



2018/19 Business Plan and Budget
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Executive Summary

About Mills Community Support (MCS)

The story of Mills Community Support Corporation (formerly known as the Almonte Community Development Corporation) has its roots in the mid-1970s when “Almonte Community Builders” was established. Individuals from the community who had been striving to build affordable housing for low-income families formed this group. The close collaboration between the Almonte Community Builders and the town council resulted in a successful application to the Ontario government for a Neighbourhood Improvement Grant to service an available tract of land, and funding from CMHC for construction of affordable housing. Prior to the start of construction, the group decided to incorporate itself as the Almonte Community Development Corporation Inc (ACDC) on 9 December 1975. With its’ own charter, ACDC proceeded with the construction of twelve family units on Norton Street with the first project being completed in 1978. On April 17, 2000 ACDC changed its name to the Mills Community Support to better reflect the broad range of community services provided in Lanark County.

Over the past 42 years MCS continued to grow becoming a multi-service, charitable organization that annually assists over 1,000 people throughout Lanark County with specialized supportive housing services, non-profit housing services, and home support services. These services assist individuals, young families and seniors who may be economically disadvantaged, as well as people of all ages who require support to live as independently as possible for as long as possible.

It is only through the dedicated efforts of our 145 employees and approximately 100 volunteers are we able to fulfill our Mission to:

Help create welcoming communities through capacity building, partnerships and person centred services.

Program/Service Department	Services
Seniors Services	<ul style="list-style-type: none"> • Personal care for seniors at home: <ul style="list-style-type: none"> ○ Assisted living services ○ Respite services • Food services • Transportation • Recreation and wellness programs • Foot care
Developmental Services	<ul style="list-style-type: none"> • Residential Service Provider encompassing: <ul style="list-style-type: none"> ○ Healthy relationships ○ Life skills ○ Employment/volunteer opportunities ○ Community Connections ○ Housing Options ○ Personal safety
Housing	<ul style="list-style-type: none"> • Provision of housing to: <ul style="list-style-type: none"> ○ People with disabilities ○ Seniors ○ Economically disadvantaged individuals ○ Young families starting out in the community

Goals and Performance Measures

Encompassed in this Business Plan are goals and their accompanying tactical strategies, each aligned with MCS’ three Strategic Directions. These goals reflect Mills Community Support’s plans for the 2018/2019 fiscal year:

Strategic Directions	2018-2019 Goals
Community Development and Capacity Building	<ol style="list-style-type: none"> 1. Collaborate and/or merge with like-minded agencies 2. Achieve or exceed LHIN based activity targets
Create and Sustain Supportive Environments	<ol style="list-style-type: none"> 3. Complete the construction of the Country Street Centre expansion and implement onsite seniors’ programs 4. Design and construct 8 to 12 new Supportive Housing units 5. Increase Developmental Services client count from 48 to 52
Develop an Innovative, Sustainable and Successful Non-profit Organization	<ol style="list-style-type: none"> 6. Improve financial viability of programs and services 7. Operationalize sustainability concepts 8. Implement Risk Matrix monitoring and reporting 9. Reduce willful tenant damage 10. Implement cost effective fundraising strategies

Operating Budget

The 2018/19 operating budget was prepared using a series of budgeting principles that focused on creating a leaner and more efficient organization. Each department’s activities were reviewed to identify how we can better meet our local community needs and the more global goals of our funders. With multi-year stagnant revenues and cumulative cost pressures, program and service departments will enact revised methodologies to grow services while maintaining balanced budgets. Innovative goals were developed that continue to provide essential services but at reduced costs. Our collective efforts result in the 2018/19 operating budget having a \$68,468 or 0.8% surplus. This surplus will increase MCS’s Board Restricted Reserve for Developmental Services Housing or will act as a contingency if we encounter revenue reductions and/or non-discretionary cost increases.

Historical Budget Comparison				
	2016/17		2017/18	2018/19
	Consolidated Budget	Audited Actual	Consolidated Budget	Consolidated Budget
Revenues	8,473,694	8,669,196	8,624,422	8,946,228
Expenses	8,407,126	8,682,033	8,571,583	8,877,760
Surplus/(deficit)	\$ 66,568	\$ (12,837)	\$ 52,839	\$ 68,468

1.0 Organizational Context

1.1 Situational Realities

Mills Community Support operates in a rapidly changing environment where the demand for programs and services is rapidly growing whilst funder financial support has remained fixed. Further, recent self-funded capital projects have limited our ability to provide supplementary funding where financial pressures are most severe. To meet the evolving needs of the residents of North Lanark, Mills Community Support must be visionary, proactive and strategically positioned. This conclusion is based on the following situational realities:

Funders:

- Funders are not bound to use MCS as a delivery agent
- Funders have increased expectations that delivery agents do more with existing resources
- MCSS has a pressing need to place clients who are on the urgent wait list
- MCSS has demonstrated a greater desire for transparency and engagement in MCS interactions
- LHIN has expectations that delivery agents merge/restructure/collaborate
- LHIN has demonstrated a distinct lack of transparency and engagement
- Ministry of Housing may terminate the RGI program and allocate funding to tenants
- Recurrent priority among funders of assisting people to remain independent and thrive in their communities
- Funders have a resurgence of one-time funding for innovative concepts
- The outcome of the pending provincial election may impact MCS - revised government priorities, policies and funding

Clients:

- Complexity of client needs requires extensive collaboration with health care providers
- Aging demographics have created a spike in demand for senior services
- Aging demographics have created increased demand for seniors housing
- Clients increasingly have the authority to choose the delivery agent

MCS Financial Realities:

- We have significant (and likely permanent) reliance on government funding
- Our aging housing inventory is costly to maintain
- The challenging charity sector has hampered donations/fundraising revenue growth
- We have reduced financial agility - historical “reserves” have been committed to capital projects
- MCS has demonstrated initiative in identifying and implementing new sound financial practices

Operational Environment:

- There are low entry barriers for new competitors
- There are aggressive for-profit service providers/housing providers
- We compete with/are compared to:
 - Other regional DS agencies
 - Other regional senior service agencies
 - Other regional social housing agencies

1.2 Mission

We help create welcoming communities through capacity building, partnerships and person-centred services.

