



2015 OPPI Business Plan

Approved: November 13, 2014

The 2015 OPPI Business Plan addresses:

- OPPI's financial sustainability including trends and issues and the Financial Forecast.
- 2015 Budget to fund operations, capital expenses, strategic initiatives and reserve fund.
- 2015 strategic priorities as proposed by staff.

Approval of the Business Plan is required.

Overview of Business Plan

The purpose of the annual Business Plan (Plan) is to direct implementation of OPPI's Strategic Plan. It is guided by the Institute's Financial Strategy to achieve fiscal stability over the short and long terms.

The Plan is a dynamic document, developed through a collaborative and iterative process with Council members and association staff. It is monitored and reviewed on an ongoing basis, including at each Council meeting, so elements and tactics may be calibrated as feedback and circumstances require. The following principles help to keep the Plan on track and serve as a means to measure progress.

- Member-centric—Allocation of resources targets programs and services that are valued by members.
- Technological savvy—Programs and information are offered in a timely, accessible and responsive manner.
- Strategic Plan driven—Re-directing, enhancing and maximizing resources to achieve OPPI's Strategic Plan goals.
- Revenue optimization—Members' fees fund the Institute's core operations, services and programs. Costs associated with programs and services that benefit to a particular member (e.g., continuous professional learning programs and consultants' directory) are fully recovered, include the cost of staff support, through appropriate pricing strategies and sponsorships. Costs for programs and services that offer benefits to other parties are shared through partnerships arrangements or recovered through a fee, advertising or sponsorship.

The Plan, and achievement of its goals and objectives, is communicated to members in several ways, including OPPI's website, social media and in the *Ontario Planning Journal*. Throughout the year Council Directors keep members informed, documenting results and providing feedback through Journal articles, district leadership team meetings and other events and postings on the OPPI website. At year end, the President prepares a comprehensive report for the AGM, which is posted on OPPI's website and social media.

Managing OPPI Resources in Fulfillment of the Plan

OPPI aligns its resources with the Plan in ways that seek to make optimal use of its financial, human and technology resources across all facets of the association.

The Institute manages its financial resources based on the following operational guidelines:

- **Balanced budget**—Annually OPPI strives to prepare a balanced operating budget. It incorporates conservative estimates of anticipated revenues, drawn from members' fees and other sources. It describes expenses associated with annual strategic plan initiatives and the ongoing costs of maintaining the work of the Institute.
- **Breakeven price points**—Costs associated with programs and services benefiting an individual member or a third party are fully recovered through appropriate pricing strategies, sponsorships, advertising or cost sharing agreements.
- **Revenue diversification**—Revenue sources are diversified such that 60 per cent should come from membership fees and 40 per cent should come from other sources such as fees from professional practice and development courses, sponsorships and advertising.
- **Operational efficiencies**—Operating budget targets a distribution ratio of 60/40 with 60 per cent used for member services/programs and 40 per cent for administration costs.
- **Net asset maintenance**—OPPI maintains four distinct net assets: the Scholarship Fund, Capital Fund, Strategic Fund and Unrestricted Net Assets (**Appendix 3**). These assets are only used to fund earmarked, segregated programs such as scholarships, strategic plan implementation, moving or equipment costs and an unexpected shortfall in revenue or unforeseen significant expense such as employee severance or lease wind-up. Investments are credited to designated accounts annually.
- **Cash flow projections** - ensure investments are maximized and not unnecessarily cashed in, an annual cash flow projection is undertaken.

Human Resources are managed by focusing the work of OPPI staff on implementation of the Strategic Plan and maintenance of day-to-day operations. Administrative work that is not the core business of the organization is outsourced. This may include mailing service, computer and website system support and hosting, and conference/symposium event coordination, automated administrative processes such as renewal. Writing and editing services are also contracted out to assist the association in its strategic communications.

Technology is used to minimize staff resources and costs through email and teleconference meetings. OPPI's website and database are used to deliver high quality information and timely responses to members.

2015 Operating Budget

The 2015 Operational Budget is fully funded, primarily through member fees with the remainder from other revenues.

Details of the attached budget (**Appendix 1**) reflect the following policy decisions and strategic outcomes.

