

BRIEFING NOTE

TO: Board of Directors

FROM: Executive Committee

DATE: December 2, 2024

SUBJECT: Draft 2025 Budget

For Decision

For Information

Monitoring Report

Purpose:

To review and approve the College's 2025 operating budget.

Background:

The College's operating budget provides a forecast of revenue against operating expenses for the coming fiscal year, presented in an income statement format. The budget for each account line is estimated based on:

- Fiscal year end cost projections
- Actual figures at October 31, and the account variances to the 2024 budget
- Five-year historical averages and expense trends (to review pre- and post- COVID-19 cost trends)
- Vendor work orders and quotes for planned and anticipated projects and initiatives
- Fixed costs (based on current contracts)
- Estimates for Board/Committee meetings and activities
- 2024 College statistics (number of Registrants, Students, etc.)
- Projected 2025 statistics (anticipates membership numbers)
- Contingencies for operating activity (IT, Cybersecurity, Equipment)

For Consideration:

Several proposed budget items differ from the 2024 fiscal year budget:

- The College is collaborating with an Investment Advisor to secure the best competitive rates for our investments considering current financial market trends. This proactive approach allowed us to lock in a favorable interest rate before the anticipated decline, extending the investment for another year at 3.94%. Projected investment income also reflects the fact that funds not allocated to investments have been transferred to a high-interest savings account to safely maximize income for the College.
- Registered Opticians revenue is projected based on increased fee of 2.5% in 2025
- Projected revenue for the new Inactive Class has been estimated based on management's judgment, as we lack comparative data.
- The budgeted expenses for Committee meetings align with the Board's decision to hold more in-person meetings.

- The budget for Board meeting expenses reflects anticipates two in-person meetings in June and December, while all other meetings will remain virtual. This is based on the survey responses received from board members which will be shared with the Executive Committee at the meeting.
- The costs associated with strategic planning sessions are included for the proposed event scheduled for April 2025 at Millcroft Inn.
- A new maternity leave contingency is being proposed which includes a proposed EI top-up for staff members on Pregnancy/Parental leave for a duration of 52 weeks.
- The budgeted expenses for External Relations provide for increased in-person attendance by Board and staff members at national conferences and trade shows.

Public Interest Considerations:

The Executive Committee considered that the proposed budget will sufficiently support the College in fulfilling its public interest mandate. The Committee also considered that the budget allocates sufficient resources to the College core functions: registration, investigations, etc. In addition, the Committee feels that the board should be satisfied that the College has allocated funds toward core operational functions such as adequate staffing, database management and strategic priorities.

Diversity, Equity, and Inclusion Considerations:

DEI considerations involve budgeting and allocating resources for DEI training and strategic initiatives. The Executive Committee considered whether the budget includes initiatives aimed at ensuring DEI is built into all policies and processes at the COO, ensuring that registrants are supported in providing culturally safe care to their patients. The Committee also assessed the funding dedicated to public awareness, training and DEI initiatives to ensure adequate funding has been allocated. The Committee believes that the board should be confident in the measures taken to support DEI initiatives, including funding for public awareness and the integration of DEI into policies and processes.

Risk Management Considerations:

The Executive Committee reviewed whether the budget accounts for potential contingencies that may not have been anticipated, ensuring that funds are allocated in a way that allows the college to address both internal and external risks without impacting core operations. The Committee noted that the budget includes provisions for insurance to cover potential litigation risks, as well as a contingency reserve to handle unforeseen operational costs.

Recommendations/Action Required:

To approve the 2025 budget as recommended by the Executive Committee.

