2017 Operating Budget

Presentation to Budget Committee
Valerie Jepson, Integrity Commissioner
December 20, 2016
Duties of the Integrity Commissioner

• Provide timely, accurate, consistent and practical responses to requests for advice (policy and compliance) from Members of Council and local boards (~1000 people).

• Carry out investigations in a fair and appropriately thorough manner to respond to formal complaints.

• Provide and deliver education and outreach to stakeholder groups.

• Provide resources for all stakeholders that are consistent, accessible, practical and clear.
Operational goals

• Perform all duties in as transparent a manner as possible, consistent with the principles of open government, while respecting the secrecy obligations imposed by the City of Toronto Act, 2006.

• Maintain and build on the Office’s reputation as thought leader in the field of ethics and integrity for elected officials.

• Maintain and build on the Office’s reputation as a key resource within the City of Toronto for advice, information and guidance about ethics and integrity.

• Develop the Office’s institutional structures for long term sustainability.
Current resources

Staff

Valerie L. Jepson
Integrity Commissioner

Intake and Office Assistant

Integrity Officer

Resource Allocation

Salaries & Benefits 95%

Other 5%

Total 2016 Budget: $484,834.04
Requests for advice

- Average Recent Activity (Prior 3 Years):
  - 2015: Members of Local Boards = 170, Members of Council = 170, Total Advice Given to Members = 171
  - 2016 Projected: Members of Local Boards = 185, Members of Council = 130, Total Advice Given to Members = 180
Advice response time

Advice to Members of Council - 2016 Year to Date
- Advice Provided in 2 days or less: 90%
- Advice Provided in 3 days: 3%
- Advice Provided in 4 Days or more: 7%

Advice to Members of Local Boards - 2016 Year to Date
- Advice Provided in 2 days or less: 83%
- Advice Provided in 3 days: 4%
- Advice Provided in 4 Days or more: 13%
Formal complaints

<table>
<thead>
<tr>
<th>Formal Complaints Received</th>
<th>2016</th>
<th>2015</th>
<th>Average (2011 - 2014)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Complaints</td>
<td>21</td>
<td>34</td>
<td>24</td>
</tr>
</tbody>
</table>

Average Time Taken to Complete Complaints (January 01, 2015 Onwards)

<table>
<thead>
<tr>
<th>Complaint Type</th>
<th>Number of Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investigated Complaints</td>
<td>200</td>
</tr>
<tr>
<td>Dismissed without Investigation</td>
<td>42</td>
</tr>
</tbody>
</table>
Efficiency rate – formal complaints

- Complaints Received
- Complaints Completed

<table>
<thead>
<tr>
<th>Year</th>
<th>Complaints Received</th>
<th>Complaints Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>19</td>
<td>7</td>
</tr>
<tr>
<td>2015</td>
<td>34</td>
<td>28</td>
</tr>
<tr>
<td>2016 YTD</td>
<td>19</td>
<td>14</td>
</tr>
</tbody>
</table>
Outreach and policy projects

- Education and Outreach
  - Meetings and presentations with staff, councillors, local boards, external groups. (2016: 17 initiatives.)

- Policy activities or initiatives, such as:
  - Bill 68 - *Modernizing Ontario’s Municipal Legislation Act, 2016*
  - Guidance for Use of Social Media
  - Guidance for interaction with the Toronto Local Appeals Body
  - Consultation about the Civic Theatre Board Ticket Policy
  - Records Retention Project
  - Procedure for Local Boards to receive Integrity Commissioner Reports
## 2017 Operating budget summary

<table>
<thead>
<tr>
<th>(In $000s)</th>
<th>2016</th>
<th>2017 Operating Budget Request</th>
<th>2017 Request vs. 2016 Budget Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Approved Budget</td>
<td>2017 Base</td>
<td>2017 Reduction</td>
</tr>
<tr>
<td>Gross Expenditures</td>
<td>$484.8</td>
<td>$506.6</td>
<td>$0.0</td>
</tr>
<tr>
<td>Revenue</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
</tr>
<tr>
<td>Net Expenditures</td>
<td>$484.8</td>
<td>$506.6</td>
<td>-</td>
</tr>
<tr>
<td>Approved Positions</td>
<td>3.0</td>
<td>3.0</td>
<td>$0.0</td>
</tr>
</tbody>
</table>
# Key cost drivers

