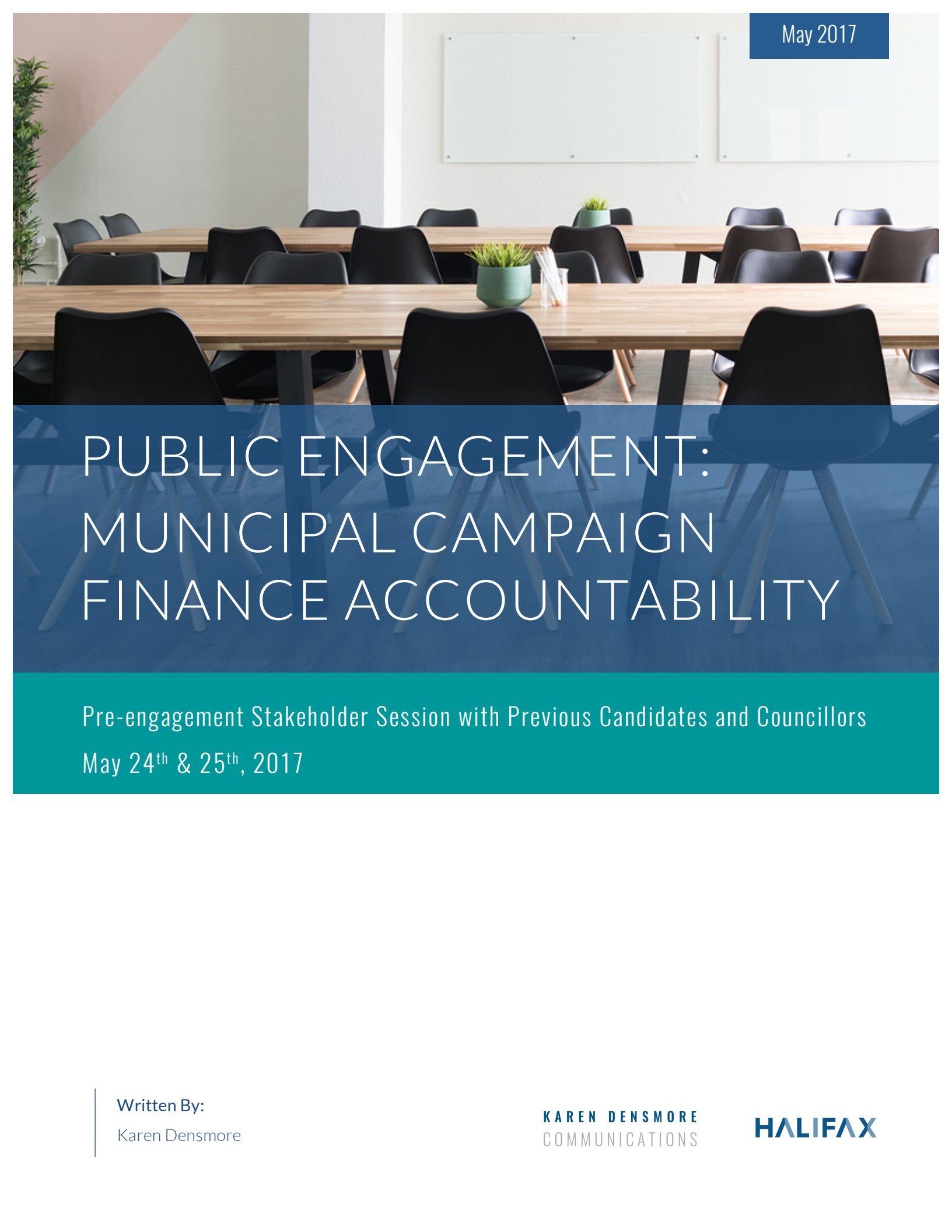




May 2017

PUBLIC ENGAGEMENT: MUNICIPAL CAMPAIGN FINANCE ACCOUNTABILITY

Pre-engagement Stakeholder Session with Previous Candidates and Councillors
May 24th & 25th, 2017

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INTRODUCTION

In early 2015, Halifax Regional Council recognized there was a lack of clarity regarding election campaign finance. More had to be done to strengthen accountability. The Municipality entered into conversations with the Province, which oversees rules for municipal campaign finance.

