



Office of the Lobbyist Registrar

What We Do

The Office of the Lobbyist Registrar (OLR) regulates lobbying activity in the public interest. The OLR is an independent office of the City and reports directly to City Council. The OLR has a legislative mandate to ensure the public disclosure of lobbying activities and adherence to the Lobbyists' Code of Conduct. The disclosure requirement ensures that lobbying activities at the City are transparent. The Code of Conduct sets out the high ethical standards that are expected of lobbyists when they communicate with Toronto public office holders. The OLR undertakes three core functions in order to deliver its mandate:

- Lobbyist Registration
- Outreach and Education
- Inquiries, Investigation and Enforcement

Why We Do It

- The *City of Toronto Act, 2006* and the Toronto Municipal Code Chapter 140, Lobbying, i.e. the Lobbying By-law (the By-law) require the City to regulate lobbying activities. The By-law guarantees:
 - a. Open and unfettered access to City government is a vital aspect of local democracy.
 - b. Lobbying public office holders is a legitimate activity.
 - c. Public office holders and the public should be able to know who is attempting to influence City government.
 - d. Public disclosure of lobbying activity and standards of conduct for lobbyists are important to the integrity of City government decision-making.
- Ethical and transparent lobbying is a central component to a responsive City government which encourages civic engagement and open democratic processes.
- The regulation of lobbying is the cornerstone to building public trust in City government decision-making processes.
- Lobbying is a legitimate activity, when disclosed publicly, and conducted with the ethical standards required by the By-law.

Our Experience & Success

- 76,027 registration transactions have been processed by our office since 2010.
- Our registry recorded 1,835 active lobbyists and 2,702 active subject matters at the end of 2018.
- We provide ongoing presentations and training sessions to members of the public, Lobbyists, external organizations and City staff.
- We facilitate ongoing meetings with public office holders, including other levels of government, where we share best practices and lobbying regulations and provide advice and interpretation about the By-law.
- Since 2011, OLR has provided 25 investigative reports to Council.
- The OLR has published 4,507 posts on social media regarding best practices and By-law compliance since the office expanded its use in multiple platforms in 2017.
- The OLR has received an estimated 21,544 calls since the office was established.

Key Challenges

- The delivery of timely and accurate services is at risk from the Lobbyist Registry Unit (Registry Unit). The number of registration transactions processed annually by our office has increased by 367% since 2010. However, the current staff complement has not changed since 2009.
- Outreach activities, the provision of advanced opinions and consultations are being performed at the detrimental cost to formal investigations.
- The Inquiries and Investigations Unit’s capacity to take on new matters is restricted and there are delays in the length of the investigative process.
- The increased complexity of legal issues and recent expansion of the OLR’s enforcement powers require adequate resources.
- The execution of a technology upgrade to the Registry system will require permanent dedication of Lobbyist Registry staff resources.
- Without the resources requested, the OLR cannot guarantee that it can meet its mandate and the public may lose confidence in the OLR’s ability to provide oversight.

Priority Actions

- Additional monetary resources for the Inquiries and Investigations Unit (Investigations Unit) will enable it to keep pace with complex cases in a timely manner.
- Additional money for external legal advice and for a junior counsel position will ensure that the utmost due diligence be taken, given the contentious nature of the investigations and the possibility of judicial review.
- These enhancements will enable compliance and therefore decrease investigations and prosecutions. This will alleviate demand on the Investigations Unit’s already limited resources. Therefore the amount of time an investigation is completed will be reduced.
- The additional Lobbyist Registry & Stakeholder Outreach Advisor will enable the Registry Unit to continue to deliver timely and accurate services to the public and lobbyists.
- With these resources, the OLR Registry Unit will provide the public with the tools for transparency and civic engagement that are mandated by City Council.

Budget At A Glance

LOBBYIST REGISTRAR-RECOMMENDED OPERATING BUDGET

\$Million	2019	2020	2021
Gross Expenditures	\$1.5	\$1.6	\$1.6
Revenues	\$0.0	\$0.0	\$0.0
Net Expenditures	\$1.5	\$1.6	\$1.6
Approved Positions	10.3	10.3	10.3

LOBBYIST REGISTRAR-RECOMMENDED 10-YEAR CAPITAL PLAN

\$Million	2019	2020-2028	Total
Gross Expenditures	\$0.2	\$1.0	\$1.2
Debt	\$0.2	\$1.0	\$1.2

Our Key Service Levels



Service provided within 24 hours for inquiries related to registrations, clarification of the By-law and registry searches



A total of 11,404 registration transactions were processed in 2018



25 investigative reports were presented to Council since 2011



32 interpretation bulletins and 17 newsletters were published to assist lobbyists and the public to comply with the By-law



1,835 active lobbyist registrations and 2,702 active subject matter registrations at year end for 2018



12 advance opinions were given by the Investigations Unit in 2018



45 education and outreach sessions for the public and lobbyists were hosted since 2013



230 consultations/pieces of advice were provided to stakeholders by the Investigations Unit in 2018

Key Service Deliverables

The OLR is an independent office of the City reporting to Council for legislative responsibilities. The 2019 budget will enable the OLR to continue to:

- Maintain an online registry of lobbyists and lobbying activities that may be searched by anyone at any time.
- Provide guidance, opinions and interpretation of the By-law to anyone who needs it.
- Help lobbyists work through the registration process, advise public office holders on how to respond to violations of the By-law, and help the public search the Registry efficiently.
- Ensure compliance with the Registry system and Code of Conduct through outreach, training and advice to all stakeholders.
- Investigate alleged breaches of the By-law, and where required bring enforcement proceedings.

