

TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON FEBRUARY 20, 2018
FROM:	CATHY SAUNDERS CITY CLERK
SUBJECT:	2018 MUNICIPAL ELECTION UPDATE

RECOMMENDATION

That, on the recommendation of the City Clerk, the report dated February 20, 2018 and entitled “2018 Municipal Election Update” providing a summary of changes to the *Municipal Elections Act, 1996* and an update with respect to election technology required for the Municipal Election, BE RECEIVED for information.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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- Council – May 1, 2017 – Ranked Ballot Community Engagement Results Update
- Corporate Services Committee – April 22, 2017 – Ranked Ballot Community Engagement Results
- Corporate Services Committee – January 24, 2017 – Ranked Ballot Election Model
- Corporate Services Committee – July 19, 2016 – Amendments to the Municipal Elections Act
- Corporate Services Committee – October 20, 2015 – Ranked Balloting Process
- Corporate Services Committee – July 21, 2015 – Province of Ontario Consultation – Municipal Elections Act
- Corporate Services Committee – June 15, 2015 – Submission: Ranked Ballots for Municipal Elections in Ontario
- Corporate Services Committee – June 15, 2015 – Submission: Province of Ontario – Legislation Review Municipal Elections Act, Municipal Conflict of Interest Act and Municipal Act.

BACKGROUND

The Province of Ontario has made a number of changes to the *Municipal Elections Act, 1996* through the Municipal Elections Modernization Act, 2016. Although the Civic Administration has submitted previous reports on some of the changes, the attached Appendix “A” provides a comprehensive summary of the legislative changes.

Further, the City of London’s Strategic Plan (*Leading in Public Service* – open, accountable, and responsive government) directs the Civic Administration to “explore opportunities for electoral reform” by moving to a ranked ballot voting system. The Municipal Council, at its meeting held on May 1, 2017, resolved to implement ranked choice voting for the 2018 Municipal Election. This report provides information related to the implementation of ranked ballots.

DISCUSSION

Purpose

As noted above, the purpose of this report is to provide a comprehensive summary of the changes undertaken by the Province of Ontario to the *Municipal Elections Act, 1996 (MEA)*. In addition, this report will provide an update with respect to the vote tabulating system and election software that will be used in the 2018 Municipal and School Board Elections.

Legislative Provisions – Procurement Process

Section 12(1) of the MEA states:

“A clerk who is responsible for conducting an election may provide for any matter or procedure that,

- (a) is not otherwise provided for in an Act or regulation; and
- (b) in the clerk’s opinion is necessary or desirable for conducting the election.”

Schedule “B” of the City of London’s Procurement of Goods and Services Policy states that the following goods and/or service are not subject to the Policy:

“5. Election materials - The City Clerk has the authority to purchase goods, services and equipment considered necessary or advisable to carry out the requirements of the Municipal Elections Act, R.S.O. 1996. The City Clerk shall wherever possible be guided by the provisions of this Policy.”

Despite the provisions stated above, the City Clerk’s Office did undertake an open and public Request for Qualifications (RFQual) 17-10 on July 4, 2017, seeking a service provider for a Fully Managed Election Solution (Turnkey): Provision, Support, and Services. The RFQual sought interested qualified consultants to provide for a fully managed (hardware/software) turnkey election management solution which would include ranked ballot vote tabulation capabilities, election management software, touchscreen devices during Advance Voting, in-poll tabulation for Voting Day and associated support for the 2018 Municipal Election, including the potential for the renewal of a contract for any by-elections and the 2022 and 2026 Municipal Elections.

Upon closing of the RFQual, there were no interested vendors. It was at this time the Civic Administration sought informal demonstrations of hardware and software capabilities from vendors that have partnered with the City of London in the past. This action was necessary to meet the aggressive timelines to ready the City for the 2018 election. One of those vendors provided a demonstration on ranked ballot capabilities and vote tabulators. As a result, at the end of this process, Dominion Voting Systems was awarded the contract to provide Vote Tabulation System and Election Software for the Municipal and School Board Elections in 2018, with the option for the City to extend the contract for services for any by-elections and the 2022 and 2026 elections. To reduce costs, a 20% discount was negotiated with Dominion for a multi-election agreement that includes both the 2018 and 2022 Municipal and School Board Elections.

