

# **OHBA PROPOSED 2024-2025 BUDGET & FINANCIAL MODEL**

**DISCUSSION PAPER  
OHBA BOARD OF DIRECTORS  
JANUARY 25, 2024**





# PURPOSE & DIRECTION

- Today is the START of discussion related to the OHBA 2024/2025 Budget;
- Traditionally, January is the starting point to TABLE a proposed operating budget in advance of the June meetings;
- It allows Presidents and EOs to take the information and discussion points back to their respective Chapters for feedback;
- This budget year also presents the opportunity for OHBA to continue the efforts and discussion that started in Spring 2023 about a focus on enhancing government relations and advocacy;
- **We are NOT APPROVING anything today;**
- We are **TABLING THE PROPOSED BUDGET** for 2024-2025 for further consultation and feedback;
- **OHBA CEO, PRESIDENT AND EXECUTIVE will widely consult with EOs, Presidents and Regional Councils** on the merits of the proposed budget and financial model to solicit input and feedback during February-April 2024;
- **We WILL, at the June Board meeting, vote on the proposed 2024-2025 OHBA BUDGET.**

# BACKGROUND – PROVINCIAL AFFAIRS

## CORE BUSINESS OBJECTIVES

- To shape the policy, legislative and regulatory environment to protect the economic interests of its members;
- To provide timely member communications on emerging information and news;
- To provide networking, research, training and education events to provide members with continuing education opportunities.

## WHAT WE DO

- **Powerful Advocacy:** OHBA provides unparalleled advocacy, presenting at Provincial Standing Committee hearings and engaging in high-powered discussions with provincial MPPs and ministry officials.
- **Promotion of Industry Excellence:** We champion innovation, professionalism, affordability, and housing choice, ensuring that the industry remains vibrant and progressive.
- **Resources & Tools:** Access to a myriad of resources, including position papers, press releases, and backgrounders, all designed to keep you ahead.
- **Support Services:** Our end-to-end member services ensure that your business thrives and grows with exclusive offers.
- **Dedicated Policy Staff & Expertise**
- **Dedicated Media Relations and Communications Support**

**THE RESIDENTIAL HOME BUILDING AND RENOVATION INDUSTRY  
VOICE AT QUEENS PARK**

# OHBA MEMBER SERVICES

## COMMUNICATIONS

- OHBA Corporate Website
- OHBA Social Media - @OntarioHBA
- Ontario Home Builder Magazine (6 x per year)
- OHBA Membership Directory
- OHBA Monthly News
- Media Coverage
  - Province-Wide Media Releases
  - Featured in Mainstream Media – Print, Digital, Radio and TV

***500M + MEDIA IMPRESSIONS as the voice of the industry, influencing and shaping the public narrative and policy.***

## GOVERNMENT FUNDED INITIATIVES

- OHBA Job Ready Program – Round 3
  - Funding provided by the provincial government through the Ontario Skills Development Fund
  - Investment of \$3.5 million to provide in-demand residential construction training to unemployed or underemployed job seekers to shrink the skilled trades gap in Ontario.

## EVENTS, EDUCATION & TRAINING

- Annual Conference
  - Association Business
  - Educational Programming
  - Presidents' Gala
  - Awards of Distinction
- OHBA Leadership Day
- OHBA Industry Leaders Dinner
- International Housing Study Tour
- Annual Queens Park Lobbying Day
- Regional Housing Summits
- Member Webinars

***15+ OHBA EVENTS, including association business, signature events and education, with over 3,000 participants.***

## EXCLUSIVE BENEFITS

- Event "Member Pricing"
- Discounts from leading education partners
- Group Insurance Plans
- Office supplies and services