Who We Serve

Lobbyist Registration

- Lobbyists

Beneficiaries

- Public
- Public Office Holders
- Lobbyists
- Media

Outreach and Education

- Public
- Public Office Holders
- Lobbyists

Beneficiaries

- Public
- Public Office Holders
- Lobbyists
- Other governments

Inquiries, Investigations and Enforcement

- Public
- Public Office Holders
- Lobbyists

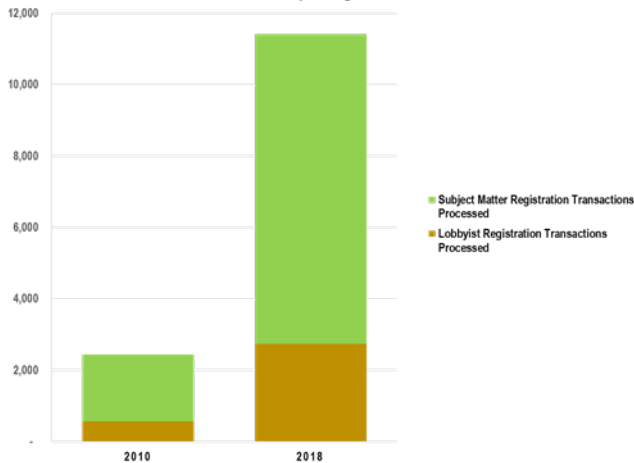
Beneficiaries

- Public
- Public Office Holders
- Lobbyists
- Media

How Well We Are Doing

Performance Measures

Total Registration Transactions Processed
Comparing 2010 and 2018

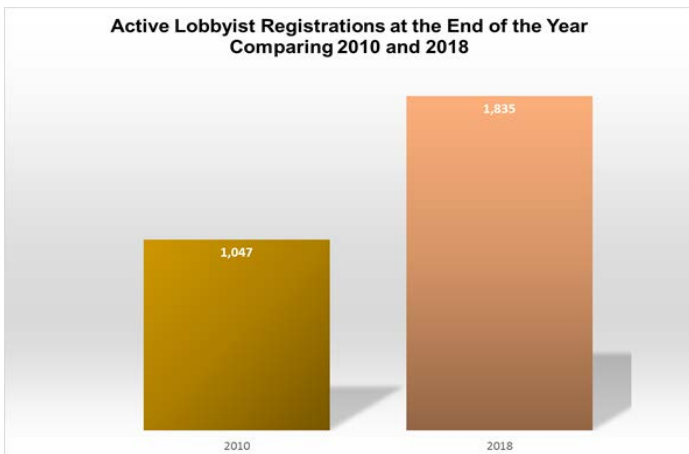


Behind the Numbers

The OLR’s significant outreach and education activities and enforcement activities have contributed to the exponential increase in the Registry’s registrations comparing with 2010. Since 2010,

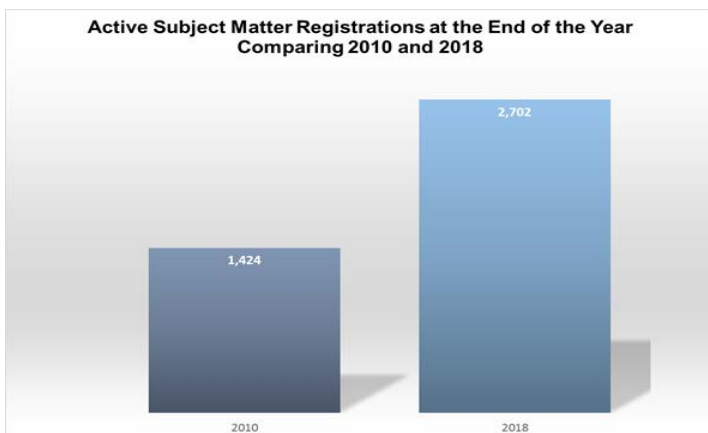
- the total number of registration transactions processed annually by our office has increased by 367%, from 2,443 to 11,404 in 2018.
- the number of subject matter registration transactions processed annually has increased by 362%, from 1,876 to 8,669 in 2018.
- the number of lobbyist registration transactions processed annually has increased by 382%, from 567 to 2,735 in 2018.
- The total number of registration transactions processed by our office since 2010 is 76,027.

Active Lobbyist Registrations at the End of the Year
Comparing 2010 and 2018



- Since 2010, the number of active lobbyist registrations at the end of the year has increased by 75%, from 1,047 to 1,835.

Active Subject Matter Registrations at the End of the Year
Comparing 2010 and 2018



- Since 2010, the number of active subject matter registrations at the end of the year has increased by 90%, from 1,424 to 2,702.

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2019 OFFICE-RECOMMENDED OPERATING BUDGET

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ISSUES FOR DISCUSSION

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1. 2019 Organization Chart
2. Reserve and Reserve Fund Review

Contact:

Cristina De Caprio

Lobbyist Registrar

City of Toronto

Tel: (416) 338-5865

Email: Cristina.DeCaprio@toronto.ca



RECOMMENDATIONS

RECOMMENDATIONS

The Office of the Lobbyist Registrar recommends that:

1. City Council approve the 2019 Lobbyist Registrar-Recommended Operating Budget for Office of the Lobbyist Registrar of \$1.490 million gross and net and associated staff complement of 10.3 positions.
2. City Council approve the 2019 Lobbyist Registrar-Recommended Capital Budget for the Office of the Lobbyist Registrar with 2019 cash flow of \$0.215 million.
3. City Council approve the 2020-2028 Lobbyist Registrar-Recommended Capital Plan for the Office of Lobbyist Registrar with a total project estimate of \$0.950 million, comprising of \$0.350 million for 2024, \$0.350 million for 2025, and \$0.250 million for 2026.
4. City Council approve 0.65 net new temporary capital position for the delivery of 2019 capital project and that the duration for each temporary position not exceed the life and funding of its respective projects/subprojects.



2019 LOBBYIST REGISTRAR-RECOMMENDED OPERATING BUDGET

OFFICE MAP

The Office of the Lobbyist Registrar

The Office of the Lobbyist Registrar regulates lobbying activity in the public interest. The OLR is an independent office of the City and reports directly to City Council. The OLR has a legislative mandate to ensure the public disclosure of lobbying activities and adherence to the Lobbyists’ Code of Conduct. We:

- a. maintain an online registry of lobbyist and lobbying activities that may be searched;
- b. provide guidance, opinions and interpretation of the Lobbying By-law;
- c. strive to make the lobbying process more efficient and open;
- d. ensure that lobbyists comply with the Registry system and Code of Conduct; and
- e. Investigate alleged breaches of the By-law, and where required bring enforcement proceedings.



Purpose:

Ensure openness and transparency of lobbying communication for the public to know who the lobbyist is, what the communication is about, and which public office holder is being lobbied.

Action:

- Provide advice and interpretation
- Maintain the Registry
- Review, verify and approve registrations and updates
- Monitor compliance with registration and reporting requirements
- Develop and deliver information, training, and outreach programs and materials
- Participate in the OLR’s website projects

Purpose:

Ensure compliance with the By-law.