Membership Revenues

At the September 2014 Council meeting, a membership fee increase of 10 per cent was endorsed across all fee categories, except student members, to further stable operational funding and to move the new

strategic plan forward. This represents an increase of \$11.20 for Retired and Non-Practising, \$29.23 for Candidate (Provisional) and Public Subscriber, \$37.35 for Full, Candidate and Pre-Candidate members and comes into effect with the 2015 membership renewals.

Membership fees are budgeted conservatively with the following outcomes:

- Reduction of 100 Full members due to resignations prompted by retirement from employment or the implementation of mandatory CPL.
- Candidate (Provisional) category continuing to decrease (from 315 member in 2014 to 275 members in 2015) and Candidate members increasing (from 215 members in 2014 to 275 members).

Note that a CPL Penalty of \$250 + HST will be implemented in 2015 for members you have not met the deadline. The revenue has not been taken in to account in this budget as we do not know how many will fall into this situation.

Continuous Professional Learning (CPL) Revenue

CPL revenues are based on a consistent conservative approach.

The budget also continues to place emphasis on cost recovery for educational programs, social events and World Town Planning Day activities through sponsorship and fees for service, and on the amortization of the OPPI website and database.

Adaptation to inflation/market adjustments

Built into this business plan are the costs associated with OPPI's agreement with its website provider, 78digital and database provider, eSolutions. Operational expenses reflected in the budget are for hosting, technical support, website updates and project management.

Note that operational costs have increased in the following areas:

- Salaries, pursuant to OPPI's HR Policy
- Office Rent
- Journal Honorariums

The operational budget, which is based on a conservative forecast of membership revenue, reflects an excess of revenue over expense in the amount of \$598. The outcome of the CIP re-alignment initiative has not been accounted for in the 2015 budget.

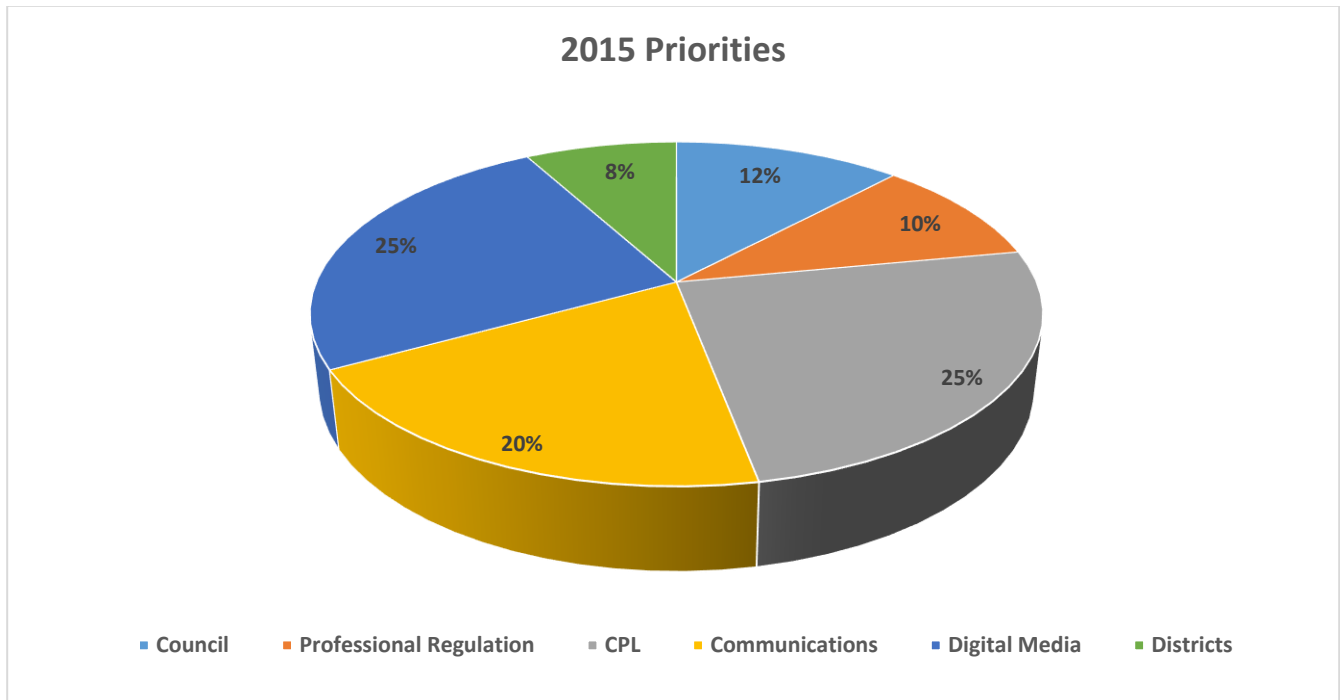
Funding for 2015 Priorities

The 2015 Budget has been prepared to reflect the following outcomes:

Funding for proposed 2015 strategic activities:

- Council's governance work - \$25,000
- Professional regulation communication services - \$20,000
- CPL development of new learning initiatives such as an interactive knowledge exchange blog - \$50,000
- Implementation of Communication and member engagement strategy - \$40,000
- Digital media projects and Technology strategy - \$50,000
- District Leadership Teams request for enhanced CPL offerings - \$12,950
 - Lakeland - \$5,000

- Oakridges - \$5,000
- Southwest - \$950
- Toronto - \$200
- Western Lake Ontario - \$1,800



Capital fund

Contribution of \$10,000, supported from the excess revenue from the mailing service.

District funds

District funding is based on the formula approved by Council at its December 2012 meeting—operational expenses are funded, and costs associated with events are recouped and provides for a 20% surplus obtained through event fees or by sponsorship. Operational funding has been included to cover about two face-to-face meetings and four conference calls.

Strategic funds

OPPI has an established process that allows for an annual review, ongoing environmental scanning and monitoring based on outcome measures. To that end funds have been set aside.

The 2015 Strategic Budget, funded through excess revenue after expenses from conferences, symposiums and districts follows:

Opening Balance	\$278,487
2014 Symposium estimated excess of revenue	80,000
2014 District estimated excess of revenue	30,000
2014 Strategic activities estimated	(35,000)
2015 Strategic activities estimated	(197,950)
2015 Strategic Fund (Conference)	40,000
Total Strategic Fund Balance as at December 31, 2015	<u>\$195,537</u>

2014 year end revenue excess

For the year ending December 31, 2014, a projected operational revenue excess of \$120,000 after expense is expected. This is predominantly due to increased revenue from job ads, additional revenue from membership fees due to conservative budgeting and unspent funds within the Discipline, Government Relations and Communications areas. Unspent funds earmarked for Communications included staff salaries that were only partially used.

Financial Sustainability—trends and issues

As OPPI prepares for the future, Council should be mindful of the following trends and issues.

Current reserve fund does not meet the acceptable standard for not-for-profit organizations—OPPI’s reserves should be at least 6 months of its operational budget or about \$800,000. They are currently at \$674,315.

Revenue from non-member fees is subject to the economy—as reported by many not-for-profits, sponsorship revenues are down. Garnering additional revenue to support/offset operating expenses is not as predictable as it once was.

Funding for strategic initiatives is entirely reliant on the revenue generated from OPPI’s bi-annual conference—about \$40K—and symposium—about \$20K. OPPI has been blessed over the past few years with larger excess revenues over expenses in these events due to strong member engagement.

OPPI’s professional membership fees are among the lowest fees for professional organizations (**Appendix 4- based on 2014 data**). The association needs to continue to raise fees over the long term to enhance core services to members.

OPPI member demographics show that 20% of members are 55 years and older. As Members leave the workforce OPPI’s consistent Full Member fee revenue may be impacted.

Three-year financial forecast

In accordance with OPPI’s Financial Strategy, a three year - financial forecast (**Appendix 2**) is found below.

- Membership fees for the next 3 years reflect a 5% increase
- Salary increases for staff are based on performance goals and are in keeping with OPPI’s HR policies.
- Inflation/market adjustments are filtered within expenses.