1.3 Vision 2020 (Proposed August 2016)

Mills Community Support vision:

- Strong, sustainable and growing capacity that we can draw on to serve our community
- As an organization, we will have a clear vision framework, our activities will be aligned with our vision and we will be able to demonstrate impact
- Mills Community Support's brand will be strong – well-known locally and we will have a well-earned positive reputation
- We will be outcome/impact focused in the services we deliver – what we do will make a difference
- People will be more connected and gifts will be recognized and shared in community building

1.4 Values

Mills Community Support values:

- Openness, honesty, and accountability
- Collaboration and teamwork and mentoring/coaching
- Collaboration with the people we serve, person-centered work, and satisfaction of the people we serve
- Appreciative thinking
- Healthy living

1.5 Outcomes

Through the fulfillment of our mission we strive to accomplish the following outcomes:

- Older people and people with disabilities live safe, independent lives at home and in their community
- Individuals with an intellectual disability live in a state of dignity, share in all elements of living in the community, and have the opportunity to participate effectively
- People have affordable, well-maintained, adequate housing
- Welcoming communities – barriers to inclusion and participation are reduced
- Voluntary organizations have a positive impact on community vitality

1.6 Mills Community Support Strategic Directions

Strategic Direction #1 – Community Development and Capacity Building

- Animate local community development initiatives
- Create opportunities for citizens to engage with elected officials and candidates for public office
- Provide leadership and help build networks which support community and voluntary sector capacity building
- Advocate for positive social change and inclusion

Mills Community Support Strategic Directions (Continued)

Strategic Direction #2 – Creating and Sustaining Supportive Environments

- Older adults live a good life and a safe life as valued members of their communities
- Support individuals with an intellectual disability to live in a state of dignity, share in all elements of living in the community, and have the opportunity to participate effectively
- Affordable, good quality housing is part of healthy communities in Lanark
 - Increase the supply of good affordable seniors' housing units in Lanark County
 - Ensure our housing stocks long term sustainability through renewal and efficiency projects
 - Be recognized as an affordable housing leader and innovator
 - Provide affordable housing for families and singles

Strategic Direction #3 – Develop an Innovative, Sustainable and Successful Non-profit Organization

- MCS is recognized as a leader in community and regarded as both a “charity of choice” and a credible business partner
- Support a learning culture that promotes collaboration and nurtures innovation
- Support volunteer engagement and contribution
- Expand the use of innovative assistive technology
- Build internal capacity and workplace continuity to deliver on strategic priorities

2.0 2018-19 Goals

2.1 2018/19 Business Plan Goals and Associated Tactical Strategies

Goals	Strategic Direction	Source Document	Responsible Department	Tactical Strategies
Collaborate and/or merge with like-minded agencies	Strategic Direction 1: Community Development and Capacity Building	2016-17 Business Plan	Board of Directors and CEO	<ul style="list-style-type: none"> • Complete the Board Collaboration and Integration Policy • Ensure operational readiness for change: <ul style="list-style-type: none"> ○ Being operationally sound and stable ○ Creating a culture that embraces and supports change ○ Being both visionary and pragmatic • Analyze our environment for opportunities to collaborate and work differently • Lead the collaboration process by promoting collaboration/mergers with desired organizations, rather than being told by funders how to collaborate • Solicit Funder endorsement to enable innovative business approaches • Demonstrate collective benefits to potential collaborators
Achieve or exceed LHIN based activity targets	Strategic Direction 1: Community Development and Capacity Building	Operating Plan 2017/18	Senior Services	<ul style="list-style-type: none"> • Analyze each LHIN funded program to identify constraints that are currently limiting program growth: <ul style="list-style-type: none"> ○ Develop strategies to overcome current constraints and implement program growth plans ○ Analyze growth strategies to confirm that increased program offerings are financially viable ○ Conduct quarterly analysis of YTD actuals versus LHIN targets and revise strategies as necessary • Revise program management philosophy by focussing on program quality, volume and financial status • Develop and implement a new service offering daily, weekly and themed re-assurance calls to seniors • Restructure Home Support job descriptions to create efficiencies and ensure program and service knowledge is shared • Revamp the Newsletter to promote all supports and services offered by MCS • Enact Assisted Living staff stability/retention processes by: <ul style="list-style-type: none"> ○ maintain ongoing front-page website position notices ○ actively pursue hires at local colleges that offer PSW programs ○ Continue to accept students for placements so their awareness of MCS makes us their preferred employer

Goals	Strategic Direction	Source Document	Responsible Department	Tactical Strategies
Complete the construction of the Country Street Centre expansion and implement onsite seniors' programs	Strategic Direction 2: Create and Sustain Supportive Environments	2016-17 Business Plan	Housing Operations and Senior Services	<ul style="list-style-type: none"> • Support the Resource Development Committee's fundraising campaign to co-fund the construction of the solarium link • Monitor project timelines with Argue Construction including regular site visits • Trouble shoot delays and cost increases as required • Monitor monthly construction billings and change order requests to maintain fiscal control • Implement a schedule of use for the centre that meets the needs of (1) building tenants and (2) local seniors • Relocate Wellness Programs to the centre by April 2018 and plan expanded program offerings • Apply for Seniors Active Living Centre operational funding to enhance program offerings • Develop and implement a facility operating budget and identify funding source

