

Strategic & Business Plan 2019 - 2020



Condominium
Authority of
Ontario

www.condoauthorityontario.ca



Strategic & Business Plan 2019-2020

Table of Contents

1.	Introduction.....	1
2.	2019-2022 Strategic Plan	1
	Mandate	1
	Mission.....	1
	Vision	1
	Values	1
	Strategic Objectives	2
3.	Corporate Overview	2
	CAO's Services	2
	Relationship with Government	2
	Stakeholders	3
	Corporate Structure	3
	Complaints Handling.....	4
	French Language Services.....	4
	Accessibility Services	4
4.	CAO's Strategic Objectives, Strategies and Performance Measures	5
5.	Risk Management.....	11
6.	Financial Plan	12
	Financial Planning	12



1. Introduction

The Condominium Authority of Ontario (CAO) was designated on September 1, 2017 by the provincial government under the *Condominium Act, 1998* (Act), and was mandated to provide information and services to support consumer protection and resolve issues and disputes in condominium communities across Ontario.

The initial business plan in 2018-19 focused on the CAO meeting its accountability obligations and transitioning to a steadier state after a launch year dedicated to building its mandated services. This year's business plan has been guided by the organization's inaugural strategic planning process and is focused on achieving the strategic objectives set by the Board of Directors (Board) for the next three years as the CAO continues to refine its structures, processes and services.

2. 2019-2022 Strategic Plan

The Board established the CAO's first strategic plan, including the vision, mission, values, and the strategic objectives to guide the CAO in meeting its legislated mandate over the next three years. The strategic plan components were informed by key priorities identified by a stakeholder focus group, an environmental scan of recent developments in the condominium sector, and feedback from owners, directors and condominium managers from across the province who have been using the CAO's services. The strategic plan demonstrates CAO's commitment to client-focused services and to outcomes that are responsive to the needs of condominium communities.

Mandate

Designated under the *Condominium Act, 1998*, the CAO supports consumer protection and condominium communities by providing services and resources for condominium buyers, owners, residents and directors across Ontario.

Mission

Empower Ontario's condominium communities with information, education and dispute resolution.

Vision

Harmonious condominium communities across Ontario.

CAO: An Administrative Authority

- Designated under the *Condominium Act, 1998*, as amended (the Act).
- Not-for-profit corporation governed by an independent Board of Directors.
- Administers specific provisions of the Act and its regulations as delegated by the Ontario government.
- Funded by condominium corporations and CAT-user fees.
- Accountable to the Minister of Government and Consumer Services through an Administrative Agreement.

CAO Values

Innovation

The CAO works creatively with Ontario's condominium communities and is open to new ideas and approaches.

Accountability

The CAO takes responsibility for delivering its mandate and for providing high-quality services to Ontario's condominium communities.

Client-focus

The CAO works collaboratively with Ontario's condominium communities to meet their needs and strives for service excellence in all our interactions.

Value-for-Money

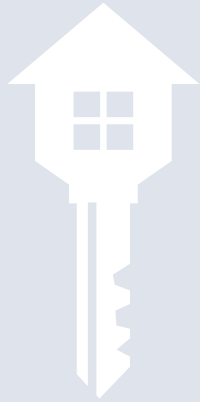
The CAO makes effective and conscientious use of its funds.

Integrity

The CAO is respectful, honest and trustworthy in all its work.

Fairness

The CAO delivers its services impartially and equitably.



Core Strategic Objectives

1. Enhanced Public Information and Services
2. Enhanced and Integrated Issue and Dispute Resolution

Supporting Strategic Objectives

1. Client Service Excellence
2. Operational Excellence

3. Corporate Overview

CAO's Services

The CAO is committed to meeting the needs of condominium communities through the delivery of the following on-line services and resources available to all condominium communities across the province:

- Easy-to-use information to help owners, residents, directors and managers understand their general rights and responsibilities.
- Free on-line resources, tools and guided steps to resolve common issues collaboratively before they escalate into disputes.
- Easily accessible and cost-effective online dispute resolution service through the Condominium Authority Tribunal (CAT) – Canada's first fully online tribunal.
- Mandatory training for condominium directors to help them understand their oversight and legal obligations.
- Easy-to-navigate condominium returns system that allows corporations to file and update key information.
- Publicly available and searchable Condominium Public Registry containing information on every condominium corporation in Ontario.

