COMMUNICATION – C6 Council – May 27, 2020 Committee of the Whole Report No. 20, Item 17

From: Mackenzie Ridge Rate Payers Association <mackenzieridgerpa@gmail.com>
Sent: Wednesday, May 20, 2020 12:32 PM
To: Council@vaughan.ca; Coles, Todd <Todd.Coles@vaughan.ca>; Mackenzie Ridge Rate Payers
Association <mackenzieridgerpa@gmail.com>; Rob Kenedy <rkenedy@yorku.ca>
Subject: [External] Fwd: New bylaw will allow Vaughan councillors to get legal fees paid for by taxpayer - whether they are right or wrong

Dear Members of Vaughan Council,

Last night I sent out this clear and well written article by Noor Javed and Adam Martin-Robins (see below) to my neighbours. My neighbours have written back to me expressing their outrage regarding Councillor Ferri's amendments to the city's indemnification bylaw. This will continue to put the City of Vaughan in the the spotlight for being problematic and squandering public money.

Again, all public meetings and hearings need to be postponed until September and then reconsidered at that point depending on COVID-19 and an appropriate response.

Best,

Robert A. Kenedy, PhD President of the MacKenzie Ridge Ratepayers Association Associate Professor Department of Sociology 238 McLaughlin College York University 4700 Keele Street Toronto, Ontario M3J 1P3 CANADA <u>rkenedv@yorku.ca</u> 416 736-2100 ext. 77458 FAX 416 736-5715

------ Forwarded message ------From: **Mackenzie Ridge Rate Payers Association** <<u>mackenzieridgerpa@gmail.com</u>> Date: Tue, May 19, 2020 at 10:31 PM Subject: New bylaw will allow Vaughan councillors to get legal fees paid for by taxpayer - whether they are right or wrong To: Mackenzie Ridge Rate Payers Association <<u>mackenzieridgerpa@gmail.com</u>>

Dear Neighbours,

Please see the *Toronto Star* article below:

News

## New bylaw will allow Vaughan councillors to get legal fees paid for by taxpayer - whether they are right or wrong

Noor Javed Noor Javed Adam Martin-Robbins 1271 words 19 May 2020 The Toronto Star TOR 0 English Copyright (c) 2020 The Toronto Star

Vaughan councillors are scheduled to vote Wednesday on a bylaw that would leave taxpayers on the hook for a politician's legal fees over an ethics complaint — even if the politician is found to be in the wrong.

The indemnification bylaw being proposed is one of the most generous in the GTA. It has been through months of discussion and debate, and seeks to reimburse councillors when they have an ethics complaint against them, when they have breached the city's code of conduct and even if they decide to appeal the outcome of the investigation.

Over the past few months, long-time regional Coun. Mario Ferri has twice introduced amendments to the bylaw that would make it more generous than any other policy in the Greater Toronto Area. His recommendations have upset residents, surprised colleagues and have been challenged by the city solicitor.

Among the changes he is pushing for: increasing advance payment from \$25,000 to \$50,000, allowing councillors to choose their own lawyer, and asking the city to cover legal fees if a councillor seeks a judicial review of the integrity commissioner's decision.

If the new bylaw is passed, a councillor who is found to have inadvertently breached the code of conduct because of a "bona fide error in judgment" would still be entitled to legal coverage. If found to have not acted in "good faith," the councillor is required to pay the city back the fees that were advanced. In her detailed response to Ferri's proposed amendments, Vaughan's solicitor Wendy Law told council the city could be paying higher legal fees if councillors choose their own lawyers and not one chosen by the city.

"In our respectful opinion, the City should not have to pay for unnecessary legal expenses, or to pay for lawyers who take positions that would cause the City to incur further costs by prejudicing the City in furtherance of an Eligible Person's position," said Law in a memo to councillors before the April council meeting. "The intent of the Indemnification By-law is to protect the Eligible Person's pecuniary losses; but it should not be done by exposing the City to further pecuniary losses that are unnecessary or inappropriate."

