

Analyst Briefing Notes

Budget Committee

(February 10, 2009)

PART I: 2009 OPERATING BUDGET

Executive Summary	2
2009 Operating Budget	6

PART II: 3-YEAR SERVICE OVERVIEW AND PLAN

Service Challenges and Opportunities	7
Service Objectives	8
Priority Actions	10

PART III: 2008 BUDGET VARIANCE ANALYSIS

2008 Experience	12
Impact of 2008 Operating Variance on the 2009 Budget	12

PART IV: 2009 BASE BUDGET

2009 Base Budget	14
2009 Key Cost Drivers	14

PART V: NEW/ENHANCED SERVICE PRIORITY ACTIONS

2009 New/Enhanced Service Priority Actions	17
--	----

PART VI: ISSUES FOR DISCUSSION

2009 Budget Issues	18
Issues Referred to the 2009 Operating Budget Process	N/A

Appendix A: 2009 Base Budget Changes vs. 2008 Approved Budget	19
--	----

Appendix B: Summary of Service Level Adjustments	N/A
---	-----

Appendix C: Summary of 2009 New/Enhanced Service Priority Actions	20
--	----

Appendix D: Office Summary by Expenditure Category	21
---	----

Appendix E: Inflows/Outflows to/from Reserves and Reserve Funds	22
--	----

Contacts: Judy Broughton
Manager, Financial Planning
Tel: (416) 392-8393

Lucy Eusepio
Financial Planning Analyst
Tel: (416) 397-8992

Executive Summary

- The Accountability Officers are independent from the City's administration and report directly to City Council. They are all creatures of the *City of Toronto Act*.
- The Accountability Offices (excluding the Auditor General's Office) have been consolidated into one Budget for purposes of Budget Committee's consideration, but the Accountability Officers each have an independent budget separate from one another and pursuant to their legal mandates. The Auditor General's Office is being reported in a separate budget.
- *The City of Toronto Act 2006* has mandated the following Accountability Offices for the City of Toronto:
 - ***The Office of the Integrity Commissioner***, established in 2007, makes recommendations and interprets procedures, rules and policies for the City and local boards (restricted definition) and adjudicative boards governing the ethical behaviour of members of City Council, local boards (restricted definition) and adjudicative boards.
 - ***The Office of the Lobbyist Registrar***, established in 2007, is an independent office that provides the staffing and resources needed for the Lobbyist Registrar to perform her legislated responsibilities. The Lobbyist Registrar's Office promotes and enhances the integrity of City government decision-making through public disclosure of lobbying activities and regulation of lobbyists' conduct. The Lobbyist Registrar's priority over the next 3 years will be: ensuring an effective registry system through improvements to the online registry and search capacity; implementing the investigation and inquiry requirements of the Lobbying By-law; providing advice, opinions and interpretation of the Lobbying By-Law; informing and assisting lobbyists, the public and public office holders regarding the registration and search processes and requirements of the Lobbying By-Law; conducting education and outreach; advising Council on lobbying matters and recommending improvements to the Lobbying By-Law; and promoting, investigating and enforcing compliance with the registry system and lobbyists' code of conduct.
 - ***The Office of the Ombudsman*** was established by the City of Toronto in 2008 as part of its accountability framework. Full implementation of this function in 2009 completes the establishment of the City's Accountability Offices. The Ombudsman is appointed by City Council and officially began on November 17, 2008. The Ombudsman serves as a place of last resort for the public to complain where they feel they have been treated unfairly by the City of Toronto, its agencies, boards and commissions or have an unresolved complaint about services and programs. The Ombudsman investigates public complaints, reports directly to City Council and is independent from the administration. The Ombudsman's start-up priorities include securing her budget, setting up the office infrastructure, recruiting staff and developing a case management system.

- The Accountability Offices' (excluding The Auditor General's Office) September 30, 2008 projected year-end net expenditure of \$1.307 million is \$0.010 million or 0.8% below its 2008 Approved Operating Budget of \$1.317 million net. The favourable variance is attributed to the following:
 - The Integrity Commissioner's Office projects 2008 year-end net expenditures to be \$0.003 million or 1.2% below the 2008 Approved Operating Budget. This is mainly due to lower spending in services and rents.
 - The Lobbyist Registrar's Office projects 2008 year-end net expenditures to be \$0.005 million or 0.8% below the 2008 Approved Operating Budget. This favourable variance is mainly related to under spending in salaries and rent and supplies.
 - The Ombudsman's Office projects 2008 year-end net expenditures to be \$0.002 million or 0.5% below the 2008 Approved Operating Budget. The expenditures to-date all represent office start up costs.
- The 2009 Operating Budget of \$2.362 million for the Accountability Offices (excluding the Auditor General's Office) will enable the Office of the Lobbyist Registrar to implement the Complaints and Investigations Requirement of the Lobbying By-Law and enable the Office of the Ombudsman to move from preliminary start-up mode to full functionality.