Underpinning these on-line services is the CAO's highly skilled customer service through our Information and Tribunal Coordination teams who answer inquiries and provide guidance to owners, residents, directors and condominium managers by phone and email on varied and complex issues that often arise in condominium communities.

Relationship with Government

The Minister of Government and Consumer Services is responsible for overseeing the CAO through an [Administrative Agreement](#) which clarifies the roles, duties and responsibilities of the Minister and the CAO in relation to the administration of the delegated provisions, its powers and duties under the Act, and the administrative matters as set out under the Act. The Board is accountable to the Minister through the Chair, for the performance of the CAO, including the CAO's management and oversight of the operations of the Condominium Authority Tribunal.

Stakeholders

Primary among CAO’s stakeholders are the condominium owners, directors, residents, and buyers from diverse condominium communities across the province. All CAO’s services and resources are developed to promote consumer protection and to support these users so they can enjoy condominium living to its fullest.

The CAO also works with condominium managers and condominium management companies whose services are retained by condominium corporations. They receive information and assistance with filing condominium returns and notices of change, on behalf of the corporations they manage; supporting the directors of the corporations they manage to help them meet the condominium director training requirements; and understanding the legislative framework guiding condominium corporations.

The CAO has a [Memorandum of Understanding](#) with the [Condominium Management Regulatory Authority of Ontario \(CMRAO\)](#), a delegated administrative authority and regulatory body providing oversight of condominium managers and management companies with a distinct, but complimentary mandate to support condominium consumers in Ontario.

The CAO often partners condominium industry associations to promote awareness of CAO’s services, through organizations such as the Canadian Condominium Institute and the Association of Condominium Managers of Ontario.

CAO will continue to proactively reach out to all stakeholders and the public to raise awareness of the CAO and to seek feedback from condominium communities to refine our initial services, resources and operations.

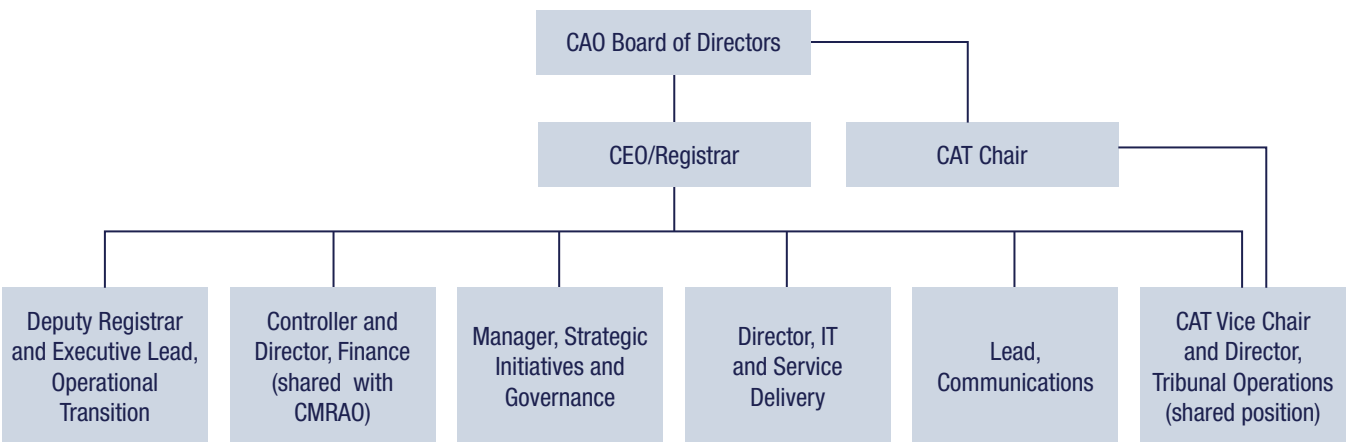
Corporate Structure

The CAO is a non-crown, not-for-profit corporation governed by an independent Board of Directors, comprised of four elected directors and up to three ministerial appointments.