Ferri's efforts come at a time where he is also facing a municipal conflict of interest complaint — a copy of which has been obtained by the Star and the Vaughan Citizen — in which it is alleged that he voted on a development matter involving a company affiliated with his son's employer.

According to a letter from Ferri's lawyer to the integrity commissioner, Suzanne Craig, in response to the complaint, "any interest councillor Ferri may have had is so remote or insignificant that it cannot be reasonably be regarded as being likely to influence councillor Ferri," and he had no knowledge of the affiliation between the development and his son's employer. The investigation into the conflict of interest is ongoing.

The provincial Municipal Conflict of Interest Act (MCIA) sets out ethical rules for council and local board members if they have certain financial interests in a matter that comes before them at council or at the board level. The city's code of conduct sets out standards for councillors' conduct to help prevent ethical conflicts.

While the current bylaw deals with legal protection for code of conduct complaints, Ferri's suggested changes to the bylaw "would apply generally to all legal proceedings, including MCIA," said city staff. If city council decides to increase the advance in legal fees to \$50,000, for example, Ferri would be entitled to that increase to fight his MCIA complaint.

In an email response to the Star when asked if he could benefit from asking for certain amendments, given his complaint, Ferri said he was not permitted to "confirm or deny the existence of an ongoing investigation."

"Members of Council as a whole requested guidance from the Integrity Commissioner with respect to the indemnification bylaw review; I can confirm that I have at all times acted in accordance with the advice provided," said Ferri in the email. "I take my responsibilities as a Councillor very seriously, I have never been persuaded by personal interest on any discussion or vote that I have participated in."

Ferri said the bylaw is meant to protect councillors, employees and members of the local boards. "This is not a bylaw for me, or for council alone, rather, it more importantly protects our employees and Local Board members," he said in the email.

However, only elected officials can face code of conduct complaints.

Vaughan councillors and city staff are already indemnified when it comes to lawsuits and MCIA complaints. They are also entitled to \$5,000 in coverage for ethics complaints, where it has been determined they didn't breach the code of conduct.

Across the GTA, policies around indemnification vary. Some like Mississauga indemnify councillors, retroactively, if they are found to have not contravened the MCIA. Markham, for example, does not indemnify councillors who have contravened the code of conduct.

"In the GTA, there is no other indemnification bylaw that goes as far as the one being proposed by the city of Vaughan," said Suzanne Craig, the integrity commissioner for the city of Vaughan, who has worked in cities and on boards across the province.

A number of colleagues support Ferri's changes. At the last council meeting, regional councillors Linda Jackson and Gino Rosati and Ward 2 Coun. Tony Carella all spoke in favour of the amendments.

Ward 1 Coun. Marilyn lafrate called the changes "outrageous" and said she supported the original bylaw presented by legal staff which was "fair and in line with the coverage provided by other GTA municipalities."

"I consider the changes requested by a colleague as outrageous and an enormous and unfair burden on the taxpayers who could ultimately be funding some very questionable and most certainly unacceptable situations," she said. "Having the taxpayer pay for your legal fees when you are guilty of breaching the code would remove any deterrent to ensuring that an elected official acts ethically in their position."

But Ferri said he "always acts with integrity and in good faith. This will not change whether legal fees are covered or not."

He also suggested that passing a more comprehensive bylaw would ensure the city have the "best and brightest" who can "live with security to know that they can defend themselves against complaints levelled at them."

If the bylaw is passed, city staff says any fees incurred in 2020 to indemnify members for legal proceedings around code complaints, which is not covered by insurance, would be funded from the city's contingency fund.

In a letter to council, resident Robert Kenedy, president of the MacKenzie Ridge Ratepayers Association, said this is not the time for councillors to be using tax dollars to protect themselves further.

"This (original) indemnification bylaw is more than generous and should be approved as is," said Kenedy. "To pursue amendments or changes that are costly or unnecessary during these difficult times, shows a blatant disregard for Vaughan taxpayers who are suffering both financially and personally, making many sacrifices during this pandemic."

Noor Javed is a Toronto-based reporter covering current affairs in the York region for the Star. Follow her on Twitter: @njaved

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