

2011 BOABC Annual General Meeting - Executive Director Report

Introduction to the BOABC 2011/12 Budget and 2011-15 Five year Program Forecast

The *Building Officials' Association Act [1997]* of BC established the Association as a corporation with full capacity to set objectives within a Business and Budget Plan. The direction of the Plan is influenced by a number of factors, such as membership demographics, financial resources and legislated initiatives.

Over the last decade, 2001 to 2010, the BOABC grew from 450 to 675 members. In addition, the profile of our membership has changed as the demographics show more women and new Canadians, the majority of whom are younger and more technologically trained than previously. If the BOABC is successful in acquiring legislated authority to regulate all building officials in BC, new membership applications will continue to accelerate. Enrollment projections for the next decade could follow a growth rate of 40 to 50 new members annually, leading to about 1,000 regular and associate members by 2020.

In the period from 2001 to 2010, the Association went from operating deficits in the beginning of the decade (2002-04) to an increase of over \$275,000 in surplus revenue earned in 2007-09, primarily from New Code Change and Green Building Seminars. This additional revenue contributed significantly to Reserve Funds, which provided for the expansion of the organization to a stand-alone office providing administrative, information management, educational, certification, and examination membership services.

In the 2010 fiscal year the Association forecasted an operational deficit of \$54,300. The principal reason for the deficit was the cost of additional consulting fees to develop the research and public consultation process for the legislative proposal. Nevertheless, the revenue for 2010 increased by over \$103,000 from the previous year. This annual increase of over 30% from the previous year was due to revenue earned from more examinations fees (+ 155%) more new members dues (+39%) and additional education fees (+20%).

Dues Revenue Projection

2010 = \$150,000

2011 = \$195,000

2012 = \$240,000

2013 = \$260,000

2014 = \$280,000

2015 = \$300,000

In the Five Year Plan Forecast (2011-15) the BOABC will have annual balanced budgets, primarily because of membership growth and dues increases of \$75 per year over three years, 2010/11/12, approved by Motion at the November 2009 Special AGM [See the **Dues Revenue Projection** Box].

Examination Fees set at \$200 per exam in 2010 will now cover examination development, delivery costs and the change to provide three examination sittings annually. This move has increased the number of examinations to an all-time annual high of 365 in 2010.

The initiatives of increasing membership dues and examination sittings, with a modest growth in annual membership, will insure that the Association will be able to continue to expand services and have ample Reserve Funds of over \$500,000 into the 2011-15 Five year forecast. These Reserve Funds will be needed to meet new challenges and additional responsibilities which will be created starting in the April 1st 2011 to March 31st 2012, fiscal year. [See also 'Significant Corporate Plan Objectives' on page three]

The changes to amend the *BOA Act*, requiring mandatory certification and regulation of all building officials, will have a significant impact on Association membership administration services. In addition, the creation and delivery of new Code Change Seminars, the creation of updates for the eight BOABC Examinations, and updating the content of the Education Courses to include the 2012 BC Building Code are all significant projects that will take considerable organization and effort in order to be executed on time in 2012.

Lastly, providing cautionary guidance, the corporate forecast for 2011-15 does not account for negative events, such as a decline in the building industry or the inability of the BC Legislature to approve amendments to the *Building Officials' Association Act*, which would provide regulatory authority powers, and responsibilities to the Association.

Corporate Plan Objectives Accomplished in 2006-10

The Five-year Corporate plan for 2006-10 ended March 31st 2010. Except for regulatory legislative authority, the Association has achieved all of the major objectives of the 2006-10 Forecast Plan, including:

Organizational and Program Service Objectives

- Established a full-service and staffed, stand-alone Head Office;
- Established an Examination Committee which completed the conversion of all BOABC examinations to a computer based format, graded by the ICC; and increased exam sittings to three per year in a new five-year [2011-15] ICC/BOABC Examination Services Agreement;
- Provided expanded and proctored exam sitting locations for members in BC and the Yukon;
- Set Continuing Professional Development [CPD] maintenance requirements;
- Completed policy and practices alignment with ACBOA and processed over 230 National Certification memberships for BOABC members;
- Put in place an Educational Coordinator position, expanded study materials, and courses and increased Study Sessions across all membership zones, including the Yukon;
- Surveyed member regarding Educational development and delivery and enacted changes, including new courses on Building Official Regulatory responsibilities.