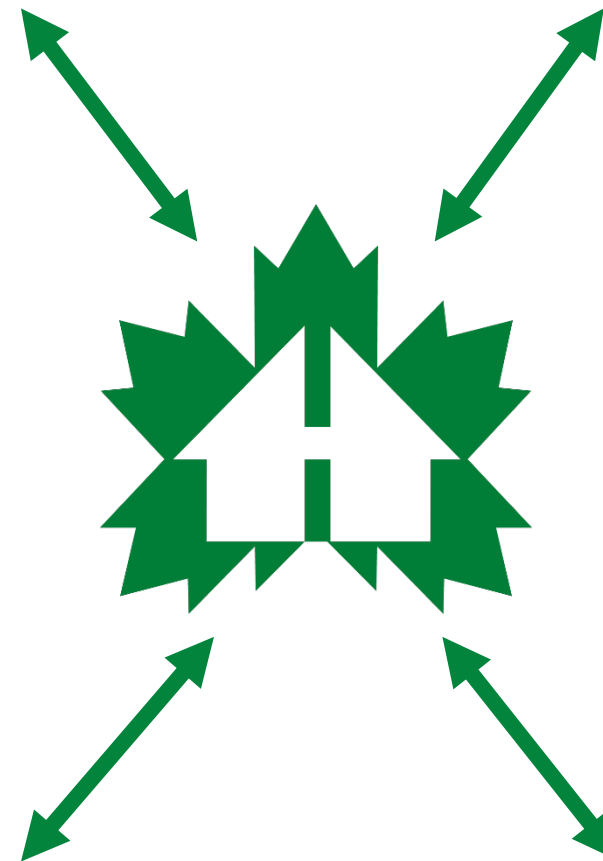
# THE OHBA ECO- SYSTEM

## GOVERNMENT MINISTRIES

- Office of the Premier
- Ministry of Economic Development, Job Creation and Trade
- Ministry of Energy
- Ministry of Environment, Conservation and Parks
- Ministry of Finance
- Ministry of Infrastructure
- Ministry of Labour, Immigration, Training, and Skills Development
- Ministry of Municipal Affairs and Housing
- Ministry of Natural Resources and Forestry
- Ministry of Public and Business Service Delivery
- Ministry of Transportation
- Treasury Board Secretariat

## INDUSTRY PARTNERS

- Alliance of Canadian Building Officials' Association (ACBOA)
- Canadian Association of Consulting Energy Advisors (CACEA)
- Canadian Energy Efficiency Alliance (CEEAA)
- Canadian Environment Assessment Agency (CEAA)
- Enbridge Gas
- Federation of Rental Housing Providers of Ontario (FRPO)
- Habitat for Humanity
- Heating, Refrigeration and Air Conditioning Institute of Canada (HRAI)
- Hydro One
- Infrastructure Health & Safety Association (IHSA)
- Ontario Association of Fire Chiefs
- Ontario Building Officials Association (OBOA)
- Ontario General Contractors Association
- Ontario Large Municipalities Chief Building Officials (OLMCBO)
- Ontario Professional Planners Institute (OPPI)
- Ontario Real Estate Association (OREA)
- Residential and Civil Construction Alliance of Ontario (RCCAO)
- Skills Ontario
- The Residential Construction Council of Ontario (RESCON)



## GOVERNMENT AGENCIES

- Building Code Commission
- Building Materials Evaluation Commission
- Canada Mortgage and Housing Corporation (CMHC)
- Canadian Board for Harmonized Construction Codes (CBHCC)
- Condominium Authority of Ontario
- Council of the Canadian Centre for Occupational Health and Safety
- Electrical Safety Authority (ESA)
- Home Construction Regulatory Authority (HCRA)
- Housing Services Corporation
- Housing Supply Action Plan Implementation Team
- Independent Electricity System Operator (IESO)
- Natural Resources Canada (NRCan)
- National Research Council (NRC)
- Ontario Energy Board
- Ontario Infrastructure and Lands Corporation
- Ontario Land Tribunal
- Ontario One Call
- Real Estate Council of Ontario (RECO)
- Skilled Trades Ontario
- Tarion Warranty Corporation
- Technical Standards and Safety Authority
- Workplace Safety and Insurance Board (WSIB)

## COUNCIL / COMMITTEE PARTICIPATION

- HCRA Building Research & Collaboration Council
- CHBA Technical Research Committee
- Building Ontario Transformation Hub (BOTH)
- Ontario Stakeholder Council (OSC)
- Advisory Council for Harmonized Construction Codes
- Harmonized Construction Code Technical Committee
- Municipal Green Development Standards
- George Brown College Program Advisory Committee (PAC)
- PHBI Education Advisory Committee

# ADVOCACY & GR EFFORTS

- **Building Code Harmonization** – OHBA has been an active voice in the harmonization of the Ontario Building Code (OBC) with the National Building Code (NBC).
- **Bill 109: More Homes for Everyone Act, 2022** – OHBA advocated for expediting development approvals through reduced studies and defining of process.
- **Bill 23: More Homes Built Faster Act, 2022** – OHBA was a key stakeholder in the development of this legislation, with ongoing technical support for affordable housing, parkland, and development charges.
- **Provincial Policy Statement (PPS)** – OHBA was a leading supporter of intensification near rapid transit stations.
- **Housing Supply Action Plan 5.0 (HSAP)** – OHBA has been an active stakeholder in the development of the next HSAP.
- **The Ministry of Environment, Conservation & Parks** – OHBA continues to provide ongoing ERO support to reduce the cost and improve the approval process. Recent EROs:
  - 019-6928 – Streamlining environmental permissions for stormwater management under the Environmental Activity and Sector Registry
  - 019-6951 – Exploring changes to streamline the permit-by-rule framework
  - 019-6853 – Streamlining permissions for water takings for construction site dewatering activities and foundation drains.
  - 019-7636 – Proposed Regulatory Amendments to encourage greater reuse of excess soil
- **Tarion** – OHBA has played a critical role in the adjustments of “Construction Performance Guidelines” (CPG) over the last decade.
- **Tarion / HCRA** – OHBA, in partnership with HCRA and Tarion, is working to address illegal building in Ontario.
- **GST / HST** – CHBA and OHBA have successfully lobbied the Federal and Provincial governments to exempt HST and GST for purpose-built rental units.