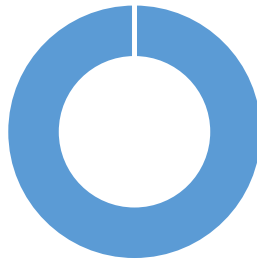
Action:

- Promote compliance through training and outreach.
- Provide advanced assessments/opinions on fact specific scenarios.
- Perform environmental scans to anticipate future contraventions and conduct judicious interventions where possible to prevent such harm.
- Anticipate, develop and coordinate the release of timely reminders
- Conduct preliminary assessments of alleged contraventions and make recommendations as to whether to conduct an investigation or inquiry.
- Conduct inquiries and investigations and where substantiated provide recommendations as to penalty.
- Develop policies and procedures to support the OLR inquiry and investigation processes.
- Conduct periodic reviews of the By-law and propose amendments as necessary.
- Draft interpretation and advisory bulletins.

2019 OPERATING BUDGET HIGHLIGHTS

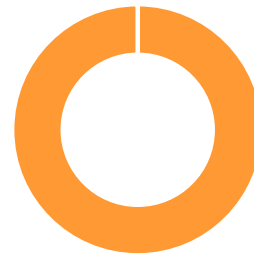
2019 Lobbyist Registrar-Recommended Operating Budget \$1.5M

By Service



\$1.5, 100%

By Funding Source



Property Tax, \$1.5, 100%



- **23.9%** budget increase over the 2018 Approved Net Operating Budget to maintain existing service levels and meet additional service demands.
- **\$0.255M** New/enhanced funding to meet statutory education & outreach and statutory investigation & legal requirements.
- **2020/2021** Increases primarily for known adjustments for salaries and benefits, and inflationary adjustments for non-payroll items.

2019 OPERATING BUDGET OVERVIEW

Table 1: 2019 Lobbyist Registrar-Recommended Operating Budget and Plan

(In \$000s)	2018		2019			Changes		Incremental Change	
	Budget	Projected Actual*	Base	New / Enhanced	Total Lobbyist Registrar-Recommended Budget			2020 Plan	2021 Plan
	\$	\$	\$	\$	\$	\$	%	\$	\$
Gross Expenditures	1,202.5	1,196.1	1,235.1	255.1	1,490.2	287.7	23.9%	82.0	27.8
Revenue		8.6	0.0		0.0	0.0	-	0.0	0.0
Total Net Expenditures	1,202.5	1,187.5	1,235.1	255.1	1,490.2	287.7	23.9%	82.0	27.8
Approved Positions	8.3	8.0	8.3	2.0	10.3	2.0	24.2%	0.0	0.0

* Year-End Projection Based on Q3 2018 Variance Report

<p>Base Changes (\$0.033M Gross and Net)</p> <ul style="list-style-type: none"> • Salary & benefit adjustment related to progression pay, COLA and benefit adjustments. • Economic factor adjustments for non-payroll items. • Other base changes related to software and hardware licensing costs for the Lobbyist Registry. 	<p>New/Enhanced Service Priorities (\$0.255M Gross and Net)</p> <ul style="list-style-type: none"> • Enhancements to meet statutory Education & Outreach requirements by adding 1.0 permanent Lobbyist Registry & Stakeholder Outreach position. • Enhancements to meet statutory Investigation & Legal requirements by adding 1.0 permanent Junior Counsel position and increase to the investigative and legal expenses budgets. 	<p>Future Year Plan</p> <ul style="list-style-type: none"> • Salaries and benefits adjustments and inflationary adjustment for non-payroll items. • Annualization costs in 2020 related to the enhancement requests in 2019.
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EQUITY IMPACTS

Positive equity impacts: The 2019 Recommended Operating Budget includes increasing staff, and legal expense and investigative expense budgets of the Office of the Lobbyist Registrar and will enhance equity at the City of Toronto.

2019 Lobbyist Registrar-Recommended Operating Budget Changes

The 2019 Lobbyist Registrar-Recommended Operating Budget for the Office of the Lobbyist Registrar is \$1.490 million gross and net or 23.9% higher than the 2018 Council Approved Operating Budget. As the office will be supported by the City Clerk's Office in delivering its 2019 capital project, the temporary capital position and related salary and benefit budget are reflected in the City Clerk's Office 2019 Operating Budget. Table 2 below summarizes the key cost drivers to maintain current service levels and to implement enhancement priorities to meet statutory requirements.

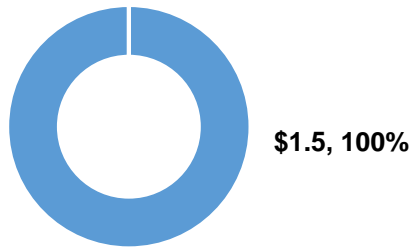
Table 2: 2019 Lobbyist Registrar-Recommended Operating Budget Changes

(In \$000s)	Total	
	\$	Positions
2018 Council Approved Operating Budget (Net)	1,202.5	8.3
Base Expenditure Changes		
Prior Year Impacts		
Other Prior Year Impacts	(9.7)	
Economic Factors		
Divisional Economic Factors	1.9	
Salaries and Benefits		
COLA	11.2	
Progression Pay	20.4	
Salary and Step Adjustments		
Benefits Adjustments	4.5	
Other Base Expenditure Changes		
Other Base Changes	4.3	
Sub-Total Base Expenditure Changes	32.6	
Total Base Changes	32.6	
New & Enhanced Services		
Enhanced Service Priorities		
Statutory Education & Outreach Requirements	95.5	
Statutory Investigation & Legal Requirements	159.6	2.0
Sub-Total New & Enhanced Services	255.1	2.0
Total 2019 Office-Recommended Operating Budget (Net)	1,490.2	10.3

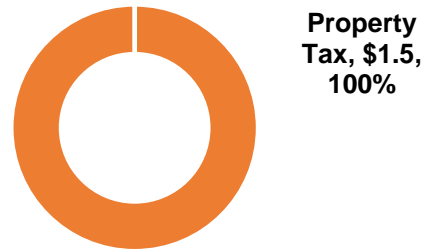
Office of the Lobbyist Registrar promotes and enhances the integrity of the City’s decision-making by ensuring the disclosure of lobbying activities to the public and regulating lobbyists’ conduct as required by the By-law.