The CAO has established a skills-based board governance model. Vacancies for elected directors are filled through the Nominating Committee process which evaluates and recommends candidates based on their skills and experience against the Competency Criteria established in Schedule D to the [Administrative Agreement](#). Vacancies in ministerial appointments are filled through a process administered by the Government of Ontario’s [Public Appointments Secretariat](#).

A [Memorandum of Understanding \(MOU\)](#) governs the accountability relationship between the CAO and the CAT, and establishes a framework that recognizes the independence of the Tribunal within the CAO.

Appointed by the Board, the Chief Executive Officer and Registrar leads a staff of approximately 43 in all aspects of its operations. Some staff positions, and their proportional costs, are shared with the CMRAO. The management structure of the CAO is outlined below and is designed to enhance operational effectiveness and to continue the CAO’s transition toward steady-state.



Complaints Handling

The CAO is committed to reviewing and resolving complaints through a comprehensive public complaints process that is fair, reasonable and accessible. Anyone can make a complaint about CAO staff, CAO services, a CAT member, or how a CAT case was handled. A complaint may be sent to the CAO's complaints officer through email or registered mail. The CAO's complaints officer will consider all complaints that are reasonable and meet the requirements established in the [CAO's Public Complaints Policy](#). Upon receipt of a formal complaint, the CAO complaints officer will review, assess, and prepare a written response, clearly outlining the resolution and supporting rationale. For CAT-related complaints, the CAO complaints officer prepares a report for the CAT Chair's consideration and response. The complaints process cannot be used to review, appeal or dispute any decision or order.

The CAO will maintain a record of all complaints, including the resolution, for future review as part of the process for updating and improving CAO and CAT services.

French Language Services

Under the Act, condominium residents and the public have the right to communicate and to receive available services in French from the CAO. In order to meet this requirement, the CAO provides all communications and services in French. The CAO is committed to providing excellent customer service in French and employs fully bilingual staff to respond to inquiries by phone and email.

Accessibility Services

The CAO continues to work to ensure that its services meet the requirements of the *Accessibility for Ontarians with Disabilities Act, 2005* (the AODA). The CAO's website is compatible with screen readers and individuals reaching us by phone can contact the CAO through a TTY telephone device. All staff complete the mandatory accessible customer service training. The CAO has actively engaged many of our online users who rely on assistive technology, and as a result, have strengthened accessibility features of our online information technology solution vendors.



4. CAO's Strategic Objectives, Strategies and Performance Measures

The CAO's Strategic and Business Plan framework is guided by the requirements specified in the Administrative Agreement with the Minister of Government and Consumer Services. As part of the organization's Strategic Plan, the Board established strategic objectives to guide the organization's work over the next three years. To achieve these strategic objectives, key strategies and business commitments have been identified, along with performance measures, governance, and financial management processes to enable the CAO to assess and report on the organization's progress.

The CAO will report on its performance against these objectives in its Annual Report and publicly at its Annual Meeting to ensure transparency and accountability for its operations.