Contract Information

A contract for hardware rental, software licence and services with Dominion Voting Systems was executed on December 15, 2017. The contract includes the following:

- Vote Tabulators – 225 units
- Accessible Voting Ballot Marker Device – 12 units (Advance Vote)
- Ballots
- Election Products: Ballot Boxes, Secrecy Folders, Marking Pens, Security Seals
- Election Management Software System
- Ranked Ballot Module Licence
- Mobile Printing Module (Advance Vote)
- Professional Services and Support

The total cost for the above-noted services for the 2018 Municipal Election is \$489,776. As in previous elections, the cost is based on the rental of the software, hardware and technological support.

Ranked Ballot Cost Implications

During public consultation in early 2017, the Civic Administration was required to estimate the costs of implementing a ranked ballot election. The estimate can be found below:

Estimate of Total Ranked Balloting Costs			
Consultation	\$	150,000	
Tabulators	\$	-	
Paper Ballots	\$	42,500	*
Vendor Cost	\$	10,000	**
Staff Resources	\$	70,000	
Poll Worker	\$	50,000	
Total	\$	322,500	

* Cost is based on ranking a maximum of three candidates, legal sized ballot, printed double-sided. If the number of candidates or rankings increase, the number of ballots will increase and so will the cost.

** Not including the algorithm development and testing in results software.

Attached to this report as Appendix “B” is a comparison of election expenses between the 2014 and 2018 contracts. It is noted that these contracts are with two different vendors and quantities of material has increased significantly in 2018 in order to accommodate an increase in the number of polls, requiring the provision of an increased number of vote tabulators, additional ballots and ballot supplies, as well as an increase in technology support.

With respect to this contract and costs relating specifically to ranked balloting, in 2017, the Civic Administration estimated the vendor costs would increase by \$10,000 to obtain a system with a ranked ballot algorithm and capabilities. In order to allow the system to generate and tabulate ranked ballots, a Ranked Ballot Module Licence has been secured through the contract with Dominion Voting at an additional cost of \$12,000. In terms of a graphic results display on the City’s website, previously this service was provided at a rate of \$250. The results display module is currently not available for ranked ballot elections and therefore is not included in the 2018 contract. This display will be created by the Civic Administration at minimal cost.

The Civic Administration, during public consultation, estimated the costs of ballot printing to increase by an additional \$42,500, for a total cost of \$130,118 in 2018. Currently, the contract is based on single-sided 8.5” by 14” ballots, using a standard template. The cost for 425,000 printed ballots is \$111,250. Included in this cost is a print on demand module of \$5,000 to allow for the printing of a ballot on demand during the Advance Vote. This is not a cost related to ranked balloting, but rather an enhancement to our processes to provide for efficiencies. It should be noted that ballot quantities would have increased moderately to accommodate population growth between 2014 and 2018¹ regardless of the type of election being conducted (ranked ballot or first-past-the-post). Therefore, the ranked ballot cost component of this contract is \$41,400 (\$12,000 for the ranked ballot licence, \$12,500 for additional ballots, and an additional \$16,900 for an extra thirteen (13) vote tabulators). The other costs in our estimate (consultation, staff resources, and poll workers) are not related to this contract, but will be reflected in the overall election budget.

In 2014, the contracted costs for vote tabulators and software agreement was \$243,762. This cost has increased in 2018 to \$489,776. This increase is attributed to an increase in the number of vote tabulators from 130 to 225 to accommodate more voting locations on Voting Day and vote tabulators deployed to retirement communities or nursing home. The increase is also attributed to the provision of more ballots, ranked ballot licensing, preparation of a mock ballot election for testing purposes, automating ballot printing services at Advance Vote, as well as increased on-site support from the vendor during the Advance Vote and Voting Day. Third-party consulting and auditing services are not finalized however costs are anticipated to fall within the original estimate.

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RECOMMENDED BY:	
CATHY SAUNDERS, CITY CLERK	

¹ In 2014, the Municipal Property Assessment Corporation (MPAC) reported 259,133 eligible electors. As of January 24, 2018, MPAC is reporting 300,051 eligible electors in the City of London.