Legislative and Regulatory Objectives

- Developed a Harrasement Policy reflecting BC Human Rights Legislation;
- Instituted a Code of Conduct, Confidentiality and Conflict of Interest Policy to concur with the BC Freedom of Information and Privacy Protection Act;
- Revised policies in response to Interprovincial Labour Mobility Act and New West Agreements;
- Developed a Work Plan and started the Legislative Consultation Process to amend the BOA Act to provide regulatory governance of BOABC members in 2012;
- Surveyed Building Industry, Local Governments, and BOABC members for the BC Legislative Proposal Stakeholders Consultation Phase of the *BOA Act* Legislative Amendment;

Financial and Management Objectives

- Member Dues increased \$75 per year for 2010, 2011 and 2012 by AGM Motion;
- Exam fees increased to \$200 per exam as recommended in the Business Plan;
- Upgraded the electronic BOABC Information Management System in order to authenticate records, implement cost-efficiencies, and prepare for regulatory reporting and record-keeping;

Additional Projects Completed outside of the (2006/10) Corporate Plan

- New BC Code Change seminars were developed and delivered to 2200 participants in British Columbia and the Yukon in 2006/07.
- Green Building Code Change seminars were delivered to 750 participants, in partnership with the BC Government in 2008/09 in BC and the Yukon.
- Both projects, Code Change and Green Building Seminars provided, over \$275,000 in net revenue to the BOABC.

2011/12 BOABC BUDGET PROJECTIONS AND FORECAST ESTIMATES

The 2011/12 BOABC Budget is based on the previous year activity (2010), Corporate Plan, Policies and Executive Committee goals and objectives. The fiscal year is April 1st 2011 to March 31st 2012.

Significant Corporate Plan Objectives to Complete for 2011/12

- Pursue legislative changes to the BOA Act in order to regulate Building Officials.
- Update Bylaws, Policies, Procedures and Professional Practice to complement new Legislation;
- Negotiate and put in place Reciprocal Agreements for recognition of qualifications of Building Officials from other Provinces and ACBOA National Certification holders.
- Upgrade the ENEWS, website and information services to comply with the new Legislation.

- Complete negotiated agreements with the POABC and the ICC for Examination Services.
- Change Level One and Level Two Plumbing exams into the BOABC/ICC format for delivery.
- Update/revise all [8] BOABC Examinations to the new 2012 BC Building Code requirements;
- Create and deliver the New Code Change Seminars across BC based on the 2012 BCBC.
- Update existing BOABC courses and new ACBOA/ICC courses to the 2012 BCBC.
- Create and deliver a new BOABC Regulatory course on Bylaw Enforcement.
- Develop new five-year BOABC Corporate and Business Plan Targets for 2011-15.

Overview of 2011/12 Budget Revenue Projection Notes [see next page for Estimates]

- Annual Dues increase for Regular/Associate One members approved by Motion of 84% at Special General Meeting November 2009 for implementation in 2010, 2011 and 2012. Annual Dues revenue should increase by approximately \$40,000 per year, starting 2010.
- Policy mandates that “*exams be revenue/cost neutral*” and “*be set by the Executive at the January Executive Meeting each year*”. Exam fees set by the Executive Committee at \$200 per exam, January 2010, for implementation at the April 2010 examination sittings.
- Education study session revenue for 2011/12 is based on a projection of an average 15 participants per session [2009 average] – the new education courses should attract additional enrollments.
- Career job postings and Investment revenue was down 70% in 2009 - due to a widespread hiring freeze and a low interest rate return of 1% received on BOABC investments. The trend is rising for job postings in 2011/12.

Overview of 2011/12 Budget Expenditure Projection Notes [see next page for Estimates]

- Administration costs include office rent and services, staff payroll, benefits and service providers for Web site, Audit, IT, Legal Counsel, Accounting, Insurance, overhead office/payroll and HST.
- Administration and office service costs support the web site/newsletter and exam sittings; certification processing and recording; CPD data collection updating; promotion and registration for study sessions; education seminar and the annual conference.
- Office equipment, computers, server, phones, fax/copy machine, and IT office wiring and supplies were purchased in 2007/08/09. No major equipment purchases are forecast at this time.
- Legal Services consulting fees also cover the consultant fees for the BC Legislative proposal to amend the BOA Act and regulatory responsibilities. Audit, Executive/Board expenses, ACBOA fees and Liability Insurances are based on historical estimates and market cost that are variable.
- Examinations fees are based on current data of exam delivery to locations in BC and the Yukon. Increasing examination fees in 2010/11 to \$200 per exam, per Business Plan, now cover the costs of ICC/BOABC exam delivery overhead services, invigilators, courier and grading expenses.
- Education expenditure includes the expansion of services to members, principally study sessions offered across all BOABC zones and for new course development and delivery, especially in the regulatory area, which the BOABC Education Coordinator is developing with Legal Counsel.