2019 Lobbyist Registrar-Recommended Operating Budget \$1.5M

By Activity



By Funding Source



Key Service Levels



Lobbyist Registration

- Service provided for inquiries related to registrations, clarification of the By-law and registry searches within 24 hours
- A total of 11,404 registration transactions were processed in 2018
- 1,835 active lobbyist registrations; 2,702 active subject matter registrations at year end for 2018
- 45 education and outreach sessions for the public and lobbyists were hosted since 2013

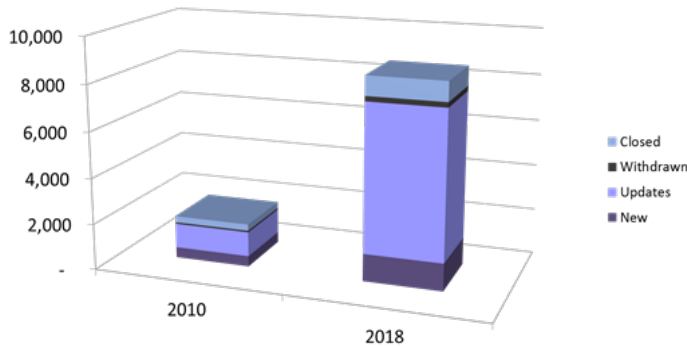


Inquiries and Investigations

- 25 investigative reports were presented to Council since 2011
- 12 advance opinions provided in 2018
- 230 Consultations/Pieces of Advice provided in 2018
- 32 interpretation bulletins and 17 newsletters were published to assist lobbyists and the public to comply with the By-law

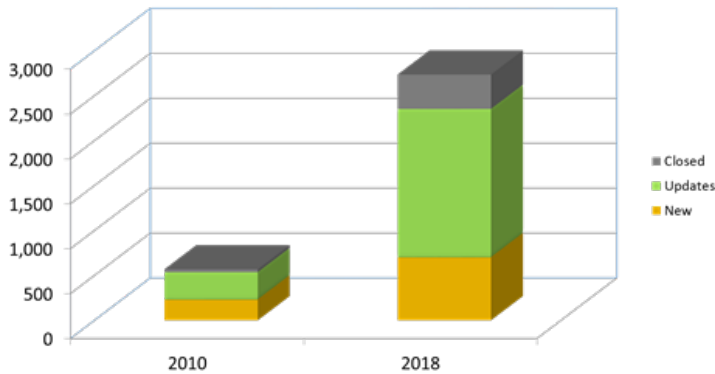
Service Performance Measures

Subject Matter Registrations Processed



Since 2010, the number of subject matter registration transactions processed annually has increased by 362%, from 1,876 to 8,669 in 2018.

Lobbyist Registrations Processed



Since 2010, the number of lobbyist registration transactions processed annually has increased by 382%, from 567 to 2,735 in 2018.

2018 OPERATING PERFORMANCE

2018 Service Performance

Key Service Accomplishments:

- We processed 11,404 lobbyist registration transactions in 2018. We:
 - a. reviewed all 11,404 transactions for accuracy and timeliness, including initial registration requests or report of communications and any registration changes and registration terminations; and
 - b. directed registrants who submitted incomplete, vague or incorrect submissions to correct deficiencies and ensured that registrants made all the necessary revisions.
- 19 presentations and training sessions were delivered; and attended by 420 members of the public, lobbyists, external organizations and City staff.
- 2,124 posts were published on social media regarding best practices and By-law compliance.
- 70 meetings were held with public office holders, including other levels of government.

- Developed and distributed new online tools, including flowcharts and interactive questionnaires, to help public office holders and lobbyists determine if registration of lobbying activities is required.

2018 Financial Performance

Table 3: Budget vs. Actual by Category of Expenditures and Revenues

Category (In \$000s)	2017	2018	2018	2019	2019 Change from	
	Actual	Budget	Projected Actual *	Total Lobbyist Registrar-Recommended Budget	2018 Approved Budget	
	\$	\$	\$	\$	\$	%
Salaries and Benefits	1,046.6	1,100.4	1,105.7	1,323.9	223.5	20.3%
Materials & Supplies	5.9	7.2	7.2	8.1	0.9	12.4%
Equipment	2.9		0.9	7.2	7.2	
Service and Rent	27.7	87.8	77.9	143.9	56.1	63.9%
Contribution To Capital						
Contribution To Reserves/Reserve Funds	1.7	1.7	1.7	1.7		
Other Expenditures						
Inter-Divisional Charges	9.5	5.4	2.7	5.4		
Total Gross Expenditures	1,094.3	1,202.5	1,196.1	1,490.2	287.7	23.9%
Sundry and Other Revenues			8.6			
Total Revenues			8.6			
Total Net Expenditures	1,094.3	1,202.5	1,187.5	1,490.2	287.7	23.9%
Approved Positions	8.0	8.3	8.0	10.3	2.0	24.2%

* Year-End Projection Based on Q3 2018 Variance Report

The Office of the Lobbyist Registrar is projecting a surplus of \$0.015 million at year-end, primarily due to lower spending in services and rents.

For additional information regarding the 2018 Q3 operating variances and year-end projections, please refer to the attached link for the report entitled "Operating Variance Report for the Nine-Month Period Ended September 30, 2018", considered by City Council at its meeting on December 13, 2018.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.CC1.7>

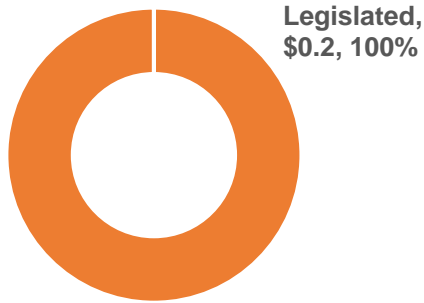


2019-2028 LOBBYIST REGISTRAR- RECOMMENDED CAPITAL BUDGET AND PLAN

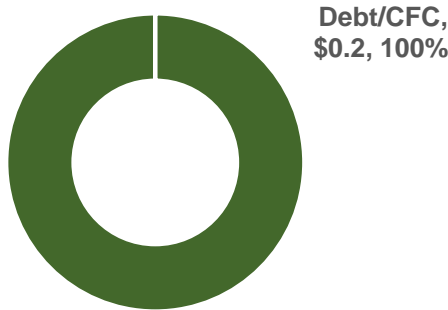
10-YEAR CAPITAL PLAN HIGHLIGHTS

2019 Lobbyist Registrar-Recommended Capital Budget \$0.215M

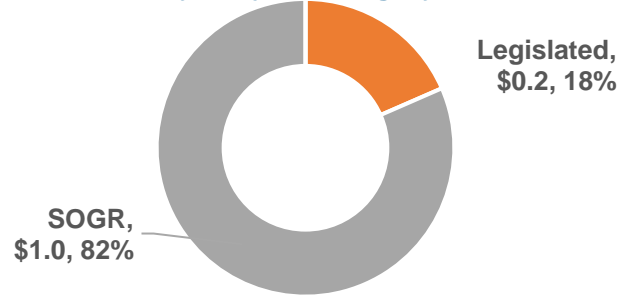
By Project Category



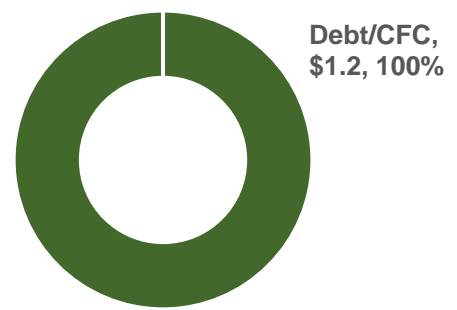
By Funding Source



2019-2028 Lobbyist Registrar-Recommended Capital Budget and Plan \$1.165M
By Project Category