		Approved 2023 Budget	Approved 2024 Budget	2024 Year End Projections	DRAFT 2025 Budget	2025 Notes: 2025 Optician Fee: \$ 1042 (based on new fee model) 2025 Student/Intern Fee: \$ (Sept 20 - Aug 21) 200 \$ (Sept 21 - Aug 22) 200
	Revenue					
	National Examination Fees	\$ 135,000			\$ -	Operations transferred to NACOR as of Jan 2024 (Revenue and Expenses)
	Interest & Investment Income	\$ 170,880	\$ 251,889	\$ 252,265	\$ 236,179	Annual income expected based on investments - Interest rate drop and further drops expected as prior year interest rate was as a result of high cost of Living post covid
	Miscellaneous Revenue	\$ 14,970	\$ 17,794	\$ 44,095	\$ 17,794	Miscellaneous revenue includes: CE Activity Accreditation requests Discipline and UPC costs PLAR Application & Assessment Fees Reg Com Review fees for reinstatements +3 yrs Replacement certificate and ID badges Deficient QA portfolio fees (based on historical avg) Peer Assessment Fees
	Rent Receivable	\$ -	\$ -	\$ 9,796	\$ 39,185	Rent received for shared office space from CRTO starting October 2024
	Optician Revenue	\$ 3,233,920	\$ 3,329,658	\$ 3,327,381	\$ 3,576,735	2022: 3202, CURRENT 2023: 3216, 2024: 3247 Budget 2025 3400 - 95% renewals and 250 prorated Look into inactive class and include them in revenue
	Student/Intern Revenue	\$ 27,750	\$ 30,600	\$ 40,826	\$ 30,000	No students in 2025/ Intern revenue now one off for 3 years, June 2023 exam result delay caused more intern registration to fall in 2024
	TOTAL REVENUE	\$ 3,582,520	\$ 3,629,941	\$ 3,674,364	\$ 3,899,893	
	Honorarium & Expenses for Board and Committee Members					
	Board	\$ 81,580	\$ 69,128	\$ 91,476	\$ 94,610	2025 Prediction: 4 Virtual Days (Jan - 2 Day, Mar, Oct, DEI Training), 3.5 Full Day in Person (Jun & DEC)
	Discipline	\$ 34,500	\$ 21,925	\$ 11,138	\$ 21,925	2025 Prediction: 4 Hearing Days (5 person panel, full day virtual), 8 decision writing days (1 member x 4 meetings)
	Executive	\$ 12,325	\$ 7,988	\$ 6,819	\$ 7,988	2025 Prediction: 6 Virtual Half Days, including review committee
	Fitness to Practice					
	Governance	\$ 7,015	\$ 4,425	\$ 3,319	\$ 4,425	2025 Prediction: 4 Virtual Half Days
	Investigations, Complaints & Reports	\$ 14,633	\$ 10,663	\$ 6,500	\$ 12,263	2025 Prediction: 2 Virtual Half Days, 12 Virtual Half Day Panels
	Screening Committee	\$ -	\$ -	\$ -	\$ 4,875	2025 Prediction : 2 virtual full days interview 0.25 virtual day training

	Patient Relations	\$ 5,909	\$ 3,319	\$ 1,775	\$ 2,213	2025 Prediction: 2 Virtual Half Days
	Quality Assurance	\$ 15,018	\$ 9,838	\$ 19,076	\$ 20,138	2025 Prediction :6 half day virtual and Accreditation Panel Review of 157 Accreditation requests
	Registration Committee	\$ 10,075	\$ 11,063	\$ 3,465	\$ 11,063	2025 Prediction: 10 Virtual Half Days
	Clinical Practice Committee	\$ 7,015	\$ 4,425	\$ 3,299	\$ 5,531	2025 Prediction: 5 Virtual Half Days
	TOTAL HONORARIUM & EXPENSES	\$ 188,069	\$ 142,771	\$ 146,866	\$ 185,029	

	Operations & Administration					
	Audit - Financial	\$ 15,750	\$ 16,525	\$ 16,525	\$ 17,350	Confirmed with auditors for 2024 Audit
	Communications					
	Public Awareness Initiatives	\$ 53,011	\$ 64,300	\$ 57,990	\$ 86,002	Social Media, Google Ad Campaigns, SEO, Blogs, OCC Sponsorship, Videos, CAG Surveys, Engagement/Outreach
	COO Communications & Engagement Activities	\$ 8,580	\$ 8,692	\$ 5,172	\$ 8,192	Annual Report, COO promotional products for Registrants, French Translations
	Consulting					
	General	\$ 36,000	\$ 33,250	\$ 24,344	\$ 34,325	Board Facilitator, Governance Consulting (Registrar's Review Process), Bookkeeping Consulting, Project assistant, External Board Evaluation
	Public Relations/ Government Relations	\$ 68,250	\$ 74,379	\$ 71,379	\$ 84,379	Media Training Chair + VC Government Relations Consultants Counsel
	Jurisprudence/Professional Growth CE Development	\$ 23,125	\$ 20,500	\$ 16,087	\$ 24,000	Jurisprudence modules, Professional Judgement & Pre-Election Module, DEI CE , DEI Examiner, Assessor, Interviewer Training
	IT Consulting	\$ 80,727	\$ 110,000	\$ 99,428	\$ 150,475	IT Project Manager, Project Management Staff - Temporary cost increase tied to the implementation of the new registration process
	Database	\$ 100,000	\$ 160,000	\$ 132,607	\$ 121,870	Projects: includes (QA) - IDMS Q1, PPA, IQA development, PPA customization and ongoing maintenance (REG) - Online applications, new fields to reflect regulatory changes, database clean up, renewals, regulatory changes Contingency
	Board & Staff Education & Development	\$ 51,850	\$ 55,600	\$ 36,901	\$ 60,000	Training: Facilitation Coaching, Difficult Conversation/Deescalation Training, DEI Training Sexual Abuse Training, Management Training, ICR orientation, Right Touch Training HPRO Discipline training/ Governance Training Contingency and Board expenses/ Board Mentorship PM Trainings (New Staff), Decision Writing Training, Cybersecurity Training for Board/Staff,
	Strategic Planning				\$ 135,086	Includes cost of Venue Millcroft inn in April, Survey, Facilitation, Project Assistant and board honorarium
	Expert Report (ICRC/Disc)	\$ 1,000	\$ 1,000	\$ -	\$ 1,000	2025: Estimate 3 reports