**APPENDIX “A”
Summary of Municipal Elections Act Changes**

Item	New Legislation (April 2018)	Previous Legislation	MEA Section
Nominations	<p>May 1 – fourth Friday in July: 13 weeks</p> <p>The nomination for a candidacy for an office on a municipal council must be accompanied with written endorsements from 25 eligible electors.</p> <p>Individuals who wish to endorse a candidate must complete a declaration stating their eligibility to vote.</p> <p>*This does not apply to school board trustee candidates.*</p>	<p>January 1 – second Friday in September: 37 weeks</p> <p>No endorsement required.</p>	31, 33
Nominations Fee	<p>A candidate's nomination fee will be refunded if the candidate files the relevant financial statements on time.</p> <p>There is no change to the nomination fee required. The fee for a candidate for mayor is \$200 for mayor and \$100 for councillor.</p>	<p>Nomination fee refunded if candidate withdrew by the deadline or provided to candidates who received a certain percentage of the votes cast.</p>	34
Campaign Advertising	<p>Any campaign advertisement will be required to identify the name of the candidate and the name, business address and telephone number of the individual who deals with the broadcaster or publisher under the direction of the candidate. The broadcaster or publisher of campaign advertisement must retain records for four years.</p> <p>Landlords and condominium corporations are no longer able to prohibit tenants from displaying campaign signs in their own unit.</p> <p>Candidates now have the right to access residential properties for campaign purposes between 9 a.m. and 9 p.m.</p>	None	88.1, 88.2, 88.3, 88.4, 88.5
Third Party Advertising	<p>New rules have been added to regulate third party advertising, including contribution and spending limits.</p> <p>Third party advertising is a message in any medium that supports or opposes a candidate or a “yes” or “no” answer for a question on the ballot.</p> <p>Individuals, corporations and unions can register as third party advertisers and can also make contributions to third party advertisers. Third party advertisers are required to register with the municipality where advertisements will be undertaken.</p> <p>Most campaign finance rules that apply to candidates also apply to third party advertisers.</p>	None	88.4, 88.5, 88.6, 88.7, 88.12, 88.13, 88.14, 88.15, 88.21, 88.26, 88.27, 88.28, 88.29, 88.30
Contribution Limits	<p>There is now a limit on how much a candidate or a candidate’s spouse can contribute to their own campaign. The formula to calculate the limit is:</p> <ul style="list-style-type: none"> • for head of council candidates: \$7,500 plus 20 cents per elector to a maximum of <u>\$25,000</u>; • for other council offices: \$5,000 plus 20 cents per elector to a maximum of <u>\$25,000</u>. <p>If a candidate has inventory, such as signs, from a previous municipal campaign, the current market value of the inventory is considered to be a contribution.</p> <p>Contribution limits do not apply to school board trustee candidates.</p>	No limit prescribed	88.9.1, 88.15, 88.16, 88.17, 88.18, 88.19
Campaign Expenses	<p>Spending limit for parties and expressions of appreciation after Voting Day is now 10% of the general spending limit.</p>	<p>No spending limit for expressions of appreciation and parties after Voting Day</p>	88.19, 88.20(9)

Item	New Legislation (April 2018)	Previous Legislation	MEA Section
Campaign Finance	<p>The Clerk shall make public a report setting out the list of all candidates in an election indicating whether each candidate submitted financial statements in accordance with the legislation.</p> <p>Candidates who do not accept any contributions of money or incur any expenses will no longer be required to open a campaign bank account.</p>	<p>No requirement for the Clerk to identify candidates who filed or did not file.</p> <p>All candidates required to open a campaign bank account.</p>	88.22, 88.23
Donations from Corporations and Unions	<p>Contributions from corporations and trade unions to candidates in Ontario are prohibited.</p>	<p>Permitted up to \$750 to one candidate or \$5,000 to two or more candidates for office on the same council or local board.</p>	88.8
Individual Donations	<p>Contributions of \$1,200 to any one candidate and a maximum of \$5,000 to two or more candidates for office on the same council or local board is permitted.</p> <p>Anonymous and cash contributions are now capped at \$25.</p>	<p>\$750 to any one candidate and a maximum of \$5,000 to two or more candidates for office on the same council or local board.</p> <p>\$10 cap of anonymous and cash contributions.</p>	88.8, 88.9
Late Filing Fee	<p>Should a candidate or advertiser not file the relevant financial documents on time, they may pay a \$500 late filing fee, which would then grant an additional 30 day period to file the financial statement(s).</p>	<p>Extensions only available through application to the courts.</p>	88.23(9), 88.27(6)
Clerk's Authority	<p>Clerks have been given the authority to determine the dates and times for advance voting, as well as reduced voting hours for certain institutions.</p> <p>Clerks have greater flexibility in determining how certain election documents may be submitted and how notices are sent out.</p>	<p>Municipal Council required to pass a by-law to provide for advance vote dates, reduced hours, and conditions.</p> <p>Requirement to send notices by registered mail.</p>	various 43, 46, 88.25(11)
Voters' List	<p>The Clerk has the authority to remove a person's name from the Voters' List if the Clerk is satisfied that the person has died (without an application to change the Voters' List).</p> <p>Applications to add, delete or change a person's own information on the Voters' List may be completed in any format or manner the Clerk specifies.</p>	<p>Applications to add, delete or change a person's own information on the Voters' List had to be done in person or in writing.</p>	24, 25
Use of Corporate Resources	<p>Municipalities and school boards must set out policies on the use of municipal and school board resources by incumbents during an election year.</p>	<p>Not required.</p>	88.18
Accessibility	<p>The Clerk is required to prepare a plan regarding the identification, removal and prevention of barriers that affect electors and candidates with disabilities and shall make the plan available to the public before Voting Day.</p> <p>After Voting Day, the Clerk is required to prepare a report regarding the identification, removal and prevention of barriers that affect electors and candidates with disabilities and shall make the report available to the public.</p>	<p>Clerk required to submit a report to council about the identification, removal and prevention of barriers that affect electors and candidates with disabilities after Voting Day.</p>	12.1
Compliance Audit Committee - Contributors	<p>The Clerk is required to submit a report to the Compliance Audit Committee identifying any contributor to a campaign or any contributor to a third party advertiser that the contribution appears to have exceeded any contribution limit.</p> <p>Within 30 days of receiving the Clerk's report, the Compliance Audit Committee must decide whether to commence legal proceedings against a contributor.</p>	<p>No requirement to prepare or submit a report to Compliance Audit Committee.</p>	88.34, 88.36