Table 1: 2009 Operating Budget

	2008		2009 Operating Budget			Change - 2009 Operating Budget v. 2008 Appvd. Budget		FY Incremental Outlook	
	2008 Appvd. Budget	2008 Projected Actual	2009 Base	2009 New/ Enhanced	2009 Operating Budget			2010	2011
	\$	\$	\$	\$	\$			%	\$
GROSS EXPENDITURE									
Office of the Integrity Commissioner	201.4	193.9	201.4	0.0	201.4	0.0	0.0	0.0	0.0
Office of the Lobbyist Registrar	711.2	697.8	725.0	217.0	942.0	230.8	32.5	299.4	32.5
Office of the Ombudsman	404.5	402.4	613.9	604.4	1,218.3	813.8	201.2	12.0	11.9
TOTAL GROSS EXPENDITURE	1,317.1	1,294.1	1,540.3	821.4	2,361.7	1,044.6	79.3	311.4	44.4
REVENUE									
Office of the Integrity Commissioner	0.0	0.0	0.0	0.0	0.0	0.0	NA	0.0	0.0
Office of the Lobbyist Registrar	0.0	0.0	0.0	0.0	0.0	0.0	NA	0.0	0.0
Office of the Ombudsman	0.0	0.0	0.0	0.0	0.0	0.0	NA	0.0	0.0
TOTAL REVENUE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NET EXPENDITURE									
Office of the Integrity Commissioner	201.4	193.9	201.4	0.0	201.4	0.0	0.0	0.0	0.0
Office of the Lobbyist Registrar	711.2	697.8	725.0	217.0	942.0	230.8	32.5	299.4	32.5
Office of the Ombudsman	404.5	402.4	613.9	604.4	1,218.3	813.8	201.2	12.0	11.9
TOTAL NET EXPENDITURE	1,317.1	1,294.1	1,540.3	821.4	2,361.7	1,044.6	79.3	311.4	44.4
APPROVED POSITIONS									
Office of the Integrity Commissioner	0.0	0.0	0.5	0.0	0.5	0.5	NA	0.0	0.0
Office of the Lobbyist Registrar	5.3	5.3	5.3	3.0	8.3	3.0	56.6	1.0	0.0
Office of the Ombudsman	3.0	3.0	3.0	4.0	7.0	4.0	133.3	0.0	0.0
TOTAL APPROVED POSITIONS	8.3	8.3	8.8	7.0	15.8	7.5	189.9	1.0	0.0
TARGET			1,290.8		1,290.8				
\$ Over / (Under) Program Target			249.5		1,070.9				
% Over / (Under) Program Target			19.3%		83.0%				

- The 2009 Operating Budget for the Accountability Offices (excluding the Auditor General's Office) is comprised of base funding of \$1.540 million and funding of \$0.821 million for new/enhanced service priority actions. Approval of the 2009 Operating Budget will result in the Offices' staff complement increasing from 8.3 to 15.8 approved positions (0.5 positions for Integrity Commissioner's Office, 3.0 positions for Lobbyist Registrar's Office and 4.0 positions for Ombudsman's Office). This reflects the requirement for the Ombudsman to become functional, for the Office of the Lobbyist Registrar to implement the complaints function and provides for a technical adjustment for the Integrity Commissioner's Office.
- The 2010 and 2011 Outlooks for the Accountability Offices (excluding the Auditor General's Office), reflect a net expenditure increase of \$0.311 million and \$0.044 million, respectively. These increases will provide funding of the annualized costs of 2009 additional positions and a new position in 2010 for the Lobbyist Registrar's Office.