	External Relations	\$ 53,860	\$ 64,500	\$ 63,187	\$ 56,899	Sponsorships and events, CNAR , National meeting in NS , Roundtable meeting attendance , AOE/OOA (in person), Tradeshow booth space, student events
	General Operational	\$ 261,328	\$ 273,525	\$ 208,703	\$ 171,922	No Staff Expenses no corresponding exam expense which accounts for 60k in prior year , Capital Expenses (Computer Hardware - replacement of older laptops and surface pros),Parking, Insurance, Storage, Office Supplies, Bank Fees, Credit Payment Processing Charges, Subscription Renewals (Zoom, QBO, Adobe, Doodle, Survey), 5% Misc

	IT Requirements					
	Computer Server/ Maintenance	\$ 50,260	\$ 54,648	\$ 53,035	\$ 62,538	Beanfield, PACE, Envoke, Contingency 15%
	Database Hosting & User Licensing	\$ 55,000	\$ 55,000	\$ 55,902	\$ 56,808	ASI Contract
	Website Updates/ Maintenance	\$ 13,500	\$ 14,000	\$ 14,685	\$ 15,000	Zendesk 10k for website and 5k fr potential changes
	Investigator	\$ 65,000	\$ 65,000	\$ 105,627	\$ 80,000	Based on current trends, 5-10 anticipated for 2025
	Legal	\$ 135,000	\$ 140,000	\$ 72,467	\$ 140,000	External legal support for ICRC, Independent legal council ILC, Unauthorized practice proceedings and General Legal counsel
	Extraneous Legal Discipline	\$ 4,500	\$ 5,250	\$ 5,184	\$ 2,800	Court reporter for hearing days - 4 anticipated
	Premises, Equipment	\$ 9,232	\$ 9,776	\$ 8,699	\$ 9,391	Copier rental costs + 5% contingency
	Postage	\$ 7,000	\$ 7,500	\$ 7,000	\$ 8,500	Neopost, Registered Mail, Courier also considering startegic planning
	Printing	\$ 15,000	\$ 15,000	\$ 13,810	\$ 18,000	Certificates, Registration Items and strategic planning printing
	Quality Assurance - Portfolio Hard Costs					
	Consulting Fees	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	
	Peer Assessors					
	Assessment Training	\$ 2,700	\$ 3,000	\$ 900	\$ 3,000	10 assesors @ 300 per day
	Assessment Costs	\$ 43,000	\$ 19,200	\$ 3,675	\$ 12,000	Estimate 40 at cost @\$300
	Rent	\$ 249,893	\$ 257,725	\$ 256,120	\$ 266,610	Monthly lease agreement includes base rent, operating costs, and storage. 10% contingency for increases effective Sept 2025.
	Salaries	\$ 1,542,452	\$ 1,744,669	\$ 1,611,074	\$ 1,860,162	Based on Salary Projection Table, includes new Staff positions (Policy Manager)
	Benefits	72,960.00	\$ 78,057	127,517.38	\$ 120,000	Based on Negotiated Costs - Higher number of staff
	CPP Employer	57,989.52	72,558.61	70,593.66	\$ 83,316	
	EHT Expense	27,456.20	29,170.03	9,858.21	\$ 33,495	
	EI Employer	21,938.06	24,919.12	23,146.67	\$ 28,614	
	Salaries	1,290,402.00	1,465,830.54	1,469,090.65	\$ 1,505,273	
	Pregnancy/Maternity leave contingent	0.00	0.00	0.00	\$ 30,000	Usage depends on staff needs for parental or maternity leave
	Vision Care Plan	2,250.00	3,500.00	2,633.37	\$ 4,200	
	RRSP Contribution	69,456.00	70,633.22	24,983.53	\$ 85,264	

	Seat Fees	16,450.00	16,894.00	\$ 12,375	\$ 14,389	NACOR, CLEAR Membeship, LSO, Staff Seat Fees
	Board + Comm Payroll Expenses	\$ 6,500	6,850.00	\$ 6,312	\$ 7,000	Deductions for board and appointed honoraria
	Strategic Initiatives - linked to COO Strategic Plan					
	Board Initiatives	\$ 79,350	\$ 85,000	\$ 60,889	\$ 87,000	Board Team Development, Facilitator Costs for focus groups for standards of practice review (3 sessions), Indigenous Cultural Safety and Humility Project, Public Education Resources, Community Engagement Projects, NACOR Round table hosting
	Administration Initiatives	\$ 7,000	\$ 8,000	\$ 5,215	\$ 8,000	Staff engagement/retention, quarterly team social, monthly team building initiatives
	Telephones	\$ 9,096	\$ 9,620	\$ 5,423	\$ 8,570	Ring Central, Rogers, 15% contingency for possible increases or plan transfer costs
	TOTAL OPERATIONS & ADMIN	\$ 3,145,913	\$ 3,483,352	\$ 3,150,464	\$ 3,644,268	
	TOTAL EXPENDITURES	\$ 3,333,982	\$ 3,626,123	\$ 3,297,330	\$ 3,829,297	
	SURPLUS (DEFICIT) FOR YEAR	\$ 248,538	\$ 3,817	\$ 377,034	\$ 70,597	