Goals	Strategic Direction	Source Document	Responsible Department	Tactical Strategies
Design and construct 8 to 12 new Supportive Housing units	Strategic Direction 2: Create and Sustain Supportive Environments	Proposal to Lanark County Affordable Housing	Housing Operations	<ul style="list-style-type: none"> • Identify housing attributes necessary for DS Client needs • In conjunction with agencies representing prospective tenants, develop the facility design including: <ul style="list-style-type: none"> ○ Unique requirements for tenants ○ Safety and security of tenants ○ Attributes of common space ○ Attributes of staff space ○ Design attributes to ensure facility durability to reduce ongoing maintenance needs ○ Energy efficiency attributes ○ Financial model for ongoing operations • Develop architectural plans to maximize the number of units to be constructed within budget constraints • Implement construction contracts to ensure construction commences by March 19, 2018 • Monitor project timelines with Argue Construction including regular site visits • Trouble shoot delays as required • Monitor monthly construction billings and change order requests to maintain fiscal control • Develop the Supportive Housing Operational Plan including coordination of supports and site-specific staffing
Increase Developmental Services client count from 48 to 52	Strategic Direction 2: Create and Sustain Supportive Environments	New	Developmental Services	<ul style="list-style-type: none"> • Coordinate ‘wrap-around’ supports from other agencies for new clients • Inform MCSS of our desire to increase the number of clients we serve • Identify individuals requesting services from MCS through P&P/DSCIS • Analyze suitability of clients to MCS services • Complete Person Directed Planning process for prospective new clients • Prepare incremental budgets for each client to confirm fiscal sustainability • Secure suitable housing for clients • Analyze staffing needs to provide client services and hire staff as needed • Arrange for staff training to ensure quality client services • Complete admission processes for each new client

Goals	Strategic Direction	Source Document	Responsible Department	Tactical Strategies
Improve financial viability of programs and services	Strategic Direction 3: Develop an Innovative, Sustainable and Successful Non-Profit Organization	2016-17 Business Plan	Various	<ul style="list-style-type: none"> Develop a standardized process to conduct operational and financial reviews that encompasses revenues, direct costs, salaries and overhead costs Conduct operational reviews of transportation, congregate dining and meals on wheels programs to identify opportunities to further improve the program Complete financial reviews of all Senior Service programs to identify long-term financial sustainability Identify programs and services that are not self-supporting or cost effective Revise tactical strategies to improve the cost effectiveness of programs and services that don't meet desired benchmarks Develop a cycle for review of cost effectiveness of programs and services Develop a formal fee subsidy program for low-income seniors
Operationalize sustainability concepts	Strategic Direction 3: Develop an Innovative, Sustainable and Successful Non-Profit Organization	Sustainability Policy Statement	Various	<ul style="list-style-type: none"> Educate staff about the multiple bottom line concept of sustainability and the need for long-term perspectives Develop sustainability assessment tools to evaluate how a proposed change in practice will impact each sustainability branch Revise planning processes to include sustainability analysis and measurement techniques Analyze the five sustainability branches to identify the lead departments for each branch Lead departments: analyze their operations to assess how their operating practices can be more sustainable and how any proposed changes would impact the other sustainability branches Revise operational policies to include sustainability assessments
Implement Risk Matrix monitoring and reporting	Strategic Direction 3: Develop an Innovative, Sustainable and Successful Non-Profit Organization	Risk Register	Various	<ul style="list-style-type: none"> Educate staff about MCS's major risk factors and our risk tolerance for each Develop risk assessment tools to monitor and report on major risk factors Revise planning processes to include risk analysis Assign monitoring of major risks to specific departments for ongoing evaluation, reporting and development of mitigating processes Devise Risk Matrix reporting for the Board's Committees and the Board itself Revise operational policies to include risk assessments

Goals	Strategic Direction	Source Document	Responsible Department	Tactical Strategies
Reduce willful tenant damage	Strategic Direction 3 – Develop an Innovative, Sustainable and Successful Non-Profit Organization	New	Housing	<ul style="list-style-type: none"> • Ensure lease is thoroughly reviewed prior to tenancy section 2 j) highlighted • Create separate acknowledgement/agreement form of this section that outlines the increased frequency of inspections for units deemed vulnerable and consequences • Set up vulnerable unit procedures and train maintenance personnel on responsibilities regarding these units • Documented video or images of units prior to move in • Willful damage is dealt with on a regular basis vs annual or on move out • Invoice tenants for the cost of damage repairs in a timely manner • Implement collection processes for payment of damage invoices • Be more assertive in evicting tenants who cause damage or are in arrears paying for repair costs
Implement cost effective fundraising strategies	Strategic Direction 3 – Develop an Innovative, Sustainable and Successful Non-Profit Organization	New	Administration	<ul style="list-style-type: none"> • Analyse existing fundraising to identify if they are effective (CTRAD) • Conduct analysis on new fundraising endeavours to identify if targeted CTRAD can be achieved • Increase volunteer engagement to reduce fundraising costs and hence increase funds to programs and services • Increase community awareness that MCS is a registered charity by emphasizing it on the web site, email signature blocks and stationary • Piggy back fundraising with newsletters and other means of correspondence to eliminate fundraising distribution costs • Analyze grant application criteria to develop standardized wording for commonly requested information