Core Strategic Objective

1 - Enhanced Public Information and Services

Strategy / Business Commitment:		Performance Measures and Targets:
1.1 Empower condominium communities and address conflict by providing clear, user-friendly and accessible information about rights and responsibilities under the <i>Condominium Act, 1998</i> to condominium stakeholders.		<ul style="list-style-type: none"> 80% of clients are satisfied or very satisfied with CAO's information services and resources
Fiscal Year	Key Activities	
2019 - 2020	<ul style="list-style-type: none"> Continue the transition to an in-house team of customer service information officers Develop a new website for easier client navigation, to maximize accessibility, to support new innovative information tools/videos and to provide enhanced analytics Partner with Tarion to educate prospective buyers about the condominium purchase process including condominium cancellations Refine online and phone/email information services based on client feedback, service level results and any legislative or regulatory changes 	
2020 - 2021	<ul style="list-style-type: none"> Continue to refine information services based on client feedback, service level results and any relevant new legislative or regulatory changes 	
2021 - 2022	<ul style="list-style-type: none"> Continue to refine information services based on client feedback, service level results and any relevant new legislative or regulatory changes 	
Strategy / Business Commitment:		Performance Measures and Targets:
1.2 Enhance the knowledge and proficiency of condominium corporation directors through an effective, accessible and convenient online training program.		<ul style="list-style-type: none"> 85% of directors are satisfied or very satisfied with the training 85% of directors who reported that they learned something new 85% of directors who would recommend the training to others
Fiscal Year	Key Activities	
2019 - 2020	<ul style="list-style-type: none"> Develop a best-practice guide/material for directors on condominium director governance Review and refine the Learning Management System functionality to identify ways to enhance/streamline the information and/or on-line training process Refine director training content based on client feedback, service level results and any relevant new legislative changes Streamline process for director reminders and advisories related to director training deadlines 	
2020 - 2021	<ul style="list-style-type: none"> Continue to refine director training solution and content based on client feedback, service level results and any relevant new legislative changes 	
2021 - 2022	<ul style="list-style-type: none"> Continue to refine director training solution and content based on client feedback, service level results and any relevant new legislative changes 	

Strategy / Business Commitments:		Performance Measures and Targets:
1.3 Provide public access to prescribed condominium corporation information through the CAO's on-line public registry and effective condominium returns and notice of change systems.		<ul style="list-style-type: none"> • 95% of Ontario condominium corporations that have filed their current condominium returns • 95% of newly-created condominium corporations that file their initial returns
Fiscal Year	Key Activities	
2019 - 2020	<ul style="list-style-type: none"> • Review and refine strategies to reach any remaining condominium corporations that have not contacted the CAO or met their current return filing obligations • Contact newly-created condominium corporations based on contact information obtained from Teranet and based records at land registry offices • Proactively identify issues/errors filed in Returns and Notices of Change and support corporations to file complete and accurate information • Review and refine effectiveness of protocols for late filing fees, late payment and compliance orders 	
2020 - 2021	<ul style="list-style-type: none"> • Follow up with any outstanding condominium corporations that have not met their current return filing obligations • Continue to contact newly-created condominium corporations based on contact information obtained from Teranet and based records at land registry offices • Continue to proactively identify issues with information filed in Returns and Notices of Change and support corporations to file complete and accurate information 	
2021 - 2022	<ul style="list-style-type: none"> • Follow up with any outstanding condominium corporations that have not met their current return filing obligations • Continue to contact newly-created condominium corporations based on contact information obtained from Teranet and based records at land registry offices • Continue to proactively identify issues with information filed in Returns and Notices of Change and support corporations to file complete and accurate information 	

Core Strategic Objective 2 - Enhanced and Integrated Issue and Dispute Resolution

Strategy / Business Commitments:		Performance Measures and Targets:
2.1 Provide effective information and tools to promote and empower parties to resolve issues on their own and to prevent them from escalating to disputes where possible.		<ul style="list-style-type: none"> 80% clients are satisfied or very satisfied with guided steps to resolving common issues
Fiscal Year	Key Activities	
2019 - 2020	<ul style="list-style-type: none"> Enhance the guided steps to common issues materials and navigation based on user feedback Review user feedback for possible enhancements to existing guided steps and identify any new common issues 	
2020 - 2021	<ul style="list-style-type: none"> Continue to review user feedback for possible enhancements to existing guided steps to common issues and identify new common issues 	
2021 - 2022	<ul style="list-style-type: none"> Continue to review user feedback for possible enhancements to existing guided steps to common issues and identify new common issues 	