- The 2009 Operating Budget of \$2.362 million incorporates key cost drivers including the annualization of 2008 COLA and a 2% Consumer Price Index (CPI) salary increase, merit and other non-discretionary expenditures that total \$0.223 million.
 - *The Office of the Integrity Commissioner's* 2009 Operating Budget of \$0.201 million reflects no change from the 2008 Approved Operating Budget.
 - *The Office of the Lobbyist Registrar's* 2009 Operating Budget of \$0.942 million (consisting of base funding of \$0.725 million and new/enhanced funding of \$0.217 million), represents an increase of \$0.231 million (32.5%) over the 2008 Approved Budget of \$0.711 million. This will enable the Office to implement the complaints function.
 - *The Office of the Ombudsman's* 2009 Operating Budget of \$1.218 million (consisting of base funding of \$0.614 million and new/enhanced funding of \$0.604 million), represents an increase of \$0.814 million (201.2%) over the 2008 Approved Operating Budget of \$0.405 million. The 2008 budget was intended as a part-year start-up estimate with the full budget requirements to effectively implement the function to be determined once the Ombudsman was in place at the City.
- The Accountability Offices (excluding the Auditor General's Office), need to increase their staffing in order to be fully operational.
 - *The Office of the Integrity Commissioner* includes the Integrity Commissioner and a part-time Administrative Assistant. A new permanent Integrity Commissioner has not yet been hired; an interim Commissioner is in place.
 - *The Office of the Lobbyist Registrar* had 5.3 positions approved in 2008. Creation of the Complaints and Investigations Unit requires an additional 3 positions in 2009 and 1 position in 2010.
 - *The Office of the Ombudsman* had 3 positions approved in 2008. Four additional positions are required in 2009 to ensure functionality of this office.
- The 2009 Operating Budget provides \$2.362 million in base and new funding for services and activities that advance the Mayor's Mandate and Council's policy agenda and ensure compliance with the accountability provisions in the *City of Toronto Act*:
 - ***Efficiency and Accountability at City Hall***
 - Establishing the Lobbyist Registrar's Office which will include a Complaints and Investigations Unit effective 2009
 - Establishing the Office of the Ombudsman to be fully operational in 2009 to address public complaints effective March 2009
 - Monitoring members of Council, local boards (restricted definition) and adjudicative boards and making recommendations

2009 Operating Budget

1. Council approve the 2009 Operating Budget for the Accountability Offices (excluding The Auditor General’s Office) of \$2.361 million gross and net, comprised of the following offices:

	Gross <u>(\$000s)</u>	Net <u>(\$000s)</u>
Office of the Integrity Commissioner	0.201	0.201
Office of the Lobbyist Registrar	0.942	0.942
Office of the Ombudsman	<u>1.218</u>	<u>1.218</u>
Total Budget	<u><u>2.361</u></u>	<u><u>2.361</u></u>

The Office of the Integrity Commissioner

The Integrity Commissioner governs the ethical behaviour of members of City Council, members of local boards (restricted definition) and adjudicative boards.

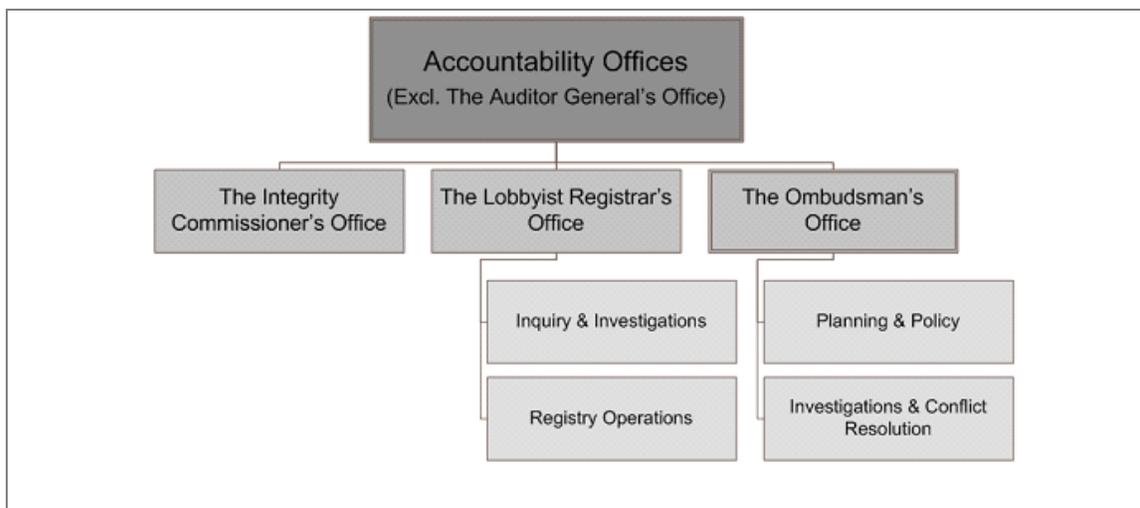
The Office of the Lobbyist Registrar

The Office of the Lobbyist Registrar promotes and enhances the integrity of City government decision-making through public disclosure of lobbying activities and regulation of lobbyists' conduct.

