

The proposed 2000 contribution rebate program is suggesting that rebates would be paid to contributors after the expiration of the 90 day compliance audit period after the filing of the financial statements. This means the earliest date the rebates could be paid to contributors would be May 2, 2001. Should the Province accept the City's recommendation to move the filing date to March 31, the earliest possible date for payment of the rebates would be June 29, 2001.

Finance staff have advised that the last possible day for inputting information on the tax bills is May 1, 2001, the day prior to the date for payment of the rebates if no legislated change is made. It would not be possible therefore to process any property tax credits for the 2001 tax year. Any tax credit could not be applied until the 2002 interim tax bill is mailed in January with a first installment date of March 1, 2002.

It is doubtful that many contributors would want to wait this long to receive their rebate.

As an additional consideration, under the proposed contribution rebate program, contributors have until July 31, 2001 to submit their rebate applications unless the candidate's campaign period is continuing in order to eliminate a deficit, in which case the application must be submitted within six months of the date of the receipt. These dates do not correspond with the tax billing preparation dates.

c) Changes in Property Ownership

If a contributor sells his or her interest in the property between the time a property tax credit is applied for and the date of processing, there is a danger the credit could be applied to the tax account after the property has changed ownership. Some time may lapse before this matter is brought to the City's attention and it might prove difficult to adjust the account at that time and locate the contributor to issue a cheque.

d) Need for Roll Number Identifier

In order to process a property tax credit, the City would need to know the roll number of the property to which the credit is to be applied. While staff can request this information be

included on the form, past experience would show that some people would not complete that part of the form, necessitating City staff to look up the roll number.

It could even be argued that staff should check all the roll numbers as indicated by the contributors to avoid any eventual problems if a taxpayer has incorrectly given the wrong roll number.

If the contributor owned more than one property in the City, staff would need to contact the contributor to determine which property was to receive the tax credit if the contributor did not make that information clear on the application form.

e) Software Development

In order to provide administrative ease, an interface would need to be developed between the City's tax billing system and the contribution rebate program database. It is not known at this time what this interface would cost to develop.

3. Advance Voting Days

In the report before the Administration Committee on November 30, 1999 on legislative amendments to the Municipal Elections Act, 1996, it was recommended that voting day be moved from the second Monday in November to the Thursday after Thanksgiving in October.

In the report before the Committee on mandatory and permissive by-laws, it was recommended that advance voting days be held on various specified days beginning Monday, October 23 and ending Wednesday, November 8, 2000.

If the Province accepts the amendment to move voting day, a number of dates, including the planned advance voting days, would need to be revised. Should this be the case, a further report would be brought to Council outlining the specific dates that need to be revised.

Until such time as the Municipal Elections Act, 1996 is amended, staff need to plan the 2000 election under the existing legislative timeframes.

Conclusions:

Council has absolute flexibility in the design of the contribution rebate program. During the consultations with Members of Council, the majority indicated the existing program parameters were reasonable. Any decision to adopt the Provincial levels of rebate percentages would cost the City at least an estimated \$1.2 million more than the existing percentages.

While potential savings in cheque production costs could be realized if the City were to give property tax credits rather than issuing a rebate cheque, it is doubtful the majority of taxpayers would prefer this option given the time delay in receiving the credit. Additionally, many contributors are not taxpayers in the City of Toronto and therefore could not receive a tax credit.

Should the Province decide to move voting day to the Thursday after Thanksgiving in October, staff will bring a further report to Council setting out the revised advance voting days.

Contact:

John Hollins, Director of Elections

Telephone: 392-8019 Fax: 392-1867

E-mail: jhollins@city.toronto.on.ca)