**APPENDIX “B”
Election Cost Comparison 2018**

Type of Expense	2014 Election Expense	2018 Election Expense	Comments
Vote Tabulators	\$110,200 145 units Cost of \$760 per unit	\$292,500 225 units Cost of \$1,300 per unit	In addition to inflationary costs, this expense includes an additional vote tabulators. In 2014, there were 136 regular Voting Places on Voting Day. In 2018, we have increased this to 166 Voting Places to both accommodate population growth and potential longer voting times with the introduction of ranked choice voting. Special Voting Locations (retirement communities, nursing homes, etc.) will now have vote tabulators to streamline the results compilation at the close of polls on Voting Day. This resulted in an additional 33 vote tabulators required in the contract. The City of London will host an Advance Vote the week of October 6 th 2018, requiring 11 vote tabulators for each Voting Place. The remaining 15 vote tabulators are required for training (10) and redundancy (5).
Accessible Voting Machines for Advance Polls	\$6,100	\$15,620	This cost includes an additional two (2) Voter Assist Terminals for redundancy. This price increase is also due to inflationary costs and cost differences between the different vendors.
Ballot Printing and Design	\$75,510 375,000 ballots *other costs relate to layout and coding	\$111,250 425,000 ballots	Increase in the number of ballots by 50,000 due to the increase in population and the increase in the number of Voting Places. Additional ballots are also required to accommodate a more fulsome logic and accuracy testing of ranked choice ballots. This cost includes the new Print On Demand Mobile Ballot Printing Module for 2018 at a cost of \$5,000. This feature will allow the City to print a ballot on demand during the Advance Vote and will streamline labour requirements for preparation and execution.
Election Software	\$1,425	\$13,500	Includes hardware and software required to compile and tabulate results.
Additional Software Modules/Licenses	Not Applicable	\$12,000	This cost is related to the Ranked Ballot Module License to permit the system to generate and tabulate ranked ballots.
Web Results Display	\$250	Not Available	This will be undertaken by the Civic Administration.
Election Supplies	\$35,077	\$49,150	This includes ballot boxes, secrecy folders, marking pens, security seals, paper rolls for vote tabulators, shipping and handling, and storage devices. This cost is due to inflationary increases, vote tabulator quantity increase and to ensure adequate supply quantities are available at more Voting Places.
Project Management On Site Support, and Testing	\$11,200	\$102,010	This cost increase is a result of vendor change from 2014 to 2018 and the increase in scope with respect to the election project. We are requiring more support from the vendor for project planning, project execution, coding, system configuration, and pre-ship testing. The specialized nature of election software and hardware requires vendor technological support. This cost includes on-site support services from the vendor on Advance Voting Days, Voting Day, etc.
Training	\$2,400	\$4,065	This cost includes the additional training required for the Civic Administration on the tabulation software, vote tabulator hardware and Print On Demand.

Type of Expense	2014 Election Expense	2018 Election Expense	Comments
Mock Election Services	\$1,600	\$12,125	Increase is attributed to preparation of a ranked ballot mock election with all equipment, supplies and support representative(s).
Total	\$243,762	\$612,220	Total with no discount applied.
Total with Multi - Election Discount	--	\$489,776	Vendor has included a 20% multi-election discount for 2018 and 2022.