By Funding Source



1
YEAR

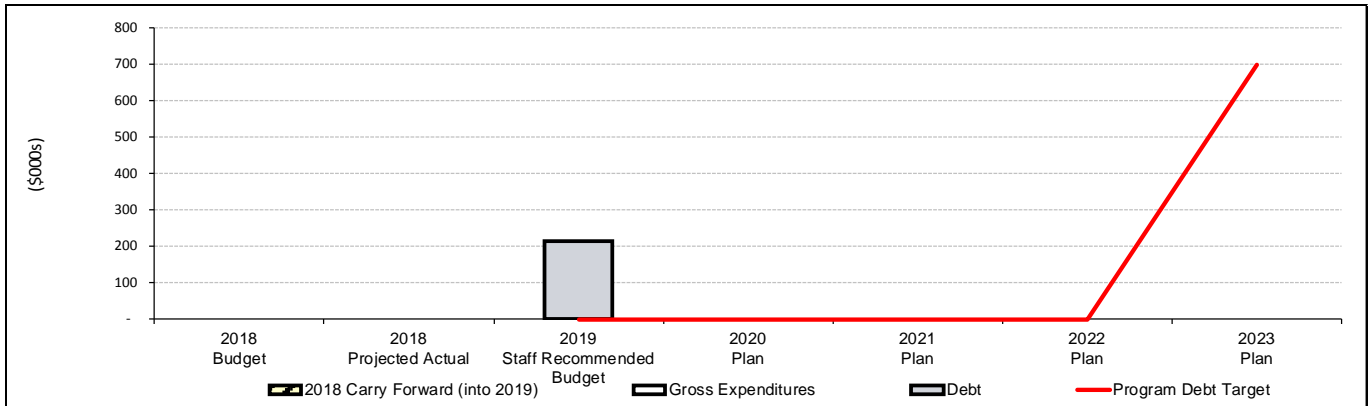
- **\$0.215M** Begin new Legislated project to replace the Investigation Case Management System to ensure that the investigations staff can operate with an appropriate technological tool to support business processes, workflows and documentations.

10
YEARS

- **\$0.215M** Legislated project to replace Investigation Case Management System.
- **\$0.950M** State of Good Repair project comprising \$0.700M for Lobbyist Registry System replacement and upgrade in 2024 and 2025, and \$0.250M for Investigation Case Management System replacement and upgrade in 2026.

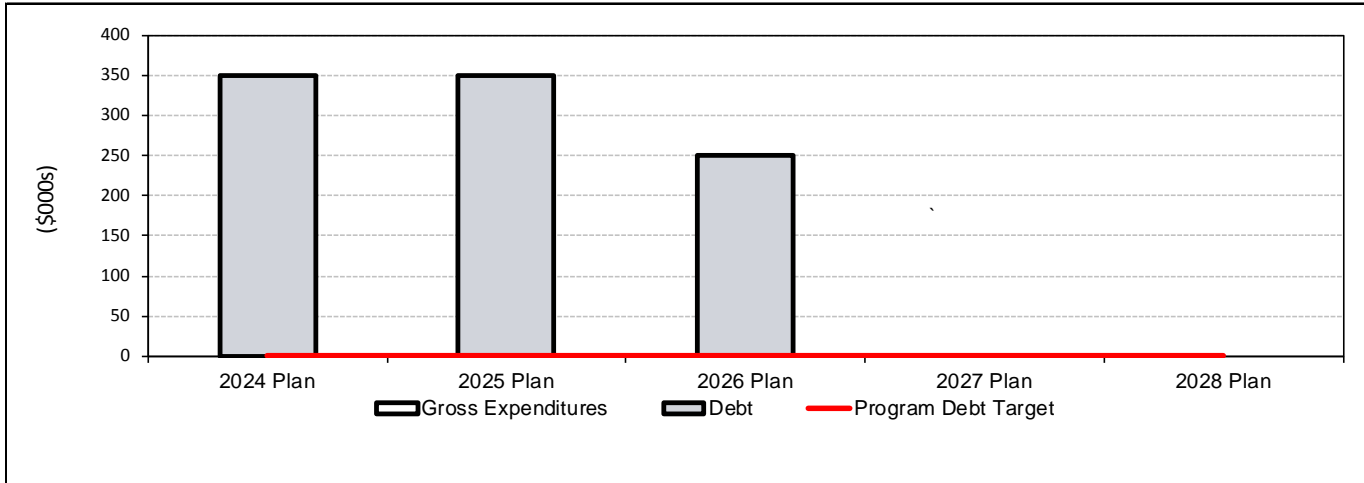
2019-2028 CAPITAL BUDGET & PLAN OVERVIEW

Chart 1: 10-Year Capital Plan Overview



2019 Staff Recommended Capital Budget and 2020 - 2023 Capital Plan										
		2018	2019	2020	2021	2022	2023	2019 - 2023	5-Year Total Percent	
		Budget	Projected Actual							
Gross Expenditures by Project Category:										
Health & Safety	-	-	-	-	-	-	-	-	-	
Legislated	-	215	-	-	-	-	-	215	100.0%	
SOGR	-	-	-	-	-	-	-	-	-	
Service Improvement	-	-	-	-	-	-	-	-	-	
Growth Related	-	-	-	-	-	-	-	-	-	
Total by Project Category	-	215	-	-	-	-	-	215	100.0%	
Program Debt Target	-	-	-	-	-	-	700	700		
Financing:										
Debt	-	215	-	-	-	-	-	215	100.0%	
Reserves/Reserve Funds	-	-	-	-	-	-	-	-	-	
Development Charges	-	-	-	-	-	-	-	-	-	
Provincial/Federal	-	-	-	-	-	-	-	-	-	
Debt Recoverable	-	-	-	-	-	-	-	-	-	
Other Revenue	-	-	-	-	-	-	-	-	-	
Total Financing	-	215	-	-	-	-	-	215	100.0%	
By Status:										
2018 Capital Budget & Approved Future Year (FY) Commitments	-	-	-	-	-	-	-	-	-	
Changes to Approved FY Commitments	-	-	-	-	-	-	-	-	-	
2019 New/Change in Scope & FY Commitments	-	215	-	-	-	-	-	215	100.0%	
2020 - 2023 Capital Plan Estimates	-	-	-	-	-	-	-	-	-	
2-Year Carry Forward for Reapproval	-	-	-	-	-	-	-	-	-	
1-Year Carry Forward to 2019	-	-	-	-	-	-	-	-	-	
Total Gross Annual Expenditures & Plan	-	215	-	-	-	-	-	215	100.0%	