# RECENT ADVOCACY & GR EFFORTS

- **Utility Locates**
  - 23-MPBSD013 – Consultation on a draft regulation proposal to specify large project locate requests under the Ontario Underground Infrastructure Notification System Act, 2012.
- **Bill 153: Building Infrastructure Safely Act**
  - 23-MPBSD014– Bill 153 – Proposed Legislative Amendments to the Ontario Underground Infrastructure Notification System Act, 2012 under the Building Infrastructure Safely Act, 2023.
- **Ontario Energy Board (OEB) Re: Enbridge**
- **Bill 131: Transportation for the Future Act, 2023**
- **Bill 134: Affordable Homes and Good Jobs Act, 2023**
  - ERO 019-7669 – Response to Changes to the definition of an “Affordable Residential Unit.”
  - Deputation to Standing Committee on Heritage, Infrastructure and Cultural Policy.
- **Bill 136: Greenbelt Statute Law Amendment Act, 2023**
- **Bill 142: Better for Consumers, Better for Businesses Act, 2023**
- **Bill 150: An Act to enact the Official Plan Adjustment Act, 2023 and to amend the Planning Act with respect to remedies**
  - Media Release: OHBA Reaction to Minister Calandra’s Announcement Winding Back Changes to Official Plans.
  - 019-7885 – Proposed Bill 150, An Act to enact the Official Plan Adjustment Act, 2023, and amend the Planning Act with respect to remedies.
- **Bill 151: Improving Real Estate Management Act, 2023**

# MEMBERSHIP VALUE THROUGH EFFECTIVE ADVOCACY

- COVID Restrictions & Exemption – **OHBA played a vital and direct role in keeping construction sites open** during the pandemic.
  - Engaged with the Premier's Office and Ministry of Labour (MOL), making a direct impact on the **decision to deem new housing construction an “essential service.”**
  - Worked closely with MOL and IHSA to establish enhanced jobsite **health & safety guidelines** to keep members safe.
  - OHBA worked with government to **extend hours of essential construction work and construction noise to enhance productivity** on job sites where social distancing had an impact on productivity.
  - OHBA worked with **Tarion to establish a fair and balanced approach to warranty service issues** during the pandemic.
  - OHBA advised **MMAH on the appropriate time to resume suspended Planning Act timelines.**
  - OHBA worked with **MOL and WSIB on WSIB deferrals to support our members’** business during a time of financial liquidity stress.
- **GST/HST savings on purpose-built rentals;** ongoing advocacy with **CHBA and Federal government.**
- Savings on **community benefit charges (CBC) and parkland charges.**
- **Parkland dedication cap of 10–15%** of the land or its value and reduced maximum alternative dedication rates.
- **CBC payable now based only on value of land proposed for new development, not the entire parcel.**
- Reintroducing the **2% deduction from the Bank of Canada rate of interest on purchasers’ deposits** paid under closed agreements.
- Savings in costs towards **utility fee locates.**



# CONTRIBUTIONS TO THE ECONOMY ARE BIG..BUT

## OHBA FEES NOT KEPT PACE WITH....

- Historical fees (2019–2022) remained stagnant – no inflation adjustments;
- OHBA Chapter HBAs have established GR & Advocacy Funds to lobby more effectively (GR, campaigns & research, etc.);
- Other associations have entered our traditional housing, skilled trades and OBC “space,” such as RESCON, OREA, and RCCAO, because of well-financed advocacy budgets;
- “Smaller” associations with less economic clout spend more – by a large factor than our historical annual budget of \$75K;
- Capacity – members ask us to do more – we must make choices commensurate with our budget.