2.2 Relationship of Mills Community Support Goals to Ministry of Community and Social Services

MCS Goals	MCSS Developmental Services Hierarchy of Outcomes (Ultimate Outcomes) and Working Together for Better Outcomes	
<p>Mills Community Support goals for the 2018/19 fiscal year:</p> <ol style="list-style-type: none"> 1. Collaborate and/or merge with like-minded agencies 2. Achieve or exceed LHIN based activity targets 3. Complete the construction of the Country Street Centre expansion and implement onsite seniors' programs 4. Design and construct 8 to 12 new Supportive Housing units 5. Increase Developmental Services client count from 48 to 52 6. Improve financial viability of programs and services 7. Operationalize sustainability concepts 8. Implement Risk Matrix monitoring and reporting 9. Reduce willful tenant damage 10. Implement cost effective fundraising strategies 	<p>✓ ✓ ✓ ✓ ✓</p>	<ul style="list-style-type: none"> • Individuals live as independently as desired • Individuals experience full inclusion in all aspects of society • Enhanced capacity to deliver • Improved opportunities for people • Person directed services

2.3 Relationship of Mills Community Support Goals to the LHIN

MCS Goals	Champlain LHIN Integrated Health Services Plan 2016 - 19
<p>Mills Community Support goals for the 2018/19 fiscal year:</p> <ol style="list-style-type: none"> 1. Collaborate and/or merge with like-minded agencies 2. Achieve or exceed LHIN based activity targets 3. Complete the construction of the Country Street Centre expansion and implement onsite seniors' programs 4. Design and construct 8 to 12 new Supportive Housing units 5. Increase Developmental Services client count from 48 to 52 6. Improve financial viability of programs and services 7. Operationalize sustainability concepts 8. Implement Risk Matrix monitoring and reporting 9. Reduce willful tenant damage 10. Implement cost effective fundraising strategies 	<p>Strategic Directions:</p> <ul style="list-style-type: none"> ✓ • Integration: Improve the patient and family experience across the continuum of care <ul style="list-style-type: none"> • People who need multiple services receive more coordinated home, community and primary care • People experience a smooth transition from hospital to home ✓ • Access: Ensure health services are timely and equitable <ul style="list-style-type: none"> • People can access quality care no matter who they are or where they live • People are able to access priority health services when they need them ✓ • Sustainability: Increase the value of our health care system for the people it serves <ul style="list-style-type: none"> • People can get service in the most appropriate setting • People receive efficient and effective care

2.4 Relationship of Mills Community Support Goals to the Lanark County Housing

MCS Goals	Lanark County Goals (Housing and Homelessness Blueprint Plan 2014-2024)
<p>Mills Community Support goals for the 2018/19 fiscal year:</p> <ol style="list-style-type: none"> 1. Collaborate and/or merge with like-minded agencies 2. Achieve or exceed LHIN based activity targets 3. Complete the construction of the Country Street Centre expansion and implement onsite seniors' programs 4. Design and construct 8 to 12 new Supportive Housing units 5. Increase Developmental Services client count from 48 to 52 6. Improve financial viability of programs and services 7. Operationalize sustainability concepts 8. Implement Risk Matrix monitoring and reporting 9. Reduce willful tenant damage 10. Implement cost effective fundraising strategies 	<ul style="list-style-type: none"> • Increase understanding of the housing and homelessness challenges and assets in Lanark County • Improve public awareness of the housing services available • Advocate for increased funding to end homelessness • Create a spectrum of outreach services for those without housing • Expand supports that help people find and keep appropriate housing • Maintain stock to support sustainability • Increase the number of non-profit housing units available in Lanark County • Lobby for funding for affordable housing project development • Encourage and support private landlords to provide more housing that is affordable • Encourage the development of secondary suites, multiple units and other higher density housing • Increase coordination between housing services • Increase coordination with other health and social service providers. Continually strive to develop an inclusive community profile of housing needs and assets, especially regarding: <ul style="list-style-type: none"> ◆ People with disabilities (including mental health and substance abuse); ◆ Victims of domestic violence; ◆ Aboriginal people living off reserve; ◆ Seniors; ◆ Youth; ◆ Others identified who may have increased vulnerability or face marginalization • Create more inclusive, accessible tools to ensure people from vulnerable groups can access housing supports • Reduce carbon footprint of public and private affordable housing • Explore the economic feasibility of energy efficiency upgrades

3.0 Operating Budget

3.1 Budgeting and Planning Principles

The 2018–19 Business Plan highlights the growing demand for MCS programs and services. Unfortunately, MCS’s fiscal realities include multi-year flat revenues and cumulative cost pressures. Our fiscal realities constrain our ability to enhance programs and services levels to meet current community needs. The following Budgeting Principles were used to guide MCS’ budget development. These principles were developed to improve our business and operational processes and to ensure we remain financially sustainable during these challenging times:

- **Operational Effectiveness** – budgets will be developed to effectively provide programs and services in a cost effective and efficient manner. While MCS is a charitable not-for-profit organization the budgets will reflect entrepreneurial business decisions to achieve our business plan goals and the outcomes of funding agencies.

Response:

Each department prepared the 2018/19 budget in a manner to sustain or increase activities without the need for funding increases. Implemented changes focused on improving efficiencies and effectiveness rather than reducing costs.

- **Full Costing of Programs and Services** – to enhance accountability and to facilitate effective decision-making processes, program and service budgets will be developed in a manner that encompasses all direct revenues and direct costs.

Response:

Budgets consolidate revenues and direct and indirect costs for each distinct program or service. Enhanced financial reporting will be developed to parallel the new budget structure.

- **Cost Allocations** – administrative and overhead costs will be allocated in a manner that corresponds with their proportionate use unless otherwise limited by funding agreements.

Response:

A revised process of allocating administration, maintenance, payroll and audit fees was implemented in 2017/18. This process allocates costs based on their respective cost drivers to create equitable allocations.