<table>
<thead>
<tr>
<th>(In $000s)</th>
<th>Total Base Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
</tr>
<tr>
<td><strong>Gross Expenditure Changes</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Prior Year Impacts</strong></td>
<td></td>
</tr>
<tr>
<td>Salary budget to actual adjustments</td>
<td>(6.2)</td>
</tr>
<tr>
<td><strong>Economic Factors</strong></td>
<td></td>
</tr>
<tr>
<td>Non-payroll</td>
<td>0.3</td>
</tr>
<tr>
<td><strong>COLA and Progression Pay</strong></td>
<td></td>
</tr>
<tr>
<td>COLA &amp; Progression Pay</td>
<td>12.3</td>
</tr>
<tr>
<td>Benefit adjustments</td>
<td>15.3</td>
</tr>
<tr>
<td><strong>Total Gross Expenditure Changes</strong></td>
<td>21.7</td>
</tr>
<tr>
<td><strong>Revenue Changes (Increase) / Decrease</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Total Revenue Changes</strong></td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Net Expenditure Changes</strong></td>
<td>21.7</td>
</tr>
</tbody>
</table>
Resource levels must be maintained

- The Office is a lean operation and has no buffer to deal with high case volumes or complex cases in a timely manner.
- Budget reductions will harm the ability of the Integrity Commissioner to carry out duties.
- Reductions will:
  - Increase response times to provide advice.
  - Increase time taken to complete cases.
  - Harm the independence of the Office by precluding its ability to seek adequate legal advice when necessary.
  - Prevent the Office from preparing adequately for significant changes arising if Bill 68 (*Modernizing Ontario’s Municipal Legislation Act, 2016*) passes.
Resource levels should be increased

• While the Office has cleared a backlog, the average time to complete cases is unacceptable.
• The Office requires additional resources to properly deal with high volumes and complex cases through external support.
• Current resource levels will be insufficient to deal with new duties arising from Bill 68.
• Toronto has been a role model for other jurisdictions in the field of ethics and integrity. Current resource levels are insufficient to maintain a leadership role.
Request overview

- Total proposed budget for 2017: $576.6 thousand
  - Base budget pressures of $21.7 thousand
  - Enhancements of $70 thousand
- Enhancements:
  - External legal and investigative support
- Request is 0.006% of the City’s 2017 Preliminary Budget of $10.46 Billion.
Appendix A – Key changes if Bill 68 is passed

- Minister of Municipal Affairs and Housing can create minimum standards for Codes of Conduct.
- Integrity Commissioner is required by the *City of Toronto Act* to perform in an independent manner the function assigned by City Council with respect to *all* of the following duties:
  - Application of the Code of Conduct for members of City Council and local boards (restricted definition).
  - Application of any procedures, rules and policies of the City and local boards (restricted definition) governing ethical behaviour of members of City Council and local boards.
  - The application of section 5, 5.1 and 5.2 of the *Municipal Conflict of Interest Act* to members of City Council and local boards (restricted definition).
  - The conducting of, on the Commissioner's own initiative, inquiries about whether a member of City Council or a local board has contravened the Code of Conduct or section 5, 5.1 or 5.2 of the *Municipal Conflict of Interest Act*.
  - Requests from members of City Council and local boards respecting their obligations under the Code of Conduct, ethical policies and procedures, and the *Municipal Conflict of Interest Act* (this will be a new requirement in COTA, but already exists in Chapter 3 of the Municipal Code).
  - The provision of educational information to members of Council and members of local boards about the Code and the MCIA.
Appendix A – Key changes if Bill 68 is passed

- The Commissioner receives complaints from any person for an inquiry into whether section 5, 5.1 or 5.2 of the MCIA has been contravened; such applications must be made within six weeks and be completed within 180 days. The Commissioner can then apply to a judge to seek a determination under the MCIA about whether the MCIA has been contravened.

- The MCIA is amended to:
  - Include a preamble.
  - Permit a member to participate (but not vote) when Council is considering to suspend the member's pay pursuant to section 160(5) of the City of Toronto Act, 2006 (i.e. a Code of Conduct contravention).
  - Require written statements of disclosure of pecuniary conflicts of interest and a publicly accessible registry.
  - Broaden the types of decisions that councillors with pecuniary interests are precluded from influencing.
  - Broaden the penalties available to a Judge to include reprimands and suspension of pay.
  - Expressly recognize that a reviewing court can consider whether a member "disclosed the pecuniary interest and all relevant facts… to the Integrity Commissioner … and acted in accordance with the advice…"