**Government relations, advocacy, research, communications and campaigns budget does NOT match our economic clout!**

# PRINCIPLES OF FINANCIAL MODERNIZATION



Investing in Staff,  
Government Relations  
Research and  
Campaigns



Regional Councils  
GR & Advocacy  
Budget Support



Incentives through  
Discounts to Members  
with Multiple  
HBA Memberships

# HIGHLIGHTS OF THE PROPOSED FINANCIAL MODEL

- OHBA 2024–2025 Fiscal Year Budget tabled in September, was for information purposes only. The proposed updated budget and **new financial model being proposed today is for discussion purposes only, to be voted on in June 2024;**
- For the purposes of **transparency and accountability**, we are proposing splitting the budget into **two separate budgets**;
  - **OPERATIONS**
  - **ADVOCACY**
- The OPERATIONS budget would include Revenue from the existing OHBA Chapter Dues plus the normal line items historically included (e.g. meetings and travel, legal, audit, office expenses, etc.);
- With respect to salaries – we are apportioning the salaries for staff members based on whether they spend some or all of their time on Association Operations and/or Advocacy;
- The ADVOCACY budget would include a proposed OHBA Fee specifically allocated to cover advocacy and government relations expenses (e.g. research & consulting, legal, campaigns & media, advocacy support for our locals, salaries as they relate to advocacy work, meetings and travel, etc.);



# HIGHLIGHTS OF THE PROPOSED FINANCIAL MODEL

## OPERATIONS BUDGET

- **Focus on revenue generation:**
  - Emphasis on membership growth and retention by focusing on chapter and member relationships & overall value prop;
  - Strengthen our relationships and value add to our partners and sponsors;
  - Ensure events for the year are profitable or break even;
  - Look for opportunities to work with our partners to bring in training for our members;
  - Excess funds invested, with regular review of investment policy.
- **Re-allocation of spending:**
  - Additional funds allocated to association promotion / local events, meetings & travel, etc.;
  - Increase in budgeted rent expense to account for lease renewal or possible move;
  - Increase in budgeted computer expenses to account for additional staff needs;
  - Increase in budgeted digital monthly expense to account for growth zone fee;
  - Reduction in spending re: printing materials, with the intent to move to a more paperless system over time.

# HIGHLIGHTS OF THE PROPOSED FINANCIAL MODEL

## ADVOCACY BUDGET

- **Four dedicated professional staff positions**, with support from CEO & communications team.
  - GR Policy – to be filled
  - GR Land Use Planning – to be filled
  - Senior Manager, Stakeholder Liaison & Technical Services – Miyoko
  - Reno/Technical – to be filled
- **Budget with respect to consultants & research** (e.g. Counsel, planners, research studies, etc.)
- **Budget allocation for regional councils** & chapters will provide additional funding and resources for our regional councils and locals that do not otherwise have the resources.
- **Advocacy Reserve or War Chest** – Unspent advocacy funds to be allocated to an ‘Advocacy Reserve Fund’ for use in future years.
- **Transparency and accountability** focus with a separate budget and reporting to the Board and membership on spend.

Advocacy Budget - Expenses	
Salaries	746,687
Consultants and Research	275,000
Campaigns / Media	150,000
Support for Regional Councils & Locals	80,000
Legal	70,000
Meetings and Travel	50,000
	<u>\$ 1,371,687</u>

# 2024 - 2025 PROPOSED BUDGET

	Proposed Budget @ Sep 2023	Proposed Operations Budget	Proposed Advocacy Budget	Proposed Budget @ Jan 2024
Membership Dues (net)	1,494,222	1,158,502	1,373,179	2,531,681
Partnerships	68,000	68,000	-	68,000
Annual Conference & Events (net)	30,000	30,000	-	30,000
Investment & Other Income	25,000	28,498	-	28,498
Training & Education (net)	2,500	15,000	-	15,000
Workshops / Events / Tours	135,000	-	-	-
<b>Total Revenue</b>	<b>1,754,722</b>	<b>1,300,000</b>	<b>1,373,179</b>	<b>2,673,179</b>
Salaries & Benefits	924,005	591,680	746,687	1,338,367
Office Overhead	245,200	322,000	-	322,000
Strat Plan Action Fund	100,000	150,000	-	150,000
Workshop / Events / Tours	150,000	-	-	-
Meetings & Travel	110,000	80,000	50,000	130,000
Association Promotion	93,000	45,000	230,000	275,000
Professional Fees	93,000	75,000	345,000	420,000
Amortization	33,000	33,000	-	33,000
<b>Total Expenses</b>	<b>1,748,205</b>	<b>1,296,680</b>	<b>1,371,687</b>	<b>2,668,367</b>
<b>Surplus (Deficit)</b>	<b>6,517</b>	<b>3,320</b>	<b>1,493</b>	<b>4,813</b>



