
2003 ELECTION COSTS AND CONTRIBUTION REBATE PROGRAM

BRIEFING NOTE -

Issue/Background:

On November 28, 2002, Council enacted by-law 1011-2002 to implement a rebate program for the 2003 election, pursuant to subsection 82(1) of the *Municipal Elections Act, 1996* (the *Act*). The rebate program provides for the payment of rebates to persons who have made contributions to candidates for office on the City of Toronto Council. The City of Toronto has had a contribution rebate program in place since the 1997 municipal election.

Staff has been asked to report on:

- The total costs of the 2003 Election.
- The possibility of using the Elections Reserve Fund to fund the Contribution Rebate Program and/or other election needs.
- The projected cost of the 2003 Contribution Rebate Program.

Key Points:

1. Estimated Cost of the 2003 Election is \$5.2 million.

- Staff are still finalizing costs from the 2003 Municipal Election. The City Clerk will provide a complete breakdown of all costs in its July report to Council.

2. Using the Election Reserve Fund for the Contribution Rebate Program and/or Other Election Costs is Not Recommended

- Using the Election Reserve fund to fund the Contribution Rebate Program and/or other election costs such as By-Elections could result in insufficient funds in the reserve to pay for the regular election.
- Because of the uncertainty and variability of the cost of these programs, the Contribution Rebate Program and By-Elections have always been drawn from non-program.
- A complete separation of the election event budget from the Contribution Rebate Program budget must be maintained at all times to avoid any conflicts and perception of bias.
- Separate funding of these programs is also consistent with the approach taken to revenues raised from Contract Elections, which have always been placed in separate revenue accounts.

3. It is difficult to give an exact estimate of the cost of the rebate program.

- At this point, the total number of contributors and the total amount of contributions are still uncertain.

- There have been a number of campaign extensions (including 4 “high profile” mayoralty candidates) which means that fundraising by these candidates could continue until the end of 2004.
- Candidates who have extended their campaigns have until March 1, 2005 to file their financial statements – the total number of contributions will not be known until that time.
- In addition, there is no way of predicting the total number of contributors who will actually apply for rebates.

4. The cost of the rebate program will likely be higher than originally estimated.

- A number of factors have led to an increase from the original estimate of \$1.6 million to an estimated \$3.0 to \$4.0 million.
 - Increased Number of Candidates
 - Number of High Profile Mayoralty Candidates
 - Similarity to 1997 election which had high profile mayoralty election and many incumbents from the former municipalities running against each other for a ward councillor position.
 - Increase in maximum rebate payable to any one contributor (from \$350 to \$1000), compared with 1997 election.

Date: March 1, 2004