The Office of the Ombudsman

The Office of the Ombudsman investigates public complaints about decisions, actions or recommendations made or omitted by the public service in the course of implementing City policies and administering City services. The Office of the Ombudsman is independent, impartial, free and accessible.

Program Map



Service Challenges and Opportunities

The Office of the Integrity Commissioner

The Office of the Integrity Commissioner's 2009 Operating Budget enables the Integrity Commissioner to provide education and advice on issues related to the Code of Conduct for Members of local boards. The budget also provides for the Integrity Commissioner to take

complaints against Members of Council or Members of Local Boards, and conduct investigations. A new permanent Integrity Commissioner has not yet been hired; an interim Commissioner is in place.

The Office of the Lobbyist Registrar

- The Lobbyist Registrar will be focusing on meeting the following challenges over the next 3 years:
 - Implementing the investigation, inquiry and enforcement requirements of the Lobbying By-Law
 - Improving, maintaining and supporting the online registry, search function and website
 - Providing advice, opinions and interpretations, conducting outreach and providing education about the Lobbying By-law and Registry to public office holders, members of the public and lobbyists
 - Advising Council on lobbying matters and recommending improvements and amendments to the Lobbying By-Law
 - Liaising with other registries and Accountability Offices to ensure high standards of service

The Office of the Ombudsman

The primary challenge for the Office of the Ombudsman is to ensure processes are in place to meet significant public and political expectations once the office opens in March 2009. The Office of the Ombudsman has established clear independence and principles of accountability and requires the capacity to respond to a significant volume of anticipated complaints as well as deliver broad education to the public and staff.

Service Objectives***The Office of the Integrity Commissioner***

The Integrity Commissioner's Office key service objective is to perform in an independent manner the functions assigned by City Council, with respect to the application of the Code of Conduct for members of City Council and local board (restricted definition) and with respect to the application of any procedures, rules and policies of the City and local boards governing the ethical behaviour of members of City Council and of local boards (restricted definition).

The Office of the Lobbyist Registrar

The Lobbyist Registrar's Office key service objective for the next 3 years is to provide an effective, accessible Lobbyist Registry and to ensure and enforce compliance with the lobbyist registry system and Lobbyists' Code of Conduct. This will be accomplished by improving the online registry and

search function and educating lobbyists, the public and public office holders on the process and requirements of registering.

The Office of the Lobbyist Registrar will focus on the following priorities to meet its objective:

- Maintain and improve the online lobbyist registration system and search function
- Ensure compliance by providing advice, information, interpretation of the Lobbying By-Law and assistance to lobbyists, public office holders and the public regarding the lobbyist registration system and code of conduct
- Review and verify returns to ensure compliance with the Lobbying By-Law
- Conduct investigations or inquiries regarding contraventions of the Lobbying By-Law
- Implement the compliance investigations requirement of the Lobbying By-Law
- Enforce the Lobbying By-Law through investigations, reports to Council, administrative penalties and prosecutions
- Advise Council on lobbying matters and recommend improvements and amendments to the Lobbying By-Law
- Provide an annual report to Council and periodic reports and information where appropriate

The Office of the Ombudsman

The Ombudsman's key service objective is to address and resolve complaints from the public about City services through informal mechanisms such as mediation and through formal investigations. The Ombudsman has broad investigative powers and protections, including the power to gather evidence and compel disclosure of information.