Develop an OPPI Discipline fund

OPPI continues to mature as an organization, and given our continued growth, the strength of our other funds (strategic, capital, scholarship and reserves), now is the time to develop a discipline fund. With the foreseeable self-regulation of the profession, there will be more emphasis put on discipline. With the

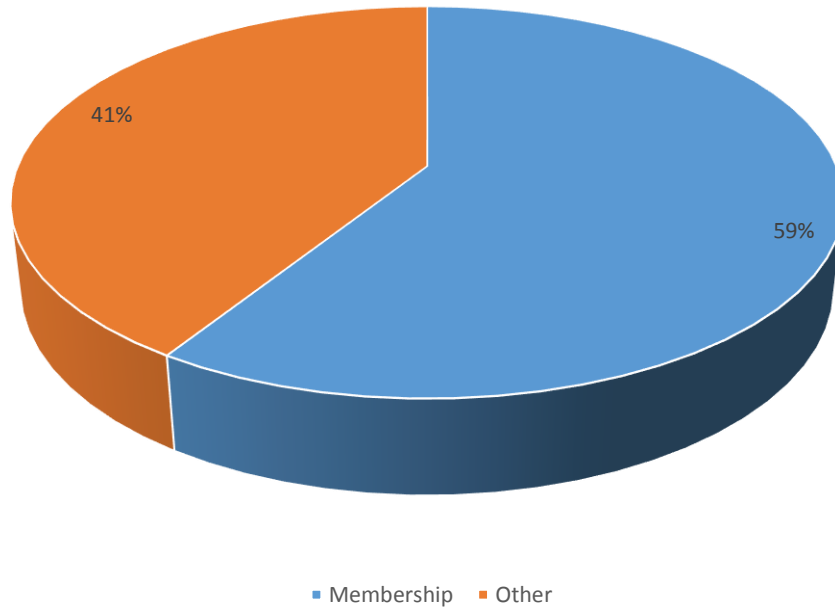
projected excess revenue from 2014, the start-up of this fund would be approximately \$30,000. The appropriate level of funding would need to be determined and a plan for how to fund it moving forward. An example would be to transfer a % of any excess of revenues for any given year to this fund. In the event the fund is used, it would be replenished as determined by Council. The fund balance would be invested and the investment income would be accumulated in the fund.