As a result, the Province of Nova Scotia (April 2016) made amendments to the Halifax Regional Municipal Charter to allow for a municipal by-law that provides greater clarity on how election campaign finances are administered. Currently, Halifax Regional Municipality is the only municipality in Nova Scotia directed to do so.

Halifax Regional Council has instructed staff to continue the conversation and engage the public to gain a better understanding of the values and ideas citizens would like to see represented in the by-law.

Karen Densmore Communications has been engaged to gather feedback from elected officials, former candidates and the public on election campaign finances. Input and feedback will be taken into consideration when crafting the new by-law and related recommendations for Council to consider.

The public engagement will focus on the five main areas that correspond with the mandate of the by-law:

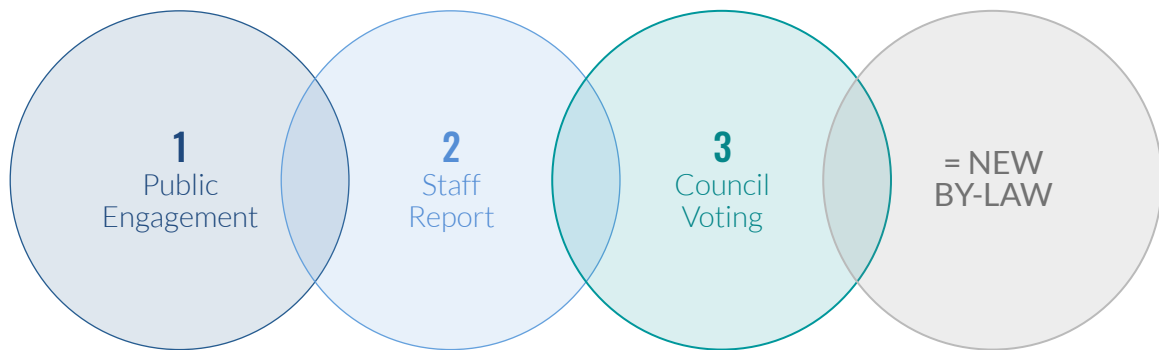
1. **Who Can Contribute?**
2. **Maximum Contribution Amount**
3. **Campaign Contribution Timelines**
4. **Maximum Spending Amounts**
5. **Disclosure, Expenses, Deficits and Surpluses**

These five areas do not exist in isolation; they are inter-connected. They are important in considering how the campaign process can include more rigor and accountability, without creating barriers for people interested in running for office.

Information collected during the public engagement will be shared with staff in a summary report after each session and posted on Shape Your City, the municipality's online engagement site. A final report will also be shared publicly, highlighting the main themes from the engagement.

DECISION-MAKING PROCESS

This public engagement is part of a three-step decision-making process, including the public engagement, the staff report and Council's vote on the by-law. The public has a chance to influence and share their ideas upfront, to inform the development of the by-law. The public will also have an opportunity to provide feedback when the by-law goes before the Executive Council.



STAKEHOLDER ENGAGEMENT

Pre-engagement sessions were held with previous candidates and Councillors who ran in the last election. The following document captures comments and themes that emerged from the two stakeholder sessions on May 24th and 25th, 2017.

Why is Campaign Finance Accountability Important?

- I plan to run again, good to be informed by others' opinions and thoughts on this issue.
- To stay engaged, I haven't ruled out running again. This was a hot topic and I have strong opinions about it.
- I want to have a voice as a citizen. I feel strongly about this issue.
- Very important issue, I have a lot to say, there's definitely a lot of opportunity for people to run but so many barriers to them in doing so. I experienced a lot of barriers and am still having to pay off my campaign (it will take me another year and a half).
- Transparency, accountability. You can have transparency (to see how the system works) but not actually have accountability. Getting to a place where we can translate these overarching things into the rules.
- We want to present an environment where there are not barriers for people coming in.
- Congruency between different levels of government.
- People need to have a shot once they enter a campaign.