In 2009, the Office of the Ombudsman will focus on the following priorities:

- Establish the Office including the complaint procedures, systems and processes, and develop a startup work plan and associated staffing and resource requirements
- Respond to public complaints; facilitate resolution and hold the Toronto Public Service accountable for fair, transparent and equitable delivery of services.
- Identify trends and systemic issues emerging from the investigation and resolution of complaints, and make recommendations for change
- Undertake proactive outreach to Torontonians to publicize and inform the public about the Office

Priority Actions

The 2009 Operating Budget for the Accountability Offices (excluding the Auditor General's Office) provides \$2.362 million gross and net in base and new funding for a broad range of services and activities that address the challenges and service objectives of the Accountability Offices and in so doing, advances the Mayor's Mandate and Council's Policy agenda to ensure *Efficiency and Accountability at City Hall* and ensures compliance with the *City of Toronto Act*:

Establishing the Office of the Lobbyist Registrar:

The 2009 Operating Budget provides \$0.217 million in new funding in order to expand the functions of the newly-created Lobbyist Registry Office to include a Compliance Investigations Requirement of the Lobbying By-Law. The Lobbyist Registry's Office increases the public's confidence in the integrity of the city's decision-making process by making lobbying activities open to the public. The Office supports the public's right to access the record of lobbying activity and ensures that lobbyists are able to register and promptly update their returns.

Addressing Public Complaints through the Office of the Ombudsman:

The 2009 Operating Budget provides \$1.218 million in base and new funding to develop and implement the Office of the Ombudsman to address and investigate public complaints about decisions, actions or recommendations made or omitted by the public service in the course of implementing City policies and administering City services. Priority actions this fiscal year include completion of Office infrastructure (e.g. computerized case management system, protocols and standards of service), demonstrating value by resolving residents' complaints effectively and conducting education with the public, elected officials and the public service.

Monitoring Members of City Council, Local Boards (restricted definition) and Adjudicative Boards:

The Integrity Commissioner is responsible for monitoring and making recommendations to members of City Council, local boards (restricted definition) and adjudicative boards. Continuing this monitoring requires \$0.201 million in base funding in 2009.

Table 2: 2008 Budget Variance Review

(In \$000s)	2007 Actuals	2008 Approved Budget	2008 Projected Actuals*	2008 Appvd. Budget vs Projected Actuals Variance	
	\$	\$	\$	\$	%
GROSS EXPENDITURE					
Office of the Integrity Commissioner	146.0	201.4	198.9	(2.5)	(1.2)
Office of the Lobbyist Registrar	268.0	711.2	705.8	(5.4)	(0.8)
Office of the Ombudsman	0.0	404.5	402.4	(2.1)	(0.5)
	414.0	1,317.1	1,307.1	(10.0)	(0.8)
REVENUE					
Office of the Integrity Commissioner	0.0	0.0	0.0	0.0	0.0
Office of the Lobbyist Registrar	0.0	0.0	0.0	0.0	0.0
Office of the Ombudsman	0.0	0.0	0.0	0.0	0.0
	0.0	0.0	0.0	0.0	0.0
NET EXPENDITURE					
Office of the Integrity Commissioner	146.0	201.4	198.9	(2.5)	(1.2)
Office of the Lobbyist Registrar	268.0	711.2	705.8	(5.4)	(0.8)
Office of the Ombudsman	0.0	404.5	402.4	(2.1)	(0.5)
	414.0	1,317.1	1,307.1	(10.0)	(0.8)
APPROVED POSITIONS					
Office of the Integrity Commissioner	0.0	0.0	0.0	0.0	0.0
Office of the Lobbyist Registrar	3.0	5.3	5.3	0.0	0.0
Office of the Ombudsman	0.0	3.0	3.0	0.0	0.0
	3.0	8.3	8.3	0.0	0.0

* Note: Source is The Accountability Offices' (excluding The Auditor General's Office) 2008 Third Quarter Operating Budget Variance Report.

2008 Experience

The Accountability Offices' (excluding The Auditor General's Office) September 30, 2008 Operating Variance Report projects total expenditures of \$1.307 million gross and net by year-end. This represents a favourable variance of \$0.010 million or 0.8% under the 2008 Approved Operating Budget of \$1.317 million, gross and net. The favourable variance is attributed to:

- *The Office of the Integrity Commissioner's* year end net favourable variance is \$0.003 million or 1.2% under the 2008 Approved Operating Budget. This is mainly due to lower spending in services and rents.
- *The Office of the Lobbyist Registrar's* year end net favourable variance is \$0.05 million or 0.8% below the 2008 Approved Operating Budget. This is mainly due to lower spending in salaries, rent and supplies.
- *The Office of the Ombudsman's* year end net favourable variance is \$0.002 million or 0.5% below the 2008 Approved Operating Budget. The expenditures to date represent office start up costs.

Impact of 2008 Operating Variance on the 2009 Budget

The 2008 variances for the Accountability Offices (excluding the Auditor General's Office), have no impact on the Offices' 2009 Budget because these offices are in stages of development to becoming fully operational.