- **Administration Budget** – the Central Administration budget will be developed in a manner that provides sufficient resources to deliver effective leadership and accountability while minimizing the impact of allocating these costs to program and service budgets.

Response:

Administrative operations were reviewed to identify if staff skillsets and numbers meet our current and near future needs. This review resulted in:

- *one term employee`s contract not being renewed*
- *establishing a budget for a part-time Finance Manager, and*
- *the assignment of the Director of Finance to work on strategic and business planning processes.*

The review also resulted in reduced operating costs by eliminating CEO recruitment funding and reducing the budget for consultants.

- **Financial Sustainability** – except where prohibited by external funding agreements the budget will be developed in a manner to produce a 1% operating surplus. This surplus will serve as an operating cushion if unanticipated and uncontrollable costs are encountered and/or to enhance internally restricted DS Housing reserve per the March 14, 2017 Board of Directors motion.

Response:

The 2018/19 budget presents a surplus of \$68,468 or 0.8%. The surplus is intended to increase unrestricted resources to provide greater flexibility for the organization if it encounters uncontrollable non-discretionary cost increases during the fiscal year. In the absence of a deficit, the planned surplus will supplement the Board Restricted DS Housing Reserve.

- **Restricted Reserves** – the budget will not encompass the use of restricted reserves unless previously authorized by the Board of Directors.

Response:

The 2018/19 budget includes the use of \$65,000 Board Restricted Fund for the construction of specialized Developmental Services housing. Under the terms of the \$1.2 million Lanark County funding agreement MCS is required to provide separate funding on a \$3 to \$1 ratio. The \$65,000 provided by the fund will partially meet our financial commitment of up to \$400,000.

The budget also includes use of a Board Restricted \$400,000 reserve for the construction of a solarium link to connect 375 and 411 Country Street apartment complexes.

- **Internal Budgets and Funder Budgets** – internal budgets and internal goals will be the budgets and goals submitted to, and approved by, Funding Agencies. For improved accountability, internal budgets may be developed at a more detailed level, while still summarizing to the approved Funding Agency budget at both the program/service and account levels.

Response:

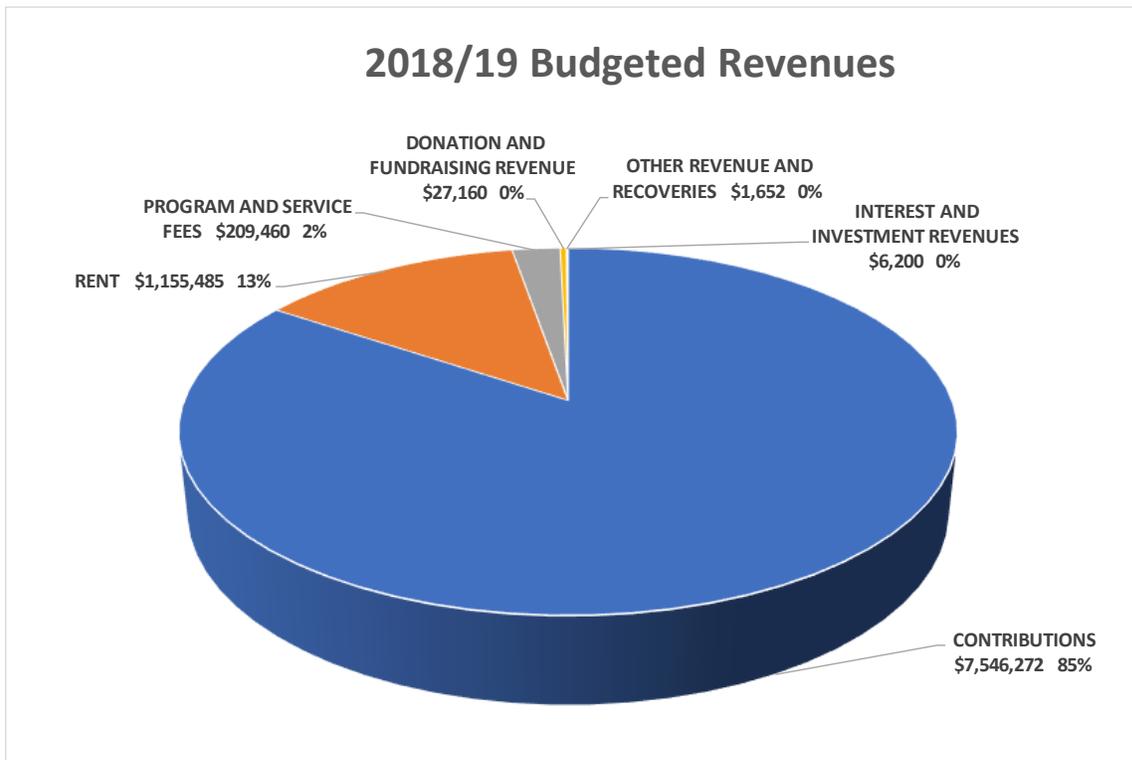
The development of budgets funded directly by Ministry of Community and Social Services, Champlain LHIN and Lanark County were developed in a manner whereby internal budgets parallel the budgets submitted to the funder or budgets provided to MCS by the funder. The congruency of our internal budgets and funder budgets will simplify financial and activity reporting.

3.2 Budget Overview

The development of this budget occurred at a time when operational costs are continuing to increase, demand for services continues to grow and our revenues remain relatively fixed. This environment presented challenges in balancing individual departmental budgets and ensuring that there are sufficient resources to accomplish the 2018/19 Business Plan Goals. To address these challenges the development of the 2018/19 operating budget adhered to a series of the budgeting principles that improve accountability and bring the best “for profit” budgeting disciplines to MCS’ not-for-profit and charity environment.