The following comments (listed on the right) were delivered in response to the five main areas that correspond with the mandate of the by-law. For efficiency, they have been organized into key themes. (listed on the left).

WHO CAN CONTRIBUTE?

Residency of contributor	• It shouldn't matter what location in the world that the contributions come from.
Identifying online donations	• The Internet changes the idea of third party. What about "Go-fund-me campaigns?" You can you make sure people say where they are from.
Contributions from developers, corporations & businesses	• It makes me and the people feel uncomfortable to take developer money. Everyone feels uncomfortable by it, so don't do it. • For me though, two significant cheques came in and I really needed it, but I said no. It's unethical to do it. We're in there. We need to stay at an arms length. • Councillors are constantly deciding on developments! We shouldn't accept money from them. I don't want developers to influence anyone. • No developer money, they have a vested interest • No developers - have a vested interest • It's hard because there's a difference between small and big developers. Their influence on the city is so different. • It's not just the guys that have the cranes. What about the guys that make subdivisions? • Developers are in chambers all the time! I have an ethical issue with that. • Does taking developer money give someone an unfair advantage? It's not actually a significant amount of money. • How do you know when developers are offering money? Sometimes it comes under their personal names. • Where is the line? What about small businesses? Would they be trying to influence council? • What if we just say there's a maximum contribution of \$100 that developers could make? That way it wouldn't really make a difference if developers donate to you. Maybe businesses, developers, corporations ... all limited to \$100.

Who is contributing

- Raising money, who are you going to get the money from? Where you get the money is the key.

Decision making re contributions

- People should face the repercussions of the money they take and who they take it from. It's the individual's decision to make. They should start considering public back-lash for their decisions.

2 MAXIMUM CONTRIBUTION LIMITS

Fundraising in rural Areas

- There may be less fundraising opportunities in rural communities than urban.

Campaign costs

- Campaign costs are going up, and the ability to raise money for us or for anyone else.

Public funding options

- Is there a mechanism through property tax where a general pool is created where every potential elector is entitled to a certain share based on the electorate?
- Money seems to be the big issue to a fair campaign. You take money out of the issue by creating a base level funding. Anything not spent should be put back into the pool instead of any charity organization.
- I have trouble with the elector numbers. We could be going by how many doors using Canada Post numbers.

Who is contributing

- Where is the money coming from? People's perception is that money directly changes the votes. Limiting the amount of each donation might be better than limiting who can donate because individuals from the business or union can give the money. Just changing who the donation is coming from would look like our democracy is improving when actually it is not.
- Limit developers, corporations and business donations to \$100 each because it can be difficult to define who is a developer.

3 CONTRIBUTION TIMELINES

Timelines and surpluses

- Yes, left over donations to charity
 - Yes left over donations to charity no carryovers
-
- No it can be very difficult to raise funds in a short period of time. Save left over for next campaign

4 MAXIMUM SPENDING LIMITS

Expenses

- No, because one candidate might get a much better deal on signs, rental space for meetings, flyers, etc... than another candidate who has to spend more money for the same.
- Maximum Spending Limits: Changing technology costs money, so this needs to be considered and revisited. The importance of video didn't exist 10 years ago.

Campaign costs

- What is the number, approximately, it would take to run a credible campaign? Media, social media, call centre, translation services, ads on tv, community radio, marketing, promotion, travel time, administration... an absolute amount, per voter, factor in geography.
- What does it take to run a credible campaign? Whatever a federal or provincial candidate can spend, it should be the same. Consider people, territory. It could be a limit per elector or overall total.

Equitability and fairness

- Sign issue came up for me. Signs aren't good for the environment, but I was at a disadvantage immediately. There are so many incredible candidates, but they are so behind ... it's not fair. To make it fair, why don't we have everyone on one sign and no one has their own signs. Then its up to you to have a good website, good platforms.
- If you're starting new (versus re-running) you're already so far behind and the other person has an unfair advantage.
- Signs should be regarded as part of the scope of this by-law, as an asset that can be limited. It's a massive expense and relates deeply to the 'fairness' of an election.