Chart 2: 10-Year Capital Plan Overview (Continued)



	2024 - 2028 Staff Recommended Capital Plan						10-Year Total Percent
	2024	2025	2026	2027	2028	2019 - 2028	
Gross Expenditures by Project Category:							
Health & Safety	-	-	-	-	-	-	
Legislated	-	-	-	-	-	215	18.5%
SOGR	350	350	250	-	-	950	81.5%
Service Improvement	-	-	-	-	-	-	
Growth Related	-	-	-	-	-	-	
Total by Project Category	350	350	250	-	-	1,165	100.0%
Program Debt Target	-	-	-	-	-	700	
Financing:							
Debt	350	350	250	-	-	1,165	100.0%
Reserves/Reserve Funds	-	-	-	-	-	-	
Development Charges	-	-	-	-	-	-	
Provincial/Federal	-	-	-	-	-	-	
Debt Recoverable	-	-	-	-	-	-	
Other Revenue	-	-	-	-	-	-	
Total Financing	350	350	250	-	-	1,165	100.0%
By Status:							
2018 Capital Budget & Approved Future Year (FY) Commitments	-	-	-	-	-	-	
Changes to Approved FY Commitments	-	-	-	-	-	-	
2019 New/Change in Scope & FY Commitments	-	-	-	-	-	215	18.5%
2024 - 2028 Capital Plan Estimates	350	350	250	-	-	950	81.5%
2-Year Carry Forward for Reapproval	-	-	-	-	-	-	
Total Gross Annual Expenditures & Plan	350	350	250	-	-	1,165	100.0%

Lobbyist Registrar-Recommended 10-Year Capital Plan by Project Category

Table 4: Summary of Capital Projects by Project Category

(In \$000s)	Total App'd Cash Flows to Date*	2019 Budget	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2019 - 2028 Total	Total Project Cost
Total Expenditures by Category													
Legislated													
<i>OLR Investigation Case Management System</i>		215	-	-	-	-	-	-	-	-	-	215	215
Sub-Total	-	215	-	-	-	-	-	-	-	-	-	215	215
State of Good Repair													
<i>Lobbyist Registry System SOGR</i>	-	-	-	-	-	-	350	350	-	-	-	700	700
<i>OLR Investigation Case Management System SOGR</i>	-	-	-	-	-	-	-	-	250	-	-	250	250
Sub-Total	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures by Category (excluding carry forward from 2018)	-	215	-	-	-	-	350	350	250	-	-	1,165	1,165

*Life to Date approved cash flows are provided for multi-year capital projects with cash flow approvals prior to 2018, excluding ongoing capital projects (i.e. Civic Improvement projects)

2019-2028 Key Capital Projects

The capital projects in the 10-Year Lobbyist Registrar-Recommended Capital Plan will support the Office of the Lobbyist Registrar fulfill its mandate.

Legislated

- Legislated project total \$0.215 million or 18.5% of the total 10-Year Recommended Capital Plan's expenditures is to replace an Investigation Case Management System which uses a technology that is no longer supported by the City.

State of Good Repair (SOGR)

- SOGR projects account for \$0.950million or 81.5% of the total 10-Year Recommended Capital Plan's expenditures for the following:
 - The Lobbyist Registry System* project (\$0.700 million) will fund replacement and upgrade in 2024 and 2025.
 - The OLR Investigation Case Management System* project (\$0.250 million) will fund the replacement and upgrade in 2026.



ISSUES FOR DISCUSSION

ISSUES IMPACTING THE 2019 BUDGET

2019 Budget Overview

Operating:

The Office of the Lobbyist Registrar's 2019 Operating Budget of \$1.490 million gross and net includes \$0.255 million gross and net enhancements to meet the statutory education & outreach, and statutory investigation & legal requirements of the office. This enhancement will increase the total approved positions by two positions from 8.3 in 2018 to 10.3 in 2019.

The enhancements are for increased funding in these three (3) areas:

- I. Full-time Lobbyist Registry & Stakeholder Outreach Advisor position; and
- II. Junior Counsel position and a sum of \$0.050 million to cover external legal and investigative costs.

Current Service levels are being challenged by the following factors:

- Upgrades in technology platform supporting the Registry require permanent dedication of resources;
- Under-resourcing within each of the two units: Inquiries and Investigations Unit (Investigations Unit) and Lobbyist Registry Unit (Registry Unit);
- New legislative amendments broadening enforcement powers; and
- Exponential increases in Registry activity since it was established notwithstanding that staff complement has not changed from the approved FTE of 8.3 in 2009.

The enhancements requested are required to ensure that service continues in an accurate, timely and efficient manner.

The sustainment of current and future service levels is at risk. The enhancements requested are required to ensure that service continues in an accurate, timely and efficient manner. The enhancements are being proposed for the reasons outlined below.

I. Statutory Education & Outreach Requirements

Request:

The 2019 budget request is \$0.096 million comprising:

- \$0.092 million for an additional permanent Lobbyist Registry & Stakeholder Outreach Advisor position for part-year (9 months); and
- One-time budget of \$0.004 million for office furniture and computer equipment related to the staff position.
- There is an incremental impact of \$0.030 million in 2020 for annualization of the staff position and reversal of one-time budget for office furniture and computer equipment.

Rationale:

The OLR mandate requires that it provides training and support for registrants to achieve compliance, and facilitate ongoing registrations as required by the By-law. However, the OLR was operating without sufficient staff resources allocated to Education and Outreach. As a result, this function was not being performed to the degree that is optimal for a regulatory body. Engaging stakeholders and the public is critical to fostering compliance. Operating without adequate resources dedicated to Education and Outreach impedes the OLR's ability to deliver its mandate successfully.

