

Analyst Briefing Notes

Budget Committee

(January 28, 2008)

2008 OPERATING BUDGET

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January 25, 2008

2008 OPERATING BUDGET

Executive Summary

- At its meeting of October 22 and 23, 2007, City Council adopted the report “Establishing the Toronto Ombudsperson”. The report sets out a start-up structure for this new City function including the powers, jurisdiction and an operating framework for an independent Ombudsperson that builds on the *City of Toronto Act, 2006* (COTA) requirements. The report authorized the City Manager to begin recruiting the Ombudsperson. Implementation planning is underway and the recruitment process is expected to begin early in 2008.
- The Ombudsperson will be appointed by, and report directly to City Council and as such, is independent from the administration.
- Implementation of this function will complete the establishment of the City’s Accountability Offices.
- The function will be phased in starting in 2008. The 2008 recommended Operating Budget of \$0.404 million net is the minimum required for start-up purposes and includes funds to hire three staff positions, including the Ombudsperson, and start up costs.
- The Ombudsperson, once hired, will report to Council on operational and financial requirements for 2009.

Table 1: 2008 Recommended Budget

	2007		2008 Recommended Operating Budget			Change - 2008 Recommended from 2007 Approved Budget		FY Incremental Outlook	
	2007 Appvd. Budget	2007 Projected Actual	2008 Base	2008 New /Enhanced	2008 Operating Budget			2009	2010
	\$	\$	\$	\$	\$			\$	\$
(In \$000s)						\$	%		
GROSS EXP.	0.0	0.0	0.0	404.3	404.3	404.3	NA	210.7	0.0
REVENUE	0.0	0.0	0.0	0.0	0.0	0.0	NA		0.0
NET EXP.	0.0	0.0	0.0	404.3	404.3	404.3	NA	210.7	0.0
Approved Positions	0.0	0.0	0.0	3.0	3.0	3.0	NA	0.0	0.0
TARGET			0.0	0.0					
\$ Over / (Under) Program Target			0.0	404.3					
% Over / (Under) Program Target			NA	NA					

Recommendations

The City Manager and Chief Financial Officer recommend that:

1. the 2008 Recommended Operating Budget for the Office of the Ombudsperson of \$0.404 million gross and \$0.404 million net, comprised of the following service, be approved:

<u>Service:</u>	Gross <u>(\$000s)</u>	Net <u>(\$000s)</u>
Office of the Ombudsperson	404.3	404.3
Total Program Budget	<u>404.3</u>	<u>404.3</u>

2. once hired, the Ombudsperson report to Council on further operational and financial requirements for consideration during the 2009 Operating Budget process.

Section B: 2008 Operating Budget Overview

3-Year Operating Budget Overview

- The new City of Toronto Act requires the City to appoint an independent Ombudsperson and establish an Ombudsperson's office as part of its accountability framework.
- The Ombudsperson's jurisdiction does not include Council and the legislative decision-making structure and process.
- The Program Objectives for the 3-Year Operating Budget are:
 - 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 work to ensure that the public is treated fairly in their dealings with the City.
 - Identify trends and systemic issues emerging from the investigation and resolution of complaints, and develop recommendations for change.
 - Ensure the confidential and diligent handling of public complaints.
 - Undertake proactive outreach to Torontonians to publicize and implement the function, including developing education and information materials.
 - Prepare and present to Council an annual public report on the activities of the Office.
 - Manages the Office within a framework that promotes independence, confidentiality and public trust.
- The amount of \$0.404 million is recommended to phase-in the implementation of the Ombudsperson Office to fund one time startup costs, non-salary requirements and 3 new positions, including the Ombudsperson who is expected to be in place by June 2008. Budgetary requirements will be reviewed by the Ombudsperson once hired and will be confirmed during the 2009 budget process after a period of operating experience.
- Opportunities for cost-sharing among the Offices of the Auditor General, the Integrity Commissioner, the Lobbyist Registrar and the Ombudsperson were identified in the report, "Feasibility of Cost-sharing Between the City's Accountability Officers" received by the Budget Committee at its November 13, 2007 meeting. These opportunities are being actively pursued.