Strategy / Business Commitments:		Performance Measures and Targets:
2.2 Provide accessible, timely and cost-effective online dispute resolution services (negotiation, mediation, tribunal decision) through the CAT.		<ul style="list-style-type: none"> 80% clients are satisfied or very satisfied with CAT services 90% of CAT decisions released within 30 days of hearing conclusion (Stage 3)
Fiscal Year	Key Activities	
2019 - 2020	<ul style="list-style-type: none"> Implement multiparty dispute functionality (Phase 3 development). Conduct user testing/experience with CAT-ODR solution to improve existing platform and development plans Refine and improve the on-line dispute resolution (CAT-ODR) solution, including the expansion of platform functionality to allow for new dispute types Review all content in the CAT-ODR platform to incorporate multiparty dispute functionality Monitor client satisfaction and service standard results, e.g. time to schedule hearing; time to issue decision Identifying priority areas and preparing for an increased jurisdiction of the CAT's scope of disputes Continue to develop resources and supports for Members to support Adjudicative Excellence Support members through the decision release process to ensure timely release 	
2020 - 2021	<ul style="list-style-type: none"> Continue to monitor client satisfaction and service standard results, e.g. time to schedule hearing; time to issue decision Continue to share any client feedback with the Ministry regarding areas to consider for expansion of the CAT's jurisdiction/scope of disputes 	
2021 - 2022	<ul style="list-style-type: none"> Continue to monitor client satisfaction and service standard results, e.g. time to schedule hearing; time to issue decision Continue to share any client feedback with the Ministry regarding areas to consider for expansion of the CAT's jurisdiction/scope of disputes 	

Supporting Strategic Objective 3 - Client Service Excellence

Strategy / Business Commitments:		Performance Measures and Targets:
3.1 Continue to build awareness of the CAO and its services, and actively seek feedback to enhance services.		<ul style="list-style-type: none"> 100,000 total visits to CAO's website Identify and implement at least three service enhancements
Fiscal Year	Key Activities	
2019 - 2020	<ul style="list-style-type: none"> Develop Terms of Reference to guide the implementation of an advisory process for feedback Enhance data analytics capability Conduct annual IPSOS poll of general awareness of the CAO and its services Develop communications plan and outreach strategies, including social media, information kits for MPs/MPPs/ Municipal Councillors Participate in condominium sector conferences, including as presenters and panel discussion members Compile and analyze feedback on CAO services and resources from client interactions, surveys and stakeholder events to inform service enhancements and any legislative/regulatory proposals to the Ministry 	
2020 - 2021	<ul style="list-style-type: none"> Continue to implement strong feedback mechanisms and effective advisory processes Continue to refine data analytics capability Conduct annual IPSOS poll of general awareness of the CAO and its services and resources Continue to refine the strategic communications plan and outreach strategies Participate in condominium sector conferences, including as presenters and panel discussion members Compile and analyze feedback on CAO services and resources from client interactions, surveys and stakeholder events to inform service enhancements and legislative/regulatory proposals to the Ministry 	
2021-2022	<ul style="list-style-type: none"> Continue to implement strong feedback mechanisms and effective advisory processes Continue to refine data analytics capability Conduct annual IPSOS poll of general awareness of the CAO and its services Continue to refine the strategic communications plan and outreach strategies Participate in condominium sector conferences, including as presenters and panel discussion members Compile and analyze feedback on CAO services and resources from client interactions, surveys and stakeholder events to inform service enhancements and any legislative/regulatory proposals to the Ministry 	

