



Municipal Election Contribution Rebate Program

General Committee

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Background

- Candidate Contribution Rebate Program (CCRP) established in 2003
- Provides fundraising support to candidates running for Markham City Council in a municipal election
- Policy Objectives:
 - Level the playing field between incumbent and non-incumbent candidates
 - Foster engagement among voters in the election of their own Council
 - Curtail the influence of wealthier donors, corporations, and special interest groups on Markham election financing

CCRP Rebate Formula (Current)

Contribution Amount	Rebate
\$551 – \$1,200 (max.)	\$350
\$301 – \$550	\$225 + 50% of contribution amount in excess of \$300
\$50 – \$300	\$75% of contribution amount



Background (Continued)

CCRP Cost Impact (2003-2018)

Election Year	Rebates Issued (Count)	Rebates Issued (\$)
2003	1,996	\$ 157,275
2006	2,229	\$ 368,435
2010*	2,583	\$ 459,181
2014	2,781	\$ 546,363
2018	2,300**	\$ 549,964**
Total		\$ 2,081,028

**2010 includes rebates issued for 2009 Ward 3 By-Election*

****Staff estimate that over 150 hours were spent administering the CCRP for the 2018 Municipal Election**

**Notes on 2018 Municipal Election

- City paid **\$549,964** in rebates
- Additional **\$226,096** in rebates invalidated due to non-compliance with CCRP by-law
- Non-compliance sources:
 - Contributor did not apply for rebate
 - Candidate did not file a complete campaign financial statement
- Had full by-law compliance been achieved, the City would have paid **\$776,060** in rebates



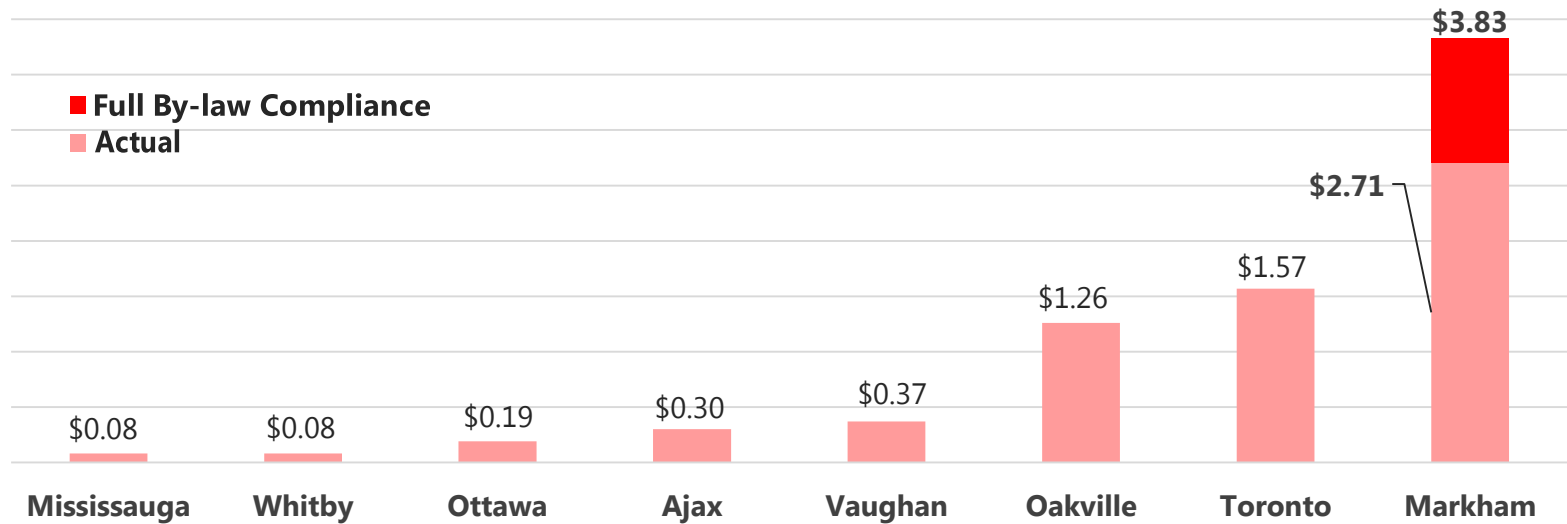
Discussion

- CCRP is the City's most significant election-related expense
 - Equivalent to nearly 50% of City's overall election budget
- Funds historically allocated to less than 1% of all Markham voters
- Program costs have increased with each election
- Markham is spending more than any other Ontario municipality on its election rebate program
- Unclear whether the program's policy objectives are being furthered
 - Program used equally by incumbents and non-incumbents
 - Upward pressure on average donation size under existing cap