Challenges and Issues

The 2008 Recommended Operating Budget directly supports the legislative framework for the City to establish the Office of the Ombudsperson.

The Ombudsperson's goal is to facilitate resolution to complaints through mediation, negotiation

and consultation. If required, the Ombudsperson will investigate. The Act provides the Ombudsperson with broad investigative powers and protections, including the power to gather evidence and compel disclosure of information. As a first step, he/she will attempt to resolve a situation amicably through informal channels, and ensure that the City complaints protocols have been followed.

The establishment of the Office will:

- Increase public confidence in municipal government.
- Enhance residents' relationship with the City by putting residents back in direct contact with local government.
- Improve the service delivered to the citizens of Toronto by anticipating and resolving problems about services provided by the City before they become problems.
- Raise Toronto's profile locally, nationally, and internationally as a leader in promoting accountability and transparency in local government.
- The public will have an unfettered ability to make a complaint. Making a complaint will be free of charge and the process will be accessible to all.
- As a principle, the Ombudsperson will become involved only after all other complaint and appeal procedures and mechanisms have been exhausted.

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Section D: 2008 Recommended Service Priorities

Table 4: Summary of 2008 New / Enhanced Service Priorities (In \$000s)

Priority	Description	2008 Recommended		Rec. New Positions	Net Incremental Impact	
		Gross Exp.	Net Exp.		2009	2010
		\$	\$		#	\$
(a) Enhanced Service Priorities - Council Approved:						
(b) Enhanced Service Priorities - Program Initiated:						
Sub-Total Enhanced Service Priorities	0.0	0.0	0.0	0.0	0.0	
(a) New Service Priorities - Council Approved:						
Establishment of the Toronto Ombudsperson	404.3	404.3	3.0	210.7		
Sub-Total New Service Priorities	404.3	404.3	3.0	210.7	0.0	
Total Recommended New / Enhanced Service Priorities	404.3	404.3	3.0	210.7	0.0	

2008 Recommended New Service –Council Approved

The 2008 Recommended Budget provides for part year funding effective June, 2008 for start-up costs and 3 new positions, the Ombudsperson, an administrative support and one other staff position. The Ombudsperson will report to Council on any recommended changes to various aspects of the framework once the office has been established.

The recommended operating budget represents the minimum funds required to launch this new function.

Section E: Issue for Discussion**2008 Operating Budget Issues*****Office of the Ombudsperson-New City Function:***

The *City of Toronto Act, 2006* requires the City to appoint an Ombudsperson. The Ombudsperson will be independent of the administration and will report directly to Council and will have the power to investigate administrative acts by all City divisions, local boards (restricted definition), and city-controlled corporations specified by City Council.

The establishment of the Ombudsperson's Office is a new function for the City. The *Act* received Royal Assent in June 2006, and was adopted by City Council at its meeting of October 22 and 23, 2007. City Council adopted the report "Establishing the Toronto Ombudsperson". The report sets out the powers, jurisdiction and an operating framework for an independent Ombudsperson. Toronto will be the first municipality in Ontario to establish an Ombudsperson's Office and the fourth municipality in Canada.

The Ombudsperson will be an impartial, accessible champion of fairness and will help Torontonians resolve their complaints related to City services and programs when other forms of resolution have failed. The public will have an unconstrained ability to make a complaint. Making a complaint will be free of charge and the process will be accessible to all. All City divisions and operations and most local boards are included in the Ombudsperson's jurisdiction. Council and its legislative committees (the City's legislative body) are not included in jurisdiction.

The function has many significant benefits for the City of Toronto and for City Council:

- Compliment and support elected officials in helping their constituents
- Improve the services delivered to the City of Toronto
- Increase public confidence through stronger complaint resolution capacity
- Provide an additional, direct point of contact between the people and the City government
- Demonstrate leadership in promoting accountability and transparency in government.

Appendix 3

Summary of 2008 Recommended New / Enhanced Service Priorities