Supporting Strategic Objective 4 - Operational Excellence

Strategy / Business Commitments:		Performance Measures and Targets:
4.1 Effective governance, accountability and business continuity processes in place and required corporate reporting documents are prepared and posted annually.		<ul style="list-style-type: none"> Business Plan, Annual Report prepared for review by the Ministry and published annually within required timeframes Annual Meeting held; public invited
Fiscal Year	Key Activities	
2019 - 2020	<ul style="list-style-type: none"> Develop annual calendar to achieve government reporting and accountability obligations Identify and assess risks and review/develop mitigation strategies, in particular a business continuity plan, as part of a risk management framework Prepare for and hold annual members' meeting Collect, evaluate and report on performance measures Establish and support the Board's Nominating Committee Establish and support the Board's Audit and Risk Committee Develop a Board Manual to facilitate effective Board governance Complete Board evaluation and summarize the results of the evaluation as required under Administrative Agreement Refine written policies and procedures for each functional area of its business, as required Develop 2019/20 Information Technology (IT) roadmap Review and refine as necessary the French Language Service and the Accessibility policies 	
2020 - 2021	<ul style="list-style-type: none"> Prepare Business Plan, Annual Report for review by the Ministry Develop a Balanced Scorecard for the organization Prepare for and hold annual members' meeting Collect, evaluate and report on performance measures Identify and assess risks and review/develop mitigation strategies. Update the information technology (IT) roadmap Refine written policies and procedures for each functional area of its business, as required Review and refine as necessary the French Language Service and the Accessibility policies 	
2021- 2022	<ul style="list-style-type: none"> Prepare Business Plan, Annual Report for review by the Ministry Prepare for and hold annual members' meeting Collect, evaluate and report on performance measures Identify and assess risks and review/develop mitigation strategies Update the information technology (IT) roadmap Refine written policies and procedures for each functional area of its business, as required Review and refine as necessary the French Language Service and the Accessibility policies 	

Strategy / Business Commitments:		Performance Measures and Targets:
4.2 Effective Financial Management and Controllershship		<ul style="list-style-type: none"> Minimal variances (+/-10%) in budget forecast/actual 100% compliance with internal controls and audit/loan agreement requirements Obtain a clean audit opinion
Fiscal Year	Key Activities	
2019 – 2020	<ul style="list-style-type: none"> Enhance the financial accounting system through integration with Customer Relationship Management Monitor and update expenditure and income projections to effectively manage fiscal resources Follow up on overdue condominium assessment payments Review and refine internal controls/policies and monitor compliance Fulfill loan agreement requirements Support the external independent auditors during the annual audit 	

2020 – 2021	<ul style="list-style-type: none"> • Monitor and update expenditure and income projections to effectively manage fiscal resources • Follow up on overdue assessment payments • Review and refine internal controls/policies and monitor compliance • Fulfill loan agreement requirements • Support the external independent auditors during the annual audit
2021 - 2022	<ul style="list-style-type: none"> • Monitor and update expenditure and income projections to effectively manage fiscal resources • Follow up on overdue assessment payments • Review and refine internal controls/policies and monitor compliance • Fulfill loan agreement requirements • Support the external independent auditors during the annual audit

Strategy / Business Commitments:	Performance Measures and Targets:
4.3 Effective human capital planning and process in place that promote a fair, respectful, collaborative, diverse and inclusive workplace.	<ul style="list-style-type: none"> • Human Resources Policies developed and communicated to all staff • Performance Management Framework implemented • Staffing model adjustments to meet business and service delivery requirements • <i>Accessibility for Ontarians with Disability Act (AODA)</i> compliance report filed in 2020 • 70% overall employee satisfaction

Fiscal Year	Key Activities
2019 - 2020	<ul style="list-style-type: none"> • Implement HR strategies, including the human capital planning to enhance organizational structure to fulfill service delivery mandates • Review and refine human resource policies and procedures manuals that support fair, respectful, diverse and inclusive workplace • Complete performance management plans and reviews • Conduct an employee satisfaction survey • Ensure all CAO staff have completed required AODA training
2020 - 2021	<ul style="list-style-type: none"> • Continue to review/update the human capital plans • Review and refine human resource policies and procedures manuals that support fair, respectful, diverse and inclusive workplace • Complete performance management plans and reviews • Conduct an employee satisfaction survey • Ensure all CAO staff have completed required AODA training
2021 - 2022	<ul style="list-style-type: none"> • Continue to review/update the human capital plans • Review and refine human resource policies and procedures manuals that support fair, respectful, diverse and inclusive workplace • Complete performance management plans and reviews • Conduct an employee satisfaction survey • Ensure all CAO staff have completed required AODA training

5. Risk Management

Ontario's condominium sector continues to evolve. Many condominium communities are still adapting to the first wave of changes introduced by the amendments to the Act and the implementation of the *Condominium Management Services Act, 2015* introduced in 2017. There also remain many amendments to the Act which, if proclaimed, will bring further change to how condominium communities operate.