	• If all candidates are on one sign together, everyone knows who is running. A community sign in every district to highlight who is running. You could paint over it and re-use it from year to year. • Limits should be issued for what people can spend money on. 80% of my campaign money went to signs and postcards. It would open it up, and everything would be fair. The mass production of 1000s of signs is wasteful and requires so much money. • This is a great idea in theory, but individual slogans will prevail. • Sitting council is ultimately not going to want to change this, because it benefits them.
Changing district boundaries	• Elections are more expensive than ever before. Mail-outs are fractured because of changing lines. Constituencies are growing. Signs are more expensive. Changing district boundaries increase expenses because that means you are in a new area where you haven't solidified a profile yet, and that's expensive.
Sufficient limits to get the message out	• The limit not be set too low that its going to hinder you from running the campaign you want to run. Some people can run this cheap and lose, some can run it the way it's supposed to be run and win. I hate for it to be put at \$15,000 if I really need \$18,000 to get my message out. With the electronic voting we have today starting too early - 40% have already voted and they don't have my information yet. How do they get all the information they need in time? You need at least one mail-out, if not two. Don't set it so low that you cannot do the job right to get the message out there.
Donation limits	• Limit spending limits in relation to donation limit.
Public persona	• There could be a level at which you can play, that you don't need a lot of money. That's dependent on your public persona.

5 DISCLOSURE, EXPENSES, DEFICITS & SURPLUSES

Audited disclosures

- Hiring an accountant to do an audit would be a show-stopping barrier to people running for election

Tax deductions for contributions

- Tax deductions. People were asking me this all the time. Why isn't this an option for us? We should be able to do this. People would have given me more if it were tax deductible.
- Is this tax deductible? Tax rebate program (like in Toronto) which would increase participatory democracy because for a lot of people, the idea of participating with a small financial incentive will increase their chances of participating. Participation is declining.

Transparency

- Transparency needs to be its own bucket. Ultimately that is a goal that I would really like to see, if you're running for political office, whether municipal, provincial or federal. You're putting yourself out in the public and you need to be prepared to have your life scrutinized. Who gives you money, how you spend it ... all this should be out there.

5 Disclosure of Contributions:

Weekly online disclosure

- Disclosures on who your contributors are, once a week candidates should have to enter their contributions. Do this throughout and not AFTER the election. After the election has no influence on public voting. The public needs the information real time to make decisions. There's enough technology to make this happen – website or something. Right now, you are declaring so close to the election. There has to be accountability. The website should be available to you as soon as you file your papers. All money should be recorded, no matter how long ago you starting collecting it. You need to keep records of all your backlog and enter that data once you have access to the website.
- Yes, report weekly during the election

Reporting live

- You can sink someone's campaign by requiring them to report live. I said I wasn't taking money from developers, and a development campaign donated online, I didn't know. People said - 'Hey, you took money from developers! I had to go, look and give the money back.'

Reporting after 60 days	• Reporting requirements and the timeliness reporting. I'd prefer if I didn't have to report until 60 days after. Make it the municipality's responsibility to report it.
Blocked addresses	• Issue: With the addresses blocked out of donators list, it can nearly make donations anonymous because there can be so many people named "Steve MacDonald", for example
Importance of disclosure	• Where do the contributions come from is the number one I continuously hear. Who gave, what organizations gave, and how much. • Yes publicly report contributions
In-kind contributions	• We haven't discussed in-kind. Who determines how much in kind actually costs. Someone can give you access to glow signs at no costs, what is the equivalent value? Someone's services for web design, it gets fuzzier. Who determines what value and at what cost?
Contributions from developers	• Developer money ... they should be broken out separately. Developers are their own group, they have a lot at stake in supporting candidates. Morally, we gave back money that developers contributed. We needed it, but we give it back.

5 Disclosure of Expenses:

Reporting	• Spending Issues - Expenses: Should be a category of allowable and what is not allowable • Reporting of spending. If we are tackling transparency, that has got to be a big piece of it. • You should have to say what you spent it on. Do you want receipts or not want receipts? • Show budget associated with signs, mail-outs and headquarters. • Allow people running to claim their expenses on their taxes.
No to Audited Expenses	• No, to reporting expenses because it will be a barrier to those considering to run for office if they need to hire an accountant to do the audit.
Tax claims	• Allow people running to claim their expenses on their taxes.