Revenue sources for the Mills Community Support increased slightly (net \$320,000 or 3.5%) due to:

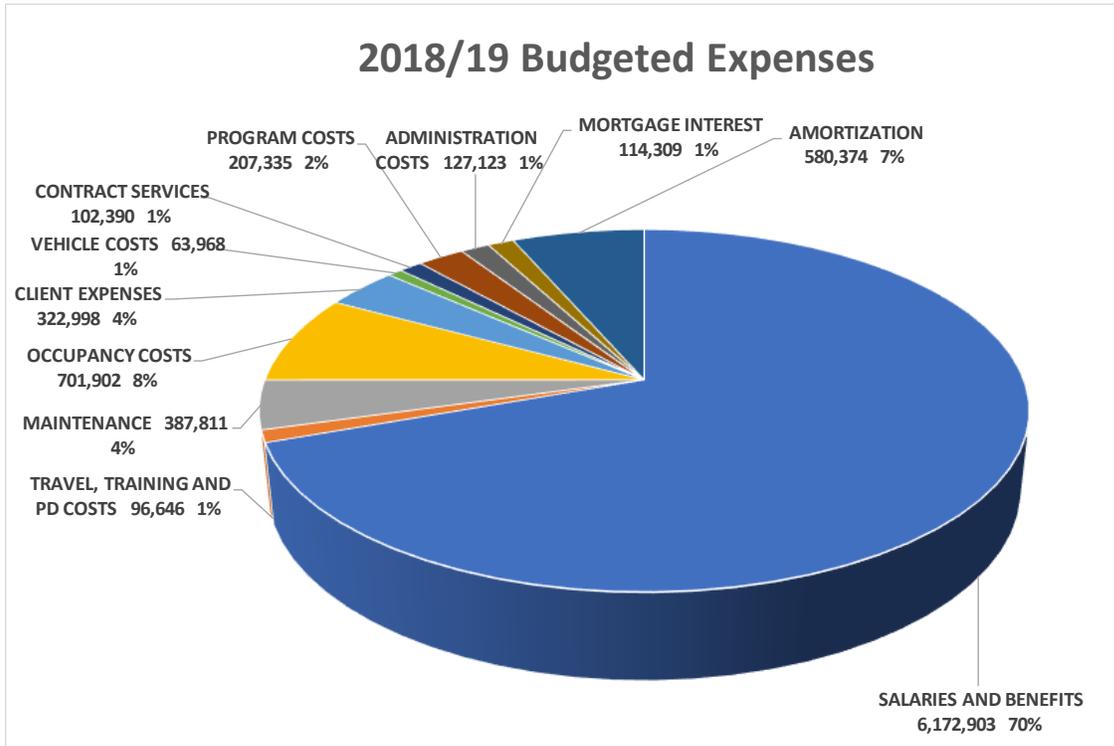
- \$66,000 additional funding from MCSS to cover increased salary and benefit costs associated with implementing Bill 148
- The addition of Five Arches operations to MCS’s budget process
- Minimal increase in fees for Senior Services; and
- Small housing rent increases (controlled by provincial legislation).



Despite stagnant revenues Mills Community Support is continuing to incur cost increases due to increased salary and benefits costs and general inflationary trends. The process to balance departmental budgets required analysis of how programs and services operate so that strategic changes can be implemented. Often, changes forced discretionary costs down to accommodate the impact of inflation on non-discretionary costs. This process has created budgetary operating pressures where unanticipated reduction in revenues or increases in costs will be difficult to manage without incurring an operating loss. The very tight fiscal position will only be alleviated by base contribution increases in the future or by implementing financial efficiencies associated with the 10 Business Plan Goals.

The budget also includes a reserve funded facility improvement budget of \$177,215 to maintain our housing inventory. This budget will address improvements in housing and administration facilities based on a five year plan.

The outcome of these efforts results in MCS' 2018/19 operating budget having a modest surplus of \$68,468 (0.8%).



Historical Budget Comparison				
	2016/17		2017/18	2018/19
	Consolidated Budget	Audited Actual	Consolidated Budget	Consolidated Budget
Revenues	8,473,694	8,669,196	8,624,422	8,946,228
Expenses	8,407,126	8,682,033	8,571,583	8,877,760
Surplus/(deficit)	\$ 66,568	\$ (12,837)	\$ 52,839	\$ 68,468

Budget Highlights:

Senior Services

- The development of the budget required that we absorb the cost increases associated with Bill 148. This budgeting decision was made as the LHIN would not confirm if additional funds would be forthcoming to cover those costs.

- Distinct budgets have been established for each home support program so that revenues and costs can be better tracked and analyzed.
- The revised staffing model in Assisted Living expands our capacity for care coordination and administration

Developmental Services

- Staff schedules and various operating expenses have been reduced/streamlined to remain within budget
- \$66,000 incremental funding is budgeted to partially cover increased salary and benefit costs associated with changes imposed by Bill 148
- Opening of the 12 Supportive Housing units will facilitate growth in the number of clients we serve and improve our cost effectiveness.

Housing

- For several years we have been systematically addressing serious building deficiencies based on our Building Assessment Review. The 2018/19 budget continues to roll out this plan to ensure that our housing stock is properly maintained and upgraded.
- For the first time the Five Arches apartment complex is part of the MCS's budget with an operating budget of \$469,000
- A revised process to allocate the costs of maintenance staff has been implemented. This allocation process is based on building age, wear and tear experience and building size. This process resulted in a substantial shift in budgeted costs.

Central Administration

- To reduce operational costs and the impact that it has on program and service departments, the Central Administration budget underwent significant scrutiny. The outcome of the review was a reduction in travel costs, contract dollars and a reduction in many operational budget lines. Central Administration's salary budget has increased to reflect the cost of a Finance Manager position and the transfer of most of the Community Development position from Developmental Services.
- The development of the Central Administration's budget also includes \$25,000 for a contract for brand development. This work commenced in late 2017/18 and a final recommendation and rollout plan is anticipated by early summer.