# 2024 - 2025 PROPOSED FEE MODEL

- Within the proposed financial budget for 2024-2025, we have budgeted for ~\$2.7m of expenses, \$1.3m related to operations and \$1.4m related to advocacy;
- **To fund the proposed model, the OHBA Executive and Finance Committee are proposing a new fee model that will include an annual base Association fee plus an annual Advocacy fee;**
- The base Association fee and Advocacy fee will be paid on an annual basis to the local Chapter and remitted to OHBA, consistent with our current practices;
- **To account for multiple memberships (i.e.. companies that are members of more than one HBA), we are proposing a discount be provided and remitted back directly to the member company that paid the HBA by OHBA at the end of OHBA's fiscal year;**
- We recognize that we may lose some members over the course of the year due to economic times and the changes in structure. For this, we have budgeted a 10% loss of membership;
- There are **three fee models being considered** by our Executive and Finance Committee. We will walk you through these models and welcome your input. Please remember, a decision/vote is not taking place during this meeting. This is for information purposes only and to solicit feedback from our Board, Presidents, EOs and membership at large.

# 2024 - 2025 PROPOSED FEE MODEL

## FLAT FEE

- The flat fee model is just that, an **annual flat fee charged to our members, including both the Association and Advocacy fees.** The portion of the fee related to advocacy will be allocated to the advocacy fund.
- ***Note: The flat fee includes the base \$400 Association fee [2023-2024]***

Builder / Developers	\$ 1,000
Renovators	\$ 700
Service Professionals	\$ 600

## TIERED FEE

- The tiered fee model **provides for a breakdown of our builder/developer membership into further categories based on number of units, with an annual flat fee charged for each category, including both the Association and Advocacy fees.** This model allows us to charge a lower fee to our service professionals and small builder/developer members, as the larger builders/developers will be paying more into the advocacy fund. The thought here is that although, as members, we all benefit from the ongoing advocacy work of the association, the larger builder/developer members benefit the most, and therefore, should support the efforts of the association to a greater extent.
- ***Note: The tiered fee includes the base \$400 Association fee [2023-2024]***

Builder / Developers		
Ultra	151 plus	\$ 5,000
Large	101 - 150	\$ 3,000
Medium	51 - 100	\$ 1,500
Small	11 - 50	\$ 1,000
Custom	1 - 10	\$ 500
Renovators		\$ 600
Service Professionals		\$ 500

## PER UNIT FEE

- A per unit charge of \$X amount for advocacy was considered, but it was decided that this method is too administratively cumbersome and would cause too much of a fluctuation in revenue from year to year.

# PROPOSED MEMBER MULTI- HBA REBATE

- Across the OHBA total membership, in both the developer/builder and service professional categories, there are members with more than 1 membership in various HBAs.
- The proposed rebate program will recognize those members and “reward” them with a discount – see chart for the percentage proposed based on the number of HBA’s memberships.
- The rebate will be remitted back directly from OHBA to the member company upon the full payment of the total OHBA fee from the participating HBA.
- This will be confirmed by the audited results of the OHBA financials on or about October 31 of that calendar year.

Multiple Memberships- Service Professionals		Companies	
	Local HBA		Percentage Discount
	2	81	20.0%
	3	36	20.0%
	4	18	20.0%
	5	13	20.0%
		148	
	6	6	22.5%
	7	2	22.5%
	8	3	22.5%
	9	3	22.5%
	10	2	22.5%
		16	
	11	2	25.0%
	13	1	25.0%
	14	1	25.0%
	18	1	25.0%
	22	1	25.0%
		6	
		170	



# ASK OF THE BOARD

- Review the proposed financial model, including the 2024-2025 budget and fee model;
- **Discuss with your Boards, Presidents, EOs and local membership;**
- **Provide constructive feedback to the Executive and/or Finance Committee members over the next two months;**
- **There will be an opportunity for roundtable discussion on this topic at our April Industry Leaders' day;**
- **Things to consider:**
  - Do you believe the Association is moving in the right direction with an enhanced focus on Advocacy?
  - Do you agree with maintaining and reporting on separate budgets for operations and advocacy?
  - Are the budgeted expenses for 2024-2025 reasonable?<sup>18</sup> Anything we are missing?
  - With respect to the proposed fee model:
    - Is there a fee model that would be preferred by the members within your local?
    - Are the examples of fees for each member category reasonable? Any concerns? Suggestions?

***As a reminder, our Executive & Finance Committee has dedicated a great deal of volunteer time to our Association over the past six months, and this work has been done for the betterment of the Association and Industry as a whole.***

***Although we welcome and value your feedback and contribution, we do not welcome any negative / personal comments.***

***Let's all please be respectful through this process. Thank you.***