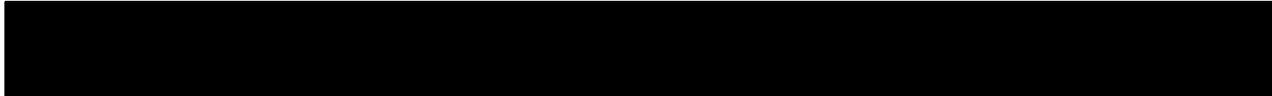


Table 3: 2009 Base Budget

(In \$000s)	2008 Approved Budget	2009 Base	Change 2009 Base vs. 2008 Approved Budget		FY Incremental Outlook	
	\$	\$	\$	%	2010 \$	2011 \$
GROSS EXPENDITURE						
Office of the Integrity Commissioner	201.4	201.4	0.0	0.0	0.0	0.0
Office of the Lobbyist Registrar	711.2	725.0	13.8	1.9	20.3	18.5
Office of the Ombudsman	404.5	613.9	209.4	51.8	12.0	11.9
	1,317.1	1,540.3	223.2	16.9	32.3	30.4
REVENUE						
Office of the Integrity Commissioner	0.0	0.0	0.0	NA	0.0	0.0
Office of the Lobbyist Registrar	0.0	0.0	0.0	NA	0.0	0.0
Office of the Ombudsman	0.0	0.0	0.0	NA	0.0	0.0
	0.0	0.0	0.0	NA	0.0	0.0
NET EXPENDITURE						
Office of the Integrity Commissioner	201.4	201.4	0.0	0.0	0.0	0.0
Office of the Lobbyist Registrar	711.2	725.0	13.8	1.9	20.3	18.5
Office of the Ombudsman	404.5	613.9	209.4	51.8	12.0	11.9
	1,317.1	1,540.3	223.2	16.9	32.3	30.4
Approved Positions						
Office of the Integrity Commissioner	0.0	0.5	0.5	NA	0.0	0.0
Office of the Lobbyist Registrar	5.3	5.3	0.0	0.0	0.0	0.0
Office of the Ombudsman	3.0	3.0	0.0	0.0	0.0	0.0
	8.3	8.8	0.5	6.0	0.0	0.0
NET TARGET		1,290.8				
\$ Over / (Under) Program Target		249.5				
% Over / (Under) Program Target		19.3%				

2009 Base Budget

The 2009 Base Budget of \$1.540 million gross and net is \$0.250 million (19.3%) over the Target of \$1.291 million which represents 2% less than the 2008 Approved Operating Budget. The 2008 approved staffing complement of 8.3 total approved positions will reflect a technical adjustment with the increase of a 0.5 position (a part-time Administrative Assistant for the Integrity Commissioner's Office). The budget for this position had been in services and rents in previous years.

2009 Key Cost Drivers***The Office of the Integrity Commissioner***

The 2009 Operating Budget in the amount of \$0.201 million is the same level as 2008, or a 0% increase. The part-time Administrative Assistant position, which was in place in 2008 was previously shown as a contracted position. In the 2009 Operating Budget, this position is being correctly reflected as part of the City's staff complement.

The Office of the Lobbyist Registrar

The 2009 Base Budget for the Lobbyist Registrar's Office is \$0.725 million net, representing a \$0.014 million (1.9%) increase over its 2008 Approved Operating Budget. The increase is due to a 2% Consumer Price Index salary increase of \$0.004 million for the Lobbyist Registrar and a \$0.016 million increase in merit for staff in order to provide the current level of service, offset by a \$0.004 million decrease in the fringe benefit rate from 24.8% to 24% based on actual experience, and a \$0.002 million reversal of costs of one less working day in 2009. The number of positions in 2009 Base Budget is 5.3, consisting of 5 full-time positions, and 1 part-time position with no benefits.

The Office of the Ombudsman

The 2009 Base Budget for the Ombudsman's Office is \$0.614 million net, representing a \$0.209 million (51.8%) increase over its 2008 Approved Operating Budget. The increase consists mainly of the annualization of the full year salary for the Ombudsman and staff (\$0.209). The 2008 Approved Operating Budget provided part year funding for these positions.