Addressing Situational Realities

A review of the external operating environment provides several “Situational Realities” to which “Budgetary Responses” are aligned as noted in the table below.

Situational Realities	Budgetary Responses
Funder expectations	<ul style="list-style-type: none"> Budgets have been prepared to achieve all LHIN funded activity targets and to grow the number of DS clients that we serve
Growing client needs and increasing complexity of client needs	<ul style="list-style-type: none"> Funding is provided to specifically investigate effectiveness of our programs and services and to identify how we may better meet our client needs Increased program activity levels for Senior Services and Developmental Services.
Mills Community Support’s fiscal reality	<ul style="list-style-type: none"> The operating budget has a \$68,000 budgeted surplus that can be used as a buffer against small negative variances and/or to supplement unrestricted net assets or Board restricted net assets. Construction of the 12-unit Supportive Housing Complex will provide a housing model that not only benefits our DS clients but will reduce operating costs per client.
Operating Environment	<ul style="list-style-type: none"> Continued focus on increased activity while retaining quality low cost services.

Budget Table:

**The Mills Community Support Corporation Budget
Fiscal Year 2018/2019**

	DEVELOPMENTAL SERVICES	SENIOR SERVICES	HOUSING	HOUSING CAPITAL	CENTRAL ADMIN	TOTAL OPERATING BUDGET	ELIMINATE INTER - DEPARTMENTAL TRANSACTIONS	TOTAL
REVENUES								
CONTRIBUTIONS	5,578,793	1,115,372	649,901	177,215	24,991	7,546,272	-	7,546,272
RENT	-	-	1,155,485	-	-	1,155,485	-	1,155,485
PROGRAM AND SERVICE FEES	-	140,000	30,460	-	39,000	209,460	-	209,460
DONATION AND FUNDRAISING REVENUE	-	4,000	-	-	23,160	27,160	-	27,160
OTHER REVENUE AND RECOVERIES	-	-	1,652	-	-	1,652	-	1,652
INTEREST AND INVESTMENT REVENUES	-	-	-	-	6,200	6,200	-	6,200
INTERNAL REVENUES	-	8,332	39,240	-	1,182,338	1,229,910	1,229,910	-
TOTAL REVENUES	5,578,793	1,267,704	1,876,738	177,215	1,275,689	10,176,139	1,229,910	8,946,228
EXPENSES								
SALARIES AND BENEFITS	4,237,680	1,030,178	-	-	905,045	6,172,903	-	6,172,903
TRAVEL, TRAINING AND PD COSTS	57,000	33,646	-	-	6,000	96,646	-	96,646
MAINTENANCE	79,912	85	443,828	154,100	43,500	721,425	333,614	387,811
OCCUPANCY COSTS	225,417	16,200	491,845	-	20,280	753,742	51,840	701,902
CLIENT EXPENSES	313,998	2,000	7,000	-	-	322,998	-	322,998
VEHICLE COSTS	61,000	-	2,568	-	400	63,968	-	63,968
CONTRACT SERVICES	-	500	3,800	-	98,090	102,390	-	102,390
PROGRAM COSTS	-	143,635	1,200	-	62,500	207,335	-	207,335
ADMINISTRATION COSTS	603,786	41,459	263,619	23,115	39,600	971,579	844,456	127,123
MORTGAGE INTEREST	-	-	114,309	-	-	114,309	-	114,309
AMORTIZATION	-	-	548,569	-	31,805	580,374	-	580,374
TOTAL EXPENSES	5,578,793	1,267,704	1,876,738	177,215	1,207,220	10,107,670	1,229,910	8,877,760
SURPLUS/(DEFICIT)	(0)	0	(0)	-	68,469	68,468	-	68,468
						0.7%		0.8%

4.0 Capital Projections

4.1 Overview

Achievement of Mills Community Support's goals is dependent upon the implementation of a capital plan based on two main components: 1) restoring and preserving existing facilities and 2) constructing, purchasing or leasing facilities to meet our needs.

4.2 Renewal and Upgrading

Mills Community Support has an aging infrastructure that requires ever-increasing maintenance. Restoration and maintenance of this infrastructure is a key priority of Mills Community Support. The average age of our housing facilities is 28 years old.

Funding agreements with Lanark County require that funds be set aside in a reserve for major facility repairs and restorations. To properly plan the maintenance of MCS's housing inventory, a multi-year renewal plan was prepared in 2015. This plan was used to address needed upgrades for the 2016/17 fiscal year. During 2017/18 Lanark County provided MCS with incremental funding for the majority of our planned improvements. Unfortunately, staff shortages prevented all scheduled upgrades from being undertaken or completed. Our scheduled 2018/19 reserve funded renewal and upgrades total \$153,000. This budget will increase for projects not undertaken or completed in 2017/18.

Currently our Ramsay group home location is vacant and MCS will be informing the Ministry of Community and Social Services that the facility is surplus to our needs. Dispose of the property may take place prior to undertaking the planned facility renewals.