Reporting after 60 days

- Transparency needs to be its own bucket. Ultimately that is a goal that I would really like to see, if you're running for political office, whether municipal, provincial or federal. You're putting yourself out in the public and you need to be prepared to have your life scrutinized. Who gives you money...how you spend it ... all this should be out there.

5 Deficits:

What about deficits?

- How will we deal with deficits?

5 Surpluses:

Do not carry over surplus

- I have an issue with the 'war chest'. I think you should take your left over surplus and donate it back to the people right away, not to save it for the next time. You should start each election from zero. Clean the slate, it makes everything a fair start.

HRM should hold fund in trust

- HRM should hold funds in trust and write the cheques. There is no guarantee someone will run, they can just collect the money.

Guidelines Regarding Acclamations

- What happens with acclamations? There should be some guidelines around this. You don't know you are acclaimed until well into the process. What do we do with the, presumably, bigger surpluses. Can you allow for partial reimbursements to donors? If you've given a tax receipt you can't give it back.

IN SUMMARY

The stakeholder sessions quickly revealed how one focus area cannot be addressed in isolation – they are all interconnected. One cannot make decisions on contributions without understanding expenses, and it's not possible to fully understand expenses without addressing disclosure requirements.

A few points stood out from the sessions. The most comments received were under Disclosure. This included disclosure for contributions and expenses. It is important to note that currently there are no requirements in place to disclose expenses.

Under Maximum Spending Limits, signage was identified as one of the main expenses to consider in running campaigns and garnering equitability for new candidates. Previous signage was seen as a clear advantage for incumbents. District community signs were identified as a possible solution to ensuring equity and fairness.

Lastly, people were concerned about receiving donations from developers who had a vested interest in decisions made by Council. However, it quickly became clear that it would be difficult to identify a developer. "It's hard because there's a difference between small and big developers. Their influence on the city is so different."

It was also noted that if you limited developers they could contribute under their personal names. The discussion then focused on disclosure: that it is more important to see who is contributing than trying to limit certain groups.

The public engagement will continue with four more public sessions over the month of June.

As previously mentioned, information collected during the public engagement will be shared with staff in a summary report after each session and posted on Shape Your City, the municipality's online engagement site. A final report will also be shared publicly, highlighting the main themes from the engagement.

PUBLIC ENGAGEMENT SCHEDULE



ONLINE ENGAGEMENT:

JUNE 1st - 30th

Background
Document & Survey

Online at
Shapeyourcityhalifax.ca



PUBLIC ENGAGEMENTS

JUNE 7, 2017
Dartmouth

JUNE 12, 2017
Eastern Shore

JUNE 14, 2017
Halifax

JUNE 22, 2017
Bedford



SUMMARY REPORTS

Read the Summary
Reports online after
the Engagement
Sessions

HOW TO PARTICIPATE

Online

We highly recommend that you review the background document online at **shapeyourcity halifax.ca**. The document outlines requirements currently in place, key considerations and a jurisdictional scan.

You can participate by taking the survey online at **shapeyourcityhalifax.ca** [hyperlink]

In person

Several public engagement events have been scheduled throughout the month of June.

Wednesday June 7th

6:30pm – 9:00pm

Dartmouth

Harbour East Community Council Room

Alderney Landing,

40 Alderney Dr.

Monday June 12th

6:00pm – 8:00pm

Eastern Shore

Part of the Halifax Green Network public information meeting

Old School Community Gathering Place,

7962 Highway #7, Musquodoboit Harbour

Wednesday June 14th

6:30pm – 9:00pm

Halifax

Halifax Hall in City Hall,

1841 Argyle St., Halifax

Thursday June 22nd

6:30pm – 9:00pm

Bedford -Sackville

Bedford-Hammonds Plains Community Centre

Youth / Seniors Room

202 Innovation Dr., Bedford