Appendix 1

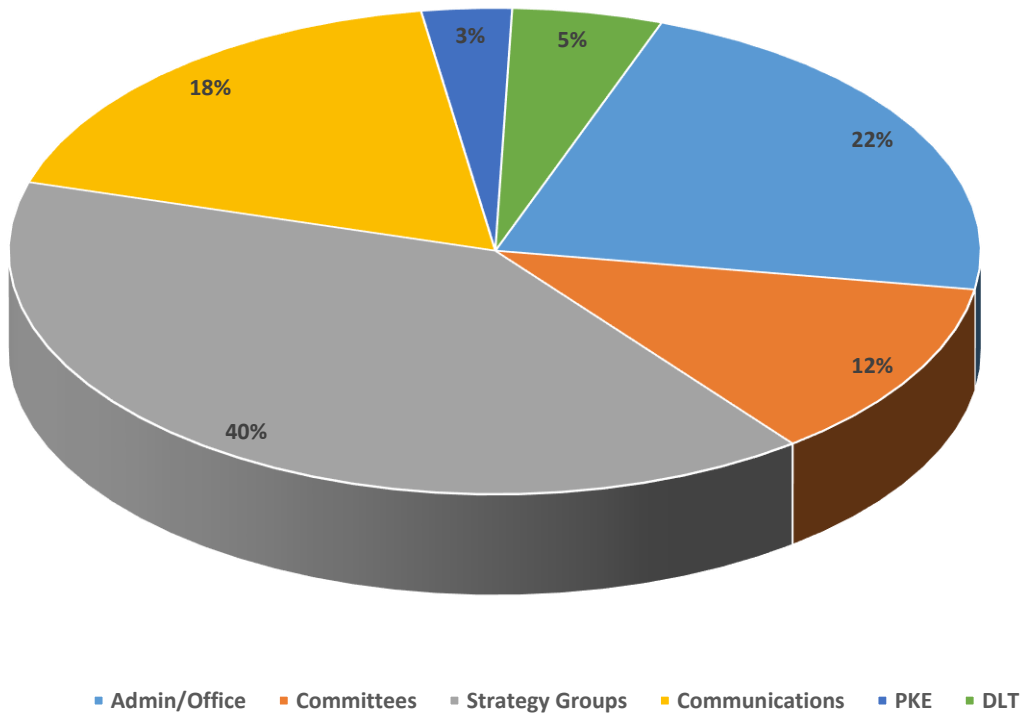
2015 BUDGET

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BUDGET ITEM DESCRIPTION	2015 OPERATIONAL BUDGET	2014 OPERATIONAL BUDGET	2015 STRATEGIC BUDGET	2015 STRATEGIC FUND BUDGET	2015 CAPITAL FUND BUDGET
REVENUE					
1 Membership	\$1,409,479	\$1,255,129			
2 Continuous Professional Learning	\$121,560	\$110,215		\$700,000	
3 Awards	\$6,000	\$5,000			
4 Consultants Directory	\$11,250	\$10,125			
5 Journal Advertising and Subscriptions	\$45,000	\$42,500			
6 Job Postings	\$80,000	\$80,000			\$40,000
7 Other	\$5,000	\$5,000			
8 TOTAL REVENUE	\$1,678,289	\$1,507,969	\$0	\$700,000	\$40,000
EXPENSE					
9 Administration and Office	\$531,760	\$523,705			\$30,000
10 Governance, Executive and Nominating Committee	\$177,200	\$154,300	\$25,000		
11 Discipline Committee	\$44,725	\$44,150			
12 Professional Standards Committee	\$52,250	\$41,200			
13 Self-Regulation Strategy Group	\$95,725	\$59,450	\$20,000		
14 Quality Practice Strategy Group	\$158,010	\$152,600	\$50,000	\$660,000	
15 Planning Issues Strategy Group	\$61,088	\$55,050			
16 Communications, Marketing and Recognition	\$374,538	\$346,150	\$90,000		
17 Planning Knowledge Exchange	\$75,980	\$69,800			
18 District Leadership Teams	\$106,415	\$103,400	\$12,950		
19 TOTAL EXPENSE	\$1,677,691	\$1,549,805	\$197,950	\$660,000	\$30,000
20					
21 TOTAL REVENUE	\$1,678,289	\$1,507,969	\$0	\$700,000	\$40,000
22 TOTAL EXPENSE	\$1,677,691	\$1,549,805	\$197,950	\$660,000	\$30,000
23 EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSE	\$598	(\$41,836)	(\$197,950)	\$40,000	\$10,000

2015 Budget - Revenue



2015 Budget - Expense



Appendix 2

ONTARIO PROFESSIONAL PLANNERS INSTITUTE

3 Year Projection

	OPERATIONAL BUDGET 2015	OPERATIONAL BUDGET 2016	OPERATIONAL BUDGET 2017	OPERATIONAL BUDGET 2018	
REVENUE					
1	Membership Fees	\$1,409,479	\$1,460,000	\$1,510,000	\$1,570,000
2	Continuous Professional Learning	\$121,560	\$123,991	\$126,471	\$129,000
3	Awards	\$6,000	\$6,000	\$6,000	\$6,000
4	Consultants Directory	\$11,250	\$11,250	\$11,250	\$11,250
5	Journal Advertising/Subscriptions	\$45,000	\$45,000	\$45,000	\$45,000
6	Job Postings	\$80,000	\$80,000	\$80,000	\$80,000
7	Other	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$5,000</u>
8	TOTAL REVENUE	\$1,678,289	\$1,731,241	\$1,783,721	\$1,846,250
EXPENSE					
9	Administration and Office	\$531,760	\$540,000	\$545,000	\$550,000
10	Governance, Executive and Nominating Committee	\$177,200	\$180,000	\$185,000	\$190,000
11	Discipline Committee	\$44,725	\$45,000	\$45,000	\$45,000
12	Professional Standards Committee	\$52,250	\$55,000	\$60,000	\$65,000
13	Self-Regulation Strategy Group	\$95,725	\$96,000	\$96,000	\$96,000
14	Quality Practice Strategy Group	\$158,010	\$160,000	\$167,000	\$175,000
15	Planning Issues Strategy Group	\$61,088	\$65,000	\$70,000	\$75,000
16	Communications, Marketing and Recognition	\$374,538	\$400,000	\$415,000	\$435,000
17	Planning Knowledge Exchange	\$75,980	\$80,000	\$85,000	\$90,000
18	District Leadership Teams	<u>\$106,415</u>	<u>\$110,000</u>	<u>\$115,000</u>	<u>\$120,000</u>
19	TOTAL EXPENSE	\$1,677,691	\$1,731,000	\$1,783,000	\$1,841,000
20	TOTAL REVENUE	\$1,678,289	\$1,731,241	\$1,783,721	\$1,846,250
21	TOTAL EXPENSE	\$1,677,691	\$1,731,000	\$1,783,000	\$1,841,000
22	EXCESS (DEFICIENCY) OF REV. OVER EXP.	\$598	\$241	\$721	\$5,250

NET ASSETS

SCHOLARSHIP FUND

The OPPI scholarship fund receives funding from events held at our conference or symposium, district and private donations and through accumulation of interest on the balance in the fund.