Overall, the 2011/12 Budget forecast is projecting: Revenue of \$521,550 and Expenditures of \$517,950 creating an Annual Surplus of \$3,600. [See the breakdown on the next page].

BOABC REVENUE ESTIMATES – April 1st 2011 to March 31st 2012 Fiscal Year

2010/11	2011/12	Estimates
\$ 145,000	\$ 195,000	- Membership Dues [dues all groups, includes Reg/Assoc./Retired/Student]
\$ 56,000	\$ 57,000	- Exam Fees [includes BCIT & BOABC members at \$200 per exam]
\$ 45,000	\$ 50,000	- Annual Education Seminar [amount varies dependent on Registration numbers]
\$ 52,500	\$ 26,500	- Workshops/Study Sessions [Code Change Seminars is separate]
	\$ 142,500	- Code Change Seminars [12 one-day sessions at \$175X810 participants]
\$ 90,000	\$ 36,550	- AGM/Conference Whitehorse: Registrations/Fees [varies year to year]
\$ 7,000	\$ 8,000	- Web Page Careers Postings, Fees, Fines and Charges
\$ 6,000	\$ 6,000	- Bank and Investment Income
\$401,500	\$521,550	TOTAL PROJECTED 2010/11 and 2011/12 REVENUE

BOABC EXPENSE ESTIMATES – April 1st 2011 to March 31st 2012 Fiscal Year**2010/11 2011/2012 Estimates**Administration

\$ 175,000	\$ 195,000	- Salaries, Payroll Expenses, Office Rent and Accounting/Computer IT Services
\$ 15,000	\$ 20,000	- Legal Services/Annual Audit/Consulting fees
\$ 4,000	\$ 7,500	- Executive Director Travel and Meeting Expenses
\$ 5,000	\$ 7,500	- President Travel and Meeting Expenses
\$ 15,000	\$ 17,000	- Executive Committee Travel and Meeting Expenses
\$ 7,000	\$ 9,000	- Membership Alliances [ICC/ACBOA, includes ACBOA AGM]
\$ 6,500	\$ 20,000	- Liability Insurances [Estimated in 2011/12 to include Mandatory Certification]
\$227,500	\$276,000	Total Administration 2010/11 and 2011/12

Certification

\$ 3,000	\$ 4,500	- Certification Committee Meetings/Issuing Certificates/ Certificates and Forms
	\$ 3,000	- Certification Appeals and Legal Support
\$3,000	\$7,500	Total Certification 2010/11 and 2011/12

Examinations

\$ 35,000	\$ 35,000	- ICC Fees [125 exams @ \$75US Level 1/2 + 200 Level 3 exams @ \$100US + 15%]
\$ 8,000	\$ 8,000	- Exam Committee – Exam Creation + Update to new Codes + ICC Meetings [2]
\$ 7,000	\$ 7,000	- Exam Sitting facilities rental/Courier/Proctors /Update exam database records/
\$ 50,000	\$50,000	Total Examinations 2010/11 and 2011/12

Membership Services

\$ 2,500	\$ 2,500	- Membership/Brochure//Promotion/forms/Mail out Dues/Secured Electronic Voting
\$ 1,500	\$ 1,500	- Zone Visits and Support
\$ 500	\$ 500	- Awards/Volunteer Recognition
\$ 3,000	\$ 3,000	- Website/Newsletter/Careers /CPD Administration
\$7,500	\$7,500	Total Membership Services 2010/11 and 2011/12

Education

\$ 25,000	\$ 25,000	- Education Coordinator
\$ 1,800	\$ 2,000	- Education Coordinator Expenses/Training
\$ 2,000	\$ 2,000	- Facilitator Course Training
\$ 1,000	\$ 1,000	- Facilitators Group Study/Orientation
\$ 13,000	\$ 15,000	- Facilitators Per Diem/ Travel/Course Delivery Expenses
\$ 2,000	\$ 5,000	- Education materials/Web Site/ Databank Management
\$ 8,000	\$ 8,000	- Facility Rental//Participant Course Materials
\$ 30,000	\$ 30,000	- Annual Education Seminar
\$ 85,000	\$ 43,950	- Conference/AGM
	\$ 45,000	- Code Change Seminar Delivery
\$167,800	\$176,950	Total Education 2010/11 and 2011/12

\$455,800 \$517,950 TOTAL PROJECTED 2010/11 and 2011/12 EXPENSES**2010/11 = <\$54,300> 2011/12 = \$3,600 ESTIMATED ANNUAL DEFICIT/SURPLUS****For the year-end Financial Statements to March 31st 2011, see the KPMG Review Report.**