



## CITY OF HAMILTON

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**DECISION of the  
ELECTION COMPLIANCE AUDIT COMMITTEE**  
established under Section 81.1(1) of the *Municipal Elections Act, 1996*  
**A COMPLIANCE AUDIT APPLICATION RESPECTING THE ELECTION  
CAMPAIGN FINANCES OF MARIA PEARSON, CANDIDATE, WARD 10**

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With respect to the meeting held on July 8, 2015 to deal with the application submitted by Ms. Vivian Saunders concerning the Financial Statement of Ms. Maria Pearson:

It is the view of the Committee that the use of personal property for office equipment is not an expense subject to the spending limit.

With respect to the reference to “significant estimates” in the audit report it is noted by the Committee that this is standard wording used in an audit report and not a contravention of the *Municipal Elections Act, 1996* (MEA).

The Candidate may not have correctly calculated the inventory using replacement value as required by the MEA; however the candidate did make her best estimate and the variance would not have resulted in exceeding the spending limit.

The Applicant’s statement that post campaign day expenses appear excessive and could therefore be indicative of misallocation is speculative and is not supported by substantive evidence.

The Applicant misstated the amount of the office expenses and, as confirmed at the hearing, the office expenses are correct in the financial statement as filed.

In relation to the concerns about corporations being valid, there were no compelling reasons for the Candidate to investigate these contributors.

In relation to the concerns about associated corporations, there was evidence heard by the Committee during the public hearings that satisfied the Committee that the corporations are not associated with one another as under Section 72 of the MEA.

Accepting a contribution from a contributor who exceeds the \$5,000 contribution limit is not a contravention of the MEA by the Candidate unless she has explicit knowledge of that fact and does not return the contribution as soon as possible. The Applicant did not establish this on reasonable grounds. The Committee is of the opinion that the Candidate was not aware of possible excess contributions.

In relation to the concerns of the Candidate's use of City resources, the Candidate indicated that she received the e-mail at her City e-mail address and therefore responded in her capacity as a Councillor. The Committee accepts this explanation.

The Committee is in agreement that there has not been a contravention of the MEA. In the Superior Court rulings of *Lancaster v. Compliance Audit Committee et al.*, 2013 ONSC 7631 and *Vezina v. Parrish*, 2013 ONSC 2368, it was held that the Committee, not the Applicant, must believe on reasonable grounds that the Candidate has contravened the MEA before an audit is ordered.

The Committee does not order a compliance audit.

Dated at the City of Hamilton July 28, 2015

Written and approved by the following Committee Members:

Ross Anderson, Chair

Barry Gilbert, Vice Chair

John Klein