To ensure that the CAO can effectively support condominium communities in this environment and deliver on its strategic objectives, the CAO has developed an enterprise Risk Management Framework.

Through this framework, the CAO supports the effective management of risks through the departmental and enterprise risk evaluations and risk management planning. The CAO's risk management framework includes the identification and implementation of specific, timely, preventative and recovery controls to reduce the likelihood, impact, or speed of onset of the potential risks.

The key risks associated with the 2019-2022 Business Plan are:

- Potential that all condominium corporations across the province do not file their returns and assessments as required by the Act and its regulations;
- Potential barriers to delivering reliable and timely information to Ontario's condominium communities during a time of considerable legislative change;
- Uncertainty about the timing and type of a possible expansion of disputes that can be filed for resolution with the CAT;
- Information technology risks related to the availability and operation of the CAO's on-line services including director training, the on-line condominium returns and notices of change filing system, the CAO's Public Registry, and the CAT's Online Dispute Resolution System (CAT-ODR); and
- Attracting, recruiting and maintaining the specialized skills to execute the CAO's on-line service delivery model, as well as mediation and adjudicative expertise for delivering the CAT's dispute resolution services.

The CAO conducts risk assessments on an ongoing basis throughout the year and to identify any additional risk areas and to develop appropriate prevention and control strategies.



6. Financial Plan

Financial Planning

The CAO is committed to prudent financial management to ensure value for money is provided and to being transparent and accountable for the efficient use of its funds to deliver on its mandated responsibilities. As such, the CAO undertakes the following commitments:

- To adhere to expense and procurement policies that meet the spirit and intent of the provincial government practices. Three-year financial forecasts are published annually in the CAO's business plan and the audited financial statements are prepared and made public in its annual report.
- To carefully plan the allocation of funds for the current and future years' business activities.
- To ensure strict control on expenditures within the Board approved budget through monthly monitoring and reporting of budget versus actuals, and with a focus on cost drivers to ensure the cost-effective utilization of resources. In addition, each department head is responsible for their budget with added oversight from the Director, Finance and Controllershship.
- To monitor its business operational activities on an ongoing basis.
- To manage expenditures by embracing technology and the strategic use of outsourcing in pursuit of the most cost-effective way of doing business.

Key Assumptions

Revenue

CAO activities are supported primarily by assessment fees collected from condominium corporations in Ontario based on their reported voting units in their returns filed with the CAO. All condominium corporations are required to pay assessment fees to the CAO annually. The total assessment fee for each corporation has been calculated based on the equivalent of \$1 per voting unit per month. According to the Act, the total assessment fee for each condominium is to be added to the common expenses and individual condominium owners are to be charged based on the percentage that they contribute to the common expenses as set out in the condominium corporation's declaration. Other revenues come from the CAT user fees, administrative fees, and interest income.

In line with its commitment to being financially prudent and avoid accumulating funds not currently required to sustain the operations, the CAO implemented a temporary adjustment to reduce the total assessment amount payable by each corporation by 25% for fiscal year 2019-2020. The CAO will operate at a net deficit budget for the next three-year period, in order draw-down on the current operating surplus of \$5.4M. This surplus, generated in previous years, is due primarily to the initial limited caseload of the CAT and lower costs than will be incurred when the CAO/CAT is in full operations. Given the anticipated expansion of the CAT's jurisdiction, this year's financial plan anticipates the gradual increase in cases beginning in FY 2019/20 and resulting in the elimination of the temporary adjustment to fees.