2010 and 2011 Outlook: Net Incremental Impact

- The 2010 and 2011 Outlooks for the *Office of the Integrity Commissioner* reflect the projected 2009 level of service being maintained throughout 2010 and 2011. No incremental costs associated with the Office of the Integrity Commissioner have been identified for 2010 and 2011 as there are no pressures known at this time.

- The 2010 and 2011 Outlooks for the *Office of the Lobbyist Registrar* reflect the projected 2009 level of service being maintained throughout 2010 and 2011. The 2010 and 2011 Outlooks of \$0.279 million and \$0.014 million respectively, represent the new/enhanced annualized funding for the three (3) new staff positions in 2009 and the one (1) new staff position in 2010 bringing the positions to 9.3 to fully implement the Complaints and Investigations Unit in this Office. Also an additional \$ 0.020 million and \$0.019 million respectively are projected for 2010 and 2011 for a 2% Consumer Price Index adjustment and related benefit impacts and merit increases for staff that are in accordance with employment agreements and corporate policies for non-union staff.
- The 2010 and 2011 Outlooks for the *Office of the Ombudsman* reflects projections based on the current operation of the office. The 2010 and 2011 Outlooks of \$0.012 million for both years represent merit increases for staff that are in accordance with employment agreements and corporate policies for non-union staff. The Ombudsman will evaluate the resources required for the operation of the office once it begins full operation in March 2009.



Table 4
2009 New / Enhanced Service Priority Actions: Summary
(In \$000s)

Priority	Description	2009 New/Enhanced		New Positions	Net Incremental Impact	
		Gross Exp.	Net Exp.		2010	2011
		\$	\$	#	\$	\$
(a) Enhanced Service - Council Approved:						
(b) Enhanced Service:	Office of the Lobbyist Registrar: Implementation of the complaint investigation & compliance function of the Lobbying By-Law	217.0		3.0	279.1	14.0
Sub-Total Enhanced Service		217.0	0.0	3.0	279.1	14.0
(a) New Service - Council Approved:						
(b) New Service:	Office of the Ombudsman: Funding for 4 additional staff and non-salary expenditures	604.4		4.0		
Sub-Total New Service		604.4	-	4.0	-	-
Total New / Enhanced Service		821.4	0.0	7.0	279.1	14.0

2009 New / Enhanced Service Priority Actions**Enhanced Service Priority Actions***The Office of the Lobbyist Registrar*

The Office of the Lobbyist Registrar was established in late 2007. During 2008, the basic functions of registration of lobbyists in the Registry system have been carried out. In accordance with the Lobbying By-Law, the next phase of the Office is being recommended. Implementation of the Complaints and Investigations Unit requires funding for three (3) additional permanent positions in 2009: 1 Inquiry and Investigations Counsel, 1 part-time Clerical Support (0.5 position), 1 part-time Administrative Assistant (0.5 position), and 1 Lobbyist Compliance Investigator. The Counsel and Investigator positions are required in order for the Office of the Lobbyist Registrar to conduct investigations and inquiries in response to requests from members of the public and Council about compliance. Funding for these positions of \$0.217 million is included for 2009, as these positions will be filled throughout the year. One additional Lobbyist Compliance Investigator will be identified in 2010. Additional funding of \$0.279 million is required in 2010 for annualization of 2009 salaries and the salary for the new position.

New Service Priority Actions*The Office of the Ombudsman*

The Office of the Ombudsman will open in March 2009. Current resources (2008 Approved Budget, 3 positions) were initial start-up estimates and are insufficient to meet and manage significant public and political expectations. Additional funding of \$0.604 million is required for 2009 for four (4) new positions: 1 Senior Policy and Planning Advisor, 2 Advisor/Conflict Resolution and 1 Intake Assistant. These new positions are necessary in order for the Office of the Ombudsman to have sufficient staffing to manage intake and ensure processes are in place. The Office requires the capacity to meet and manage significant public and political expectations. Balancing public expectations with Office capacity is a key priority in year 1.

2009 Budget Issues

2009 Operating Budget vs. Guideline

The 2009 Operating Budget of \$2.362 million for the Accountability Offices (excluding the Auditor General's Office) is 83% (\$1.071 million) over the target of \$1.291 million, representing 2% below the 2008 Approved Operating Budget. The Lobbyist Registrar's Office requires new/enhanced funding of \$0.217 million for 3 additional positions for the creation of the Complaints and Investigations Unit. The Ombudsman's Office also requires new/enhanced funding of \$0.604 million for 4 additional positions in order to ensure full functionality of this office. Included in these increases are also the annualization of salaries, along with non-salary increases, such as supplies and rent.