1. Existing staff have been repurposed and have taken additional responsibilities to cover Education and Outreach functions. The three existing Advisors have broadened their job duties, and taken additional duties with respect to Education and Outreach. Their job title and job description have been amended to incorporate these added responsibilities. The OLR's increase in outreach and education activities has contributed to the growth in the Registry's registrations. However, this is putting increased pressure on the staff to deliver timely and accurate services. Comparing the Registry transaction volume in election year 2018 to election year 2014,

the volume of Registry activities has increased by 26%. The Advisors have implemented measures to innovate and improve service delivery by utilizing process improvement strategies, such as using technology to eliminate redundancy. However, the enhancement requested is required in order to maintain the current service level amongst the Advisors. The urgent need for resources dedicated to Education and Outreach can only be addressed by an additional full-time resource.

2. Since the Registry was launched in 2008, there has been an exponential increase in the volume of transactions. There has been year over year increases to the volume of registrations and further increase in volume is anticipated. However, the current staff complement has not changed from the approved FTE of 8.3 established in 2009. Since 2010, the total number of registration transactions processed annually by our office has increased by 367%, from 2,443, to 11,404 in 2018; the number of registered lobbyists has increased by 75%, from 1,047, to 1,835 in 2018; the number of active Subject Matters has increased by 90%, from 1,424, to 2,702 in 2018.
3. The State of Good Repair Project (SOGR) is being undertaken to modernize and upgrade the technology platform which operates the Registry. A three-fold impact on Advisors' functions and operations is anticipated:
 - 3.1. Advisors' resources have been dedicated to support the execution of this upgrade. Going forward, continued deployment of Advisors' resources will be required to deliver the new Registry platform, and provide training to the public, City staff, and lobbyists on use of the new system. A significant portion of staff time and resources for both Registry advice and Education and Outreach activity must be dedicated to launching the new system.
 - 3.2. Moreover, maintenance and upgrades to the new system will require permanent dedication of staff resources to the management of the lobbyist registration system.
 - 3.3. The impact of the new technology upgrades delivered by the SOGR to the Registry will be transformative, and will therefore require staff to dedicate time and resources to the anticipated increase in Registry activity and to adapt to new business process which will flow from the new functions created by the technology upgrades. New efficiencies are anticipated from the accessibility, ease of use, and improved capabilities for data searching and exporting. While the improvements will alleviate the Advisors' current challenges in facilitating timely and accurate customer service and compliance with current system's outdated technology, Advisors will at the same time be required to dedicate time and resources to adopting new business processes necessary to accommodate the increased functionality of the new system. Also, because the technology upgrades are expected to achieve the desired outcome of increased transparency, and better service to the public, it is anticipated that Advisors will be handling an increased volume of Registry activity.

II. Statutory Investigation & Legal Requirements

Request:

The 2019 budget request is \$0.160 million comprising:

- \$0.106 million for a permanent Junior Counsel position for part-year (9 months)
- One-time \$0.004 million in office furniture and computer for this new position
- \$0.050 million increase in base budget funding comprising \$0.025 million for Legal Services and \$0.025 million in Investigative Expenses.

There will be an incremental impact of \$0.036 million for the annualization of the Junior Counsel position, reversal of the one-time budget for office furniture and computer for the new position, and inflationary adjustment to Legal Services and Investigative Expenses.

Rationale:

The OLR has been under-resourced with respect to investigative resources. The result has been delays in the length of the investigative process and restrictions on the capacity to take on new matters. These enhancements are required in order to ensure that the Investigations Unit can continue to be effective in supporting compliance.

Ongoing enforcement activities include: summons to witness and summons of documents, investigations and procedures under the *Provincial Offences Act*. In addition, the Investigations Unit has been pro-active in undertaking these compliance initiatives:

- Preventative initiatives have been increased to resolve matters without resort to formal inquiries;
 - Increase in outreach initiatives through training sessions, guest lectures and meetings with individual lobbyist organizations, and the creation and dissemination of educational materials for stakeholders; and
 - Increase in provision of advice and advance opinions that prevent contraventions of the By-law.
1. The OLR is tasked with regulating the conduct of external parties. One consequence of this is that the formal inquiry process, both as written into the governing legislation and in our experience with its practical application, is particularly legalistic. For example, the OLR must issue a summons pursuant to the *Public Inquiries Act* to compel evidence. This applies to both internal and external information. Externally this method of information gathering more often than not results in the recipient retaining legal counsel. A response that while generally helpful, nonetheless, can add significant time and complexity to an inquiry. In an inquiry with many respondents and external witnesses, this effect is multiplied.
 2. With the growing awareness of the office within the lobbying community from our emphasis on outreach activities, and in large part as a result of our advanced opinion initiative, the number of cases being referred for formal inquiry has lessened. While some advanced opinions are relatively quick and informal, many require as much legal analysis as occurs in an investigation into a breach of the By-law. This attention to advanced opinions is now at the point of being performed at a detrimental cost to the formal inquiries.
 3. While the number of formal inquiries has decreased, the complexity of those referred has markedly increased. Recently initiated inquiries have presented fact scenarios and evidentiary issues that require the assistance of outside legal counsel and forensic auditors to complete. The external legal advice will be required above and beyond that of internal resources, including the requested junior counsel, as the potentially contentious nature of some of the inquiries and the attendant possibility of judicial review requires that the utmost in due diligence be taken.
 4. Monies for possible litigation related to inquiries must also be readily available. The recent example of the provision of an extra \$0.400 million to the Office of the Commissioner of Lobbying (Canada) for legal costs resulting from a court challenge highlights both, the need for a reserve of money to be available in the event of litigation, and the high cost of such litigation.
 5. The OLR's capacity will be further strained by the anticipated increase in volume of investigations, complexity of legal issues and possible legal challenges from two recent legislative changes:
 - 5.1. The Registrar's new powers to impose temporary bans and conditions on a lobbyist's registration are expected to give rise to legal challenges from the eventual use of these new enforcement options; and
 - 5.2. These two new enforcement powers:
 - The extension of the limitation period for the commencement of proceedings to two years from six months; and
 - The ability to impose administrative monetary penalties for breaches.

Conclusion

In conclusion, if the recommended Statutory Education & Outreach Requirements and Statutory Investigation & Legal Requirements are not approved:

1. The Registry Unit's ability to deliver timely, accurate and efficient services to the public will be compromised.

2. The Investigations Unit's ability to keep pace with complex investigation cases in a timely manner, with appropriate responses that uphold the OLR's mandate, will be compromised without the additional resources requested.
3. The risk to allowing both units to operate without these recommended enhancements is a decrease in compliance with the disclosure requirements in the By-law. The long term impact of decreased compliance is an increase in investigations and prosecutions. This will further strain the Investigations Unit's already limited resources. There may be delays in the amount of time in which investigations can be completed. The public may lose confidence in the OLR's ability to provide oversight.
4. Without these resources, the OLR will not be able to provide the public with the tools for transparency and civic engagement that are mandated by City Council's Strategic Actions for Good Governance. Transparency, Participation, Accountability and Accessibility will be diminished. There will be a negative impact on the City's Strategic Goals for Open Government, Citizen Engagement, Good Governance, and Customer Service.
5. Legislative amendments have expanded the OLR's enforcement powers and process. Without adequate resources for the implementation and execution of these expanded powers, the OLR cannot guarantee that the City Council's objectives for better enforcement and higher compliance will be met.
6. Without with resources requested, the OLR cannot guarantee that it can meet its mandate.