	1999 - 2012	2013	2014	Total
Event Contribution	\$ 38,115	\$ 5,222	TBD	\$ 43,337
Transfer from Districts	31,565	11,100	TBD	42,665
Interest	<u>9,032</u>	<u>866</u>	<u>TBD</u>	<u>9,898</u>
TOTAL	<u>\$78,712</u>	<u>\$ 17,188</u>	<u>TBD</u>	<u>\$95,900</u>

STRATEGIC FUND

The strategic fund receives funding from the surplus of the conferences and symposiums. The goal is to transfer a minimum of \$20,000 to the fund on a yearly basis.

	2004 -2012	2013	2014	Total
Conference	\$ 165,865	\$ 112,635	TBD	\$ 278,500
Symposium	114,302	0	TBD	114,302
Transfer	<u>(198,405)</u>	<u>84,090</u>	<u>TBD</u>	<u>(114,315)</u>
TOTAL	<u>\$ 81,762</u>	<u>\$196,725</u>	<u>TBD</u>	<u>\$278,487</u>

CAPITAL FUND

The capital fund receives funding from the surplus of the OPPI mailing service. This fund should be at 10% of our operating budget. The goal is to transfer a minimum of \$10,000 to the fund on a yearly basis.

	2004 -2012	2013	2014	Total
Mailing Service	\$ 108,295	\$ 10,000	TBD	\$ 118,295
Transfer	<u>(3,316)</u>	<u>0</u>	<u>TBD</u>	<u>(3,316)</u>
TOTAL	<u>\$ 104,979</u>	<u>\$10,000</u>	<u>TBD</u>	<u>\$ 114,979</u>

UNRESTRICTED NET ASSETS

Unexpended funds, accumulated, also known as the Institutes reserves have accumulated over the past years.

Unexpended Funds, Accumulated	\$674,315
Unexpended Funds, Projected year end 2014*	<u>90,000</u>
TOTAL	<u>\$764,315</u>

\$90,000 contributing to the reserves and \$30,000 allocated to the start-up of the Discipline Fund.

*2014 Estimated operations excess revenue over expenses = \$120,000

Appendix 4

Association Membership Fee Analysis - 2014									
Ontario Associations	Provincial Full Membership Base	Provincial Fee*	Provincial Levy	National Fee*	Total Membership Fee	Liability Insurance Fee	College Fee	Total Fees for a Member to Pay	
Engineers	7,200	\$168.00	\$0.00	\$10.00	\$178.00	\$0.00	\$220.00	\$398.00	
Planners	2,700	\$373.40	\$0.00	\$187.18	\$560.58	\$44.00	\$0.00	\$604.58	
Landscape Architects	860	\$450.00	\$0.00	\$162.00	\$612.00	\$0.00	\$0.00	\$612.00	
Architects	3,300	\$808.00	\$0.00	\$226.00	\$1,034.00	\$0.00	\$0.00	\$1,034.00	
Dietitians	3,500	\$0.00	\$0.00	\$453.00	\$453.00	\$88.90	\$500.00	\$1,041.90	
Physiotherapists	7,000	\$250.17	\$0.00	\$272.44	\$522.61	\$196.00	\$635.00	\$1,353.61	
Pharmacists	12,000	\$535.00	\$0.00	\$320.44	\$855.44	\$149.00	\$600.00	\$1,604.44	
Chiropractors	3,300	\$912.90	\$600.00	\$485.00	\$1,997.90	\$0.00	\$1,050.00	\$3,047.90	
Chartered Professional Accountants	36,000	\$520.00	\$0.00	\$440.00	\$960.00	\$0.00	\$0.00	\$960.00	
* Not including HST									