The 2009 Operating Budget will allow the City to fully establish its accountability framework and to comply with the *City of Toronto Act*.

Appendix A

2009 Base Budget Changes vs. 2008 Approved Budget

(In \$000s)	Summary of 2009 Base Budget Adjustments				Net Incremental Outlook	
	Approved Positions	Gross Expenditures	Revenues	Net	2010	2011
		\$	\$	\$	\$	\$
2008 Council Approved Operating Budget	8.8	1,315.7	0.0	1,315.7	0.0	0.0
In-year approvals and technical adjustments		1.4		1.4		
Corporate adjustments						
2008 Approved Operating Budget	8.8	1,317.1	0.0	1,317.1	0.0	0.0
Prior year impacts		207.4		207.4	0.0	(2.5)
Zero base items						
Economic factors		15.8		15.8	32.3	32.9
Adjusted Base Budget	8.8	1,540.3	0.0	1,540.3	32.3	30.4
Other base changes						
Base revenue changes						
Recommended Service Level Adjustments:						
Base changes						
Service efficiencies						
Revenue adjustments						
Minor service impact						
Major service impact						
Total Recommended Base Adjustments	0.0	0.0	0.0	0.0	0.0	0.0
2009 Base Budget	8.8	1,540.3	0.0	1,540.3	32.3	30.4
2009 Office Operating Target				1,290.8		
% Over (Under) Office Target				19.3%		
% Over (Under) 2008 Appvd. Budget				16.9%		

Appendix C

**Summary of 2009 New/Enhanced
Service Priority Actions**

Appendix D

Office Summary by Expenditure Category

CLUSTER: Accountability Offices (Excluding The Auditor General's Office) Office of the Integrity Commissioner, Office of the Lobbyist Registrar and Office of the Ombudsman							
	2008 Approved Budget	2008 Projected Actuals	2009 Budget	Change from 2008 Approved Budget		2010 Outlook	2011 Outlook
	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	889.8	877.1	1,710.2	820.4	92.2%	2,221.3	2,265.7
Materials and Supplies	13.5	13.3	18.2	4.7	34.8%	18.2	18.2
Equipment	54.2	54.2	10.7	(43.5)	(80.3%)	10.7	10.7
Services & Rents	307.3	298.6	557.0	249.7	81.3%	357.3	357.3
Contributions to Capital	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Contributions to Reserve/Res Funds	4.2	2.8	4.2	0.0	0.0%	4.2	4.2
Other Expenditures	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Interdivisional Charges	48.1	48.1	61.4	13.3	27.7%	61.4	61.4
TOTAL GROSS EXPENDITURES	1,317.1	1,294.1	2,361.7	1,044.6	79.3%	2,673.1	2,717.5
Interdivisional Recoveries	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Provincial Subsidies	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Federal Subsidies	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Other Subsidies	0.0	0.0	0.0	0.0	n/a	0.0	0.0
User Fees & Donations	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Transfers from Capital Fund	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Contribution from Reserve Funds	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Contribution from Reserve	0.0	0.0	0.0	0.0	n/a	0.0	0.0
Sundry Revenues	0.0	0.0	0.0	0.0	n/a	0.0	0.0
TOTAL REVENUE	0.0	0.0	0.0	0.0	0.0%	0.0	0.0
TOTAL NET EXPENDITURES	1,317.1	1,294.1	2,361.7	1,044.6	79.3%	2,673.1	2,717.5
APPROVED POSITIONS	8.3	8.3	15.8	7.5	90.9%	16.8	16.8

Appendix E

Inflows / Outflows to / from Reserves & Reserve Funds

Reserve / Reserve Fund Name	Reserve / Reserve Fund Number	Projected Balance as of Dec 2008 \$	Proposed Withdrawals (-) / Contributions (+)		
			2009 \$	2010 \$	2011 \$
Office of the Integrity Commissioner: Insurance Reserve	XR1010	0.0	1,400.0	1,400.0	1,400.0
Office of the Lobbyist Registrar: Insurance Reserve	XR1010	1,400.0	1,400.0	1,400.0	1,400.0
Office of the Ombudsman: Insurance Reserve	XR1010	0.0	1,400.0	1,400.0	1,400.0
Total Reserve / Reserve Fund Draws / Contributions			4,200.0	4,200.0	4,200.0