10-Year Capital Plan:

- The 2019-2028 Capital Plan provides \$0.215 million in 2019 for the replacement of the Investigations Case Management System, and \$0.250 million in 2026 to maintain this system in a state of good repair.
 - In fulfilling its mandate under the *City of Toronto Act, 2006*, the Office of the Lobbyist Registrar conducts the investigation of complaints regarding breaches of the By-Law and that it undertakes the carriage of enforcement proceedings where required in the public interest. This function was supported by the Investigations Case Management systems (CMS) which uses the Domino technology platform.
 - The CMS is an essential tool to support business processes, workflows and documentation. Investigations involve thorough fact-finding examinations that often require many months to complete. They involve exhaustive analysis of detailed integrated facts, voluminous documents, City policy, laws, witness interviews and management of communications with legal counsel for the subject of the enquiries. Investigation must be conducted in accordance with administrative law principles, and must therefore incorporate procedural fairness into the investigative process. Reports to Council often follow the completion of investigations.
 - The CMS provides the OLR with an essential tool to manage its caseload, and capture and store all complaints information. It will be used to track complaints, identify trends, provide referral information to staff, generate reports, assists with the investigation of complaints, and assist with the management of investigation files.
 - This capital project will replace the current Case Management System which is being decommissioned.
- The 2019 - 2028 Capital Plan provides investments of \$0.950 million for Lobbyist Registry System replacement and upgrade.
 - In fulfilling its mandate under the *City of Toronto Act, 2006*, the Office of the Lobbyist Registrar maintains an online publicly available lobbyist registry for 3 major purposes:
 - (1) Lobbyist use the system to document their interactions with City public office holders.
 - (2) The information is available publicly through the OLR's website and is searchable.
 - (3) The information contained in an internal operating system which reviewed and managed by OLR staff.

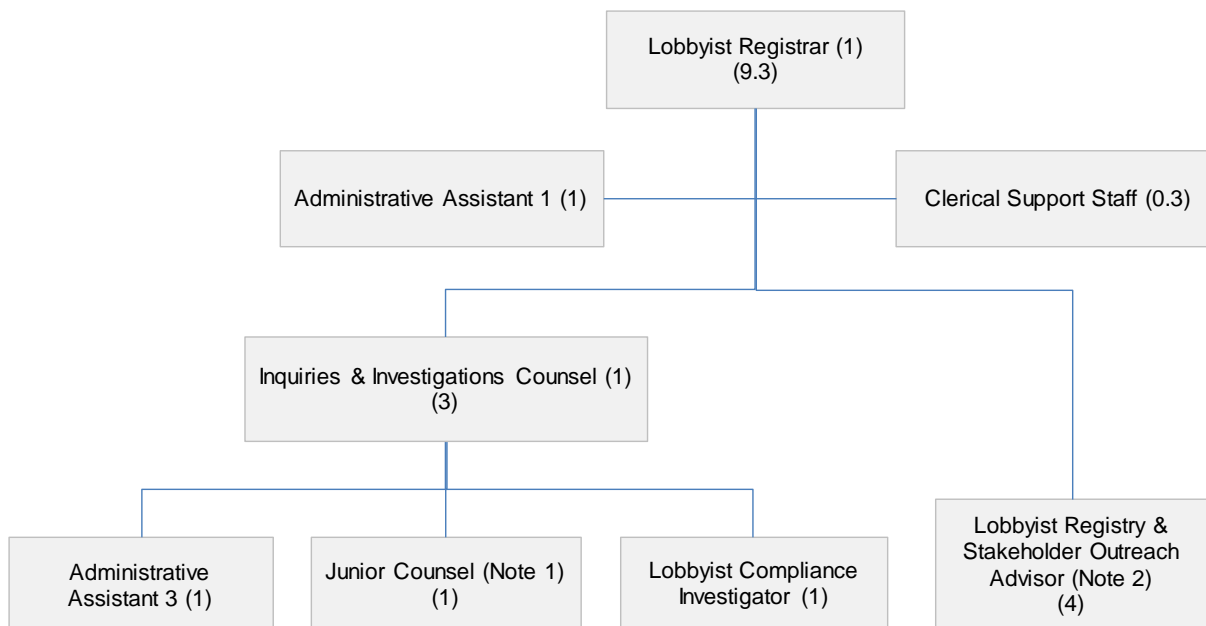
- The current system was upgraded in 2017. It will need to be refreshed in 2024 to enable the registry to continue to function, comply with statutory obligations, meet requirements of users, allow the public to access the information in the registry as well as conform to City and industry technology standards.



APPENDICES

Appendix 1

2019 Organization Chart



Notes:

- 1. One new Junior Counsel in 2019
- 2. One new Lobbyist Registry & Stakeholder Outreach Advisor in 2019

The 2019 total staff complement has 10.3 positions as summarized in the table below.

2019 Total Complement

	Category	Senior Management	Management with Direct Reports	Management without Direct Reports/Exempt Professional & Clerical	Union	Total
Operating	Permanent	1.0	1.0	8.0	-	10.0
	Temporary			0.3	-	0.3
	Total Operating	1.0	1.0	8.3	-	10.3
Capital	Permanent			-	-	-
	Temporary			-	-	-
	Total Capital	-	-	-	-	-
Grand Total		1.0	1.0	8.3	-	10.3

Appendix 2

Inflows and Outflows to/from Reserves and Reserve Funds

2019 Operating Budget

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of \$	Withdrawals (-) / Contributions (+)		
			2019 \$	2020 \$	2021 \$
Insurance Reserve Fund	XR1010				
<i>Withdrawals (-)</i>					
<i>Contributions (+)</i>			2.2	2.2	2.2
Total Reserve / Reserve Fund Draws / Contributions		-	2.2	4.5	6.7
Other Program / Agency Net Withdrawals & Contributions					
Balance at Year-End		-	2.2	4.5	6.7

* Based on 9-month 2018 Reserve Fund Variance Report