Expenses

Human Resources

The human resources' budget reflects the appropriate organizational structure with optimum number of staff and some shared back office resources to deliver on the CAO's mandate to fulfill the activities outlined in the year ahead. The budget includes the on-boarding of human resources to transition to steady-state and support its mostly online service delivery model, and ensure the stability of its business services to condominium communities, as follows:

- IT specialist staff are required as part of transition from external vendor to in-house development and support. Internal IT staff will support operational excellence and allow the organization to continuously improve, respond to client feedback and respond quickly to IT system issues.
- Staff have been recruited to help ensure that directors meet their mandatory training obligations.
- In the anticipation of the new regulations and increased case load, a budget allocation has been included for a vice chair and additional CAT members.
- To ensure service excellence and capacity to respond to changing needs of condominium buyers, owners, directors and managers, the CAO is establishing an internal customer care contact; and
- To reach and engage the condominium communities across Ontario in order to better understand their issues and service needs, communications and outreach resources are included.

Operational Expenses:

Operational expenses have been forecast to remain at a similar level over 2019-2022. A significant portion of the operating costs relate to accommodation and IT related license/maintenance, as well as the amortization expense. The CAO is in a long-term lease agreement and the rent is fixed over the period 2019-2022. Similarly, the CAO has multi-year commitments with IT vendors and the licensing and maintenance rates are fixed over the same period.

Condominium Authority Tribunal:

A significant portion of the CAO's expense budget relates to its dispute resolution online system and operations, including payments to mediator and adjudicators per diems and training. These costs are variable to the case load. The CAO has planned for a possible expansion to the CAT's jurisdiction in 2019-2020. There is significant uncertainty about what dispute types may be added and how many cases may be filed. For planning purposes, approximately 375 new cases filed with the CAT have been budgeted for 2019-2020. This case load estimate increases to 690 cases in FY 2020-21 and 1,035 in FY 2021-22. In addition to the operational expenses, CAO will be incurring a capital expenditure related to development work on the CAT's Online Dispute Resolution IT system, as well as the annual operational costs of the system.

Finance Cost:

The CAO has a loan payable amounting to \$5.5 million and will start paying back the interest and principal to the government starting FY 2019-20 in twenty (20) equal instalments over the period of ten (10) years. Financing costs are based on the amortization schedule provided by the Ministry. Higher finance cost is as a result of increased interest rates. Principal amount will be paid back through the accumulated reserves over the period 2019-20 to 2021-22.

Annual Budget

	FY 2019-20		FY 2020-21		FY 2021-22	
Revenues:						
Revenue	\$7,051,422		\$7,882,723		\$9,507,950	
Other Income	\$101,031		\$50,000		\$50,000	
Total revenues		\$7,152,452		\$7,932,723		\$9,557,950
Operational Expenses						
Human Resources	\$4,694,249		\$4,975,904		\$5,274,458	
Operational Expenses	\$2,137,608		\$2,125,993		\$2,130,179	
Condominium Authority Tribunal	\$651,938		\$997,076		\$1,342,214	
Financing Cost	\$182,232		\$166,079		\$149,393	
Ministry oversight fee	\$302,000		\$302,000		\$302,000	
Total Operational Expenses		\$7,968,027		\$8,567,051		\$9,198,244
Operational Surplus/(Deficit) For Year		(\$815,575)		(\$634,329)		\$359,705
Capital Expenditures:						
CAT - Online Dispute Resolution	\$648,130		\$400,000		\$400,000	
		\$648,130		\$400,000		\$400,000
Financing:						
Loan Payback	\$489,971		\$506,124		\$522,809	
		\$489,971		\$506,124		\$522,809
Net Surplus/(Deficit) For Year		(\$1,953,676)		(\$1,540,453)		(\$563,104)

Budget Notes:

- Revenue includes the assessment fees, the tribunal dispute resolution fees and late condominium returns filing/payment fees
- Human resources expenses include the cost related to salary, benefits, HR consulting and staff development, including CAT specific HR costs
- Operational Expenses include accommodation, board and governance related expenses, consulting, external legal costs, communications, information technology, office and general, non-recoverable HST and amortization costs.
- Beginning in Fiscal-year 2019-20, the CAO will pay an oversight fee to Ministry of Government Consumer and Services under the Administrative Agreement, as cost recovery for their oversight role.