Municipal Comparison

Rebate Program Cost Per Voter (2018 Municipal Election)



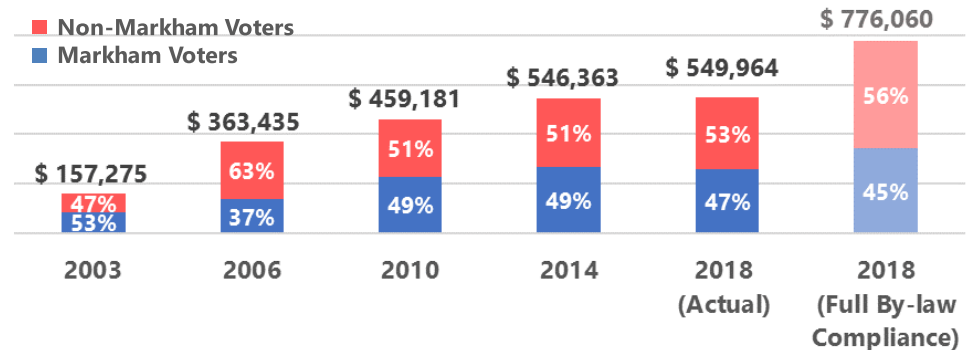


Recommendation 1

Recommendation 1: Restrict rebates to Markham voters

- CCRP funded entirely by Markham voters (i.e., taxpayers)
- Currently, rebates can be claimed by Markham and non-Markham voters
- 53% of rebates issued to date (\$1.1 million) claimed by non-Markham voters
- Policy rationale:
 - Ensures program funds are directed toward the people supplying them
 - Added incentive to get on the Voters' List
- **This would not prevent non-voters from donating to candidates in Markham**

Rebates Issued (\$) in Markham Municipal Elections
(2003-2018)





Recommendation 2

Recommendation 2: Lower the maximum rebate cap per person from \$350 to \$150

- Markham currently awards one of the highest maximum rebates of any municipal rebate program in Ontario (\$350 per person)
- Maintaining existing cap has required continuous increases to program funding
- Upward pressure on average donation size under existing cap
- Policy rationale:
 - Encourage fundraising through smaller-dollar donations to produce campaigns reflecting broad support for the candidate



Recommendations 1 & 2 – Cost Impact

CCRP Cost Impact - 2018 Municipal Election (Recommendations 1 & 2)

	A	B	C=A+B
	Actual	Non-Compliant	Total
	\$	\$	\$
2018 Rebate Program	549,964	226,096	776,060
Less: Non-Markham Voters (i)			
<i>Recommendation 1</i>	<u>(292,022)</u>	<u>(132,033)</u>	<u>(424,055)</u>
Markham Voters Only	257,942	94,063	352,005
\$150 Rebate Cap per Person (ii)			
<i>Recommendation 2</i>	<u>(105,469)</u>	<u>(38,536)</u>	<u>(144,005)</u>
Markham Voters Only with \$150 Rebate Cap per Person	152,473	55,527	208,000
Projected Cost Avoidance (i + ii)	(397,491)	(170,569)	(568,060)



Financial Considerations

- The City currently sets aside \$181,000 annually for the CCRP, which ramps up to \$724,000 per election (\$181,000 x 4 years)
- Should Council approve the proposed program amendments, approximately \$208,000 (\$52,000 per year) would be required for the 2022 Municipal Election
- This would achieve a cost reduction of:
 - 2022 Municipal Election: \$516,000 (\$724,000 - \$208,000); AND
 - 2022 City Budget: \$129,000 (\$181,000 - \$52,000)



Recommendations

Municipal Election Contribution Rebate Program

1. That the City of Markham's Municipal Election Candidate Contribution Rebate Program's enabling by-law (*By-law 2018-17*) be amended to:
 - Restrict rebates to Markham voters;
 - Lower the maximum rebate cap per person from \$350 to \$150
2. That staff be authorized and directed to do all things necessary to give effect to this resolution.