	Forecasted Renewal and Upgrading Costs					2015 Available Reserve	Reserve: Short-term surplus/deficit
	2016	2017	2018	2019	Total		
Lera	-	2,500	-	7,000	9,500	-	(9,500)
Intervention	-	-	6,000	-	6,000	-	(6,000)
Highway 43	-	2,500	-	7,000	9,500	-	(9,500)
Mijiwam	36,000	-	10,000	4,000	50,000	} 469,232	252,732
St James/Maude Housing	53,000	16,500	4,500	92,500	166,500		
Ramsay	-	8,000	1,500	5,000	14,500	-	(14,500)
375 Country Street	56,000	16,800	12,500	24,500	109,800	326,193	216,393
411 Country Street	-	1,000	3,000	9,000	13,000	20,901	7,901
Norton Street	33,000	8,100	12,100	4,100	57,300	146,918	89,618
67 Industrial	46,000				46,000	189,253	143,253
Total	224,000	55,400	49,600	153,100	482,100		670,397

4.3 Long-term Projects

4.3.1 Construction of the Country Street Centre Expansion

Mills Community Support constructed two senior citizen apartment complexes in the community of Almonte in 1983 and 2011. These "Town and Country Centre" complexes are adjacent to each other and house approximately 100 seniors through a mix of subsidized and nonsubsidized units.

Although the apartment complexes are adjacent to one another there is minimal interaction between the tenants of the two buildings. The design of these complexes failed to provide areas for the tenants to congregate and socialize as a collective. Cognizant of the significant physical and mental health benefits for seniors to socialize and participate in their community, MCS’s Board of Directors approved a plan to construct the “Country Street Centre”. This Centre will be comprised of a significantly larger Stan Mills Lounge within 375 Country Street and the construction of a 900-square foot “solarium link” that will connect the Stan Mills Lounge to 411 Country Street.

The Centre’s objective is to serve as a vital community hub that offers opportunities for older adults to experience a sense of community, inclusion and well-being and stay engaged through recreational, health, social, and informational activities. Activities within the Centre will include unstructured and structured tenant recreation and social events, providing home support services, and recreation and wellness programming for tenants and seniors within Mississippi Mills.

The construction of the larger Stan Mills Lounge was completed in January 2018. Plans for the construction of the solarium link are still being developed due to the need to reroute utilities underneath the footprint of the planned link. Costs for the link are estimated at \$520,000 (class D estimate). Argue Construction recently identified that construction costs could be reduced by approximately \$23,000 if this project is coordinated with the construction of the Supportive Housing Units. This approach would result in reduced costs by cost sharing a project supervisor, a safety officer and by eliminating site heating costs due to construction occurring in the spring. Upon completion of the final tendering processes, a more accurate budget will be developed. The construction timeframe is approximately 4 months.

The solarium link will be funded by a combination of \$400,000 placed in a Board Restricted Reserve and donations. Current donations are estimated at \$90,000 resulting in a remaining donation target of \$32,000. Fundraising processes for the remaining donation target may extend beyond the construction timeframe and the need to pay contractor invoices. During this time-period, normal operating cash will be used to address the cash flow timing issue. This process will not result in any financial risk for MCS.

Projected Construction Funding and Costs	
Board of Directors Restricted Reserve	\$ 400,000
Donations (as of January 2018)	90,000
Trillium Foundation Grant – Furniture and Equipment	72,000
Total Funding	\$562,000
Projected Planning and Construction Costs (revised – reduced by \$23,000)	\$497,000
Furniture and Equipment	72,000
Architectural, engineering and permits	25,000
Total Costs	\$594,000
Current Funding Shortfall - fundraising	\$32,000

4.3.2 Supportive Housing Units

There is a rapidly increasing need for housing and support for people with developmental disabilities in Lanark County and across Ontario. Mills Community Support’s 2018/19 Business Plan Goals include increasing the number of Developmental Services (DS) clients we serve from 48 to 52. To accomplish this goal, and to provide our existing clients with greater independence and more suitable housing, MCS submitted a proposal to Lanark County to build a new apartment complex to house DS clients, victims of domestic violence and at risk homeless youth. The proposed project would create an affordable mixed tenant community of 13 units.

The project will help the County and the Province to increase the supply of appropriate and affordable housing options for these vulnerable tenants. The proposal included plans to provide a range of supports to meet their evolving health and wellbeing needs and to foster community connections and social support.

Mills Community Support’s application for Social Infrastructure funding was approved. The funding agreement will provide \$1.2 million towards the project if MCS commits \$400,000 itself. The funding agreement is structured as a 30-year forgivable loan (principle and interest) on the condition that MCS meets the terms of the agreement. Agreement terms emphasize achieving ongoing high occupancy rates. The initial agreement restricted the project to 8 units, significantly limiting the scope of the project. At our request, Lanark County agreed to change the wording to “a minimum of 8 units”.

MCS administration is working with an architect and a construction manager to identify the maximum number of units we can construct with the collective \$1.6 million. A decision to append the complex to the 411 Country Street apartment complex has eliminated the need to purchase land, pay for an elevator in the building and pay to bring utilities to the site. The initial costings identified a \$306,000 funding deficit for a 12-unit complex. Our architect and construction manager have been challenged to identify potential savings to reduce or eliminate the deficit without compromising housing attributes for our clients.

Argue Construction recently identified that construction costs could be reduced by approximately \$40,000 if this project is coordinated with the construction of the Country Street Centre solarium link. This approach would result in reduced costs by cost sharing a project supervisor and a safety officer. Other cost-cutting concepts are being considered to determine if we can proceed with a 12-unit complex or if the number of units must be reduced. Details of final plans will be presented to the Board of Directors for approval.

Projected Construction Funding and Class D Costs Estimates	
Lanark County 30-year Forgivable Loan	\$1,200,000
MCS Financial Commitment per the Agreement with Lanark County	400,000
Total Funding	\$1,600,000
Class D Cost Estimates:	
Construction Costs (revised – reduced by \$40,000)	\$1,486,100
Site Costs	261,500
Contingency at 5%	89,380
HST (After eligible recovery)	29,280
Projected Class D Costs	\$1,866,260
Projected Funding Deficit	\$266,260