

ANNUAL GENERAL MEETING. 15th AGM

Date: November 3, 2012
Time: 1pm
Location: University of Victoria Student Union Building

1. WELCOME AND INTRODUCTIONS – Alastair Craighead

Alastair Craighead called the 2012 Annual General Meeting to order at 1Pm.

Present: Board Present: Alastair Craighead, Briony Penn, Fred Newhouse, Todd Wong, Gary Holman, Mel Lehan, Frances Pugh, Mary Sanseverino, Nitya Harris, Tom Watson.

CFO/General Manager: Margaret Halsey

Over 300 Members present.

APPROVAL OF AGENDA

Switch item 4 & 5 Moved by Maureen Forrest; 2nd Donald Stuart. Carried.

2. MINUTES OF PREVIOUS AGM

Moved by Frances Pugh; 2nd Mary Sanseverino that the minutes of the Annual General Meeting, September 17th, 2011 be approved as circulated. Carried.

3. CHAIR'S REPORT – Alastair Craighead

- TLC is the only province wide membership driven land trust in B.C.
- Thank you and strong recognition for the efforts of Bill Turner, TLC volunteers, staff, past and present; all of whom are passionate about properties and the organization
- No one has denied that risks were taken to raise \$75 million and leverage another \$100 million over the past 15 years. The board takes its share of responsibility for the current situation. The benefit of the aggressive growth through the past 15 years is an organization with a passionate culture of conservation.
- TLC operations will live within a reliable source of funding from membership, not depending on unpredictable large gifts.
- TLC is committed to paying staff.
- TLC has capped long-term debt and is endeavouring to pay down short-term debt.
- TLC has reached out to a wide cross-section of other organizations. We are engaged in a process convened by VanCity Credit Union and we will be bringing recommendations from that process to the membership.
- TLC will be more focused on saving properties, but less focused on holding properties. An incredible skill-set has been built and there is every opportunity to work with other groups and transfer knowledge to other groups.
- Membership is at about 8K. The organization needs a membership of about 30K to be sustainable,
- It is in everyone's best interest to see TLC survive. If it does not, there is little the organization can do to meet its obligations.

4. PLANNING FOR SUSTAINABILITY REPORT – Briony Penn

- TLC has reached an age of maturity after years of aggressive acquisition and some risk taking.
- This re-structuring is a huge opportunity for TLC:
 - i. A process convened by VanCity Credit Union, because a failure of TLC threatens the credibility of all Land Trusts. With all other land trusts in BC, this process gives us access to experts we could never have afforded and helps all land trusts with legalities, business plans, and representatives from every level of government.

Agenda: Alastair Craighead, Nitya Harris
Minutes: Frances Pugh

- Derek Thompson offered his hopes for the VanCity process to stabilize the land trust movement. He noted that TLC is suffering from a short-term problem that is onerous and needs fixing. The long-term vision is ours to achieve. He offered to serve as an unpaid advisor to give technical, professional and contact support.

ii. What has changed in the long-term plan is that the organization is not going to continue lurching into debt. There are many models from land trusts and we are looking at all the models. The original model is based on Great Britain's National Trust, but the support structure of this model doesn't quite work for British Columbia, as distances are great and populations are smaller.

iii. The VanCity process is a great opportunity as VanCity Credit Union has been a leader in sound fiscal management and social enterprise. Given the expertise in land trust movements across the country, with the expertise convened through VanCity's support, we are capable of becoming world leaders in sustainable land trust models.

5. TREASURER'S REPORT - Gary Holman, Margaret Halsey

- i) Consideration of Financial Statements – Gary Holman, Margaret Halsey
 - Financial Summary and Unaudited Management Report provided in lieu of audited Financial Report. This was due to inability to fund a \$35/40 thousand dollar audited financial report, as has been done in the past.
- ii) There have been huge cuts to over-head in the past 6 months, and significant staff cuts throughout the past 3 years. While these cuts have been necessary to manage short-term financial debts, these cuts have left the organization desperately short in capacity – particularly to service membership, fundraising, and property management.
- iii) There is a purchase offer of full market value for a non-conservation property at Sechelt within a maximum of 120 days. CRA will take what is owed to them off the top and that leaves no extra cash flow. It does remove any CRA obligations, so that cash flow to TLC can go back to specific debt: staff payment, mortgage lenders, specific properties supported by the membership. There is also a large bequest of about \$400-\$500 thousand dollars, but we have idea when that will happen. It is helpful to know that kind of asset is coming to us.
- iv) Short Term Debt – TLC has incurred short-term debt of \$1.286 million. That includes CRA payments, unpaid obligations to staff, obligations to mortgage lenders. This is the debt that can bring the organization down. The long-term debt of \$5 million, while serious, is manageable, particularly with debt-consolidation.
- v) The power of membership: With a membership of about 7000, if each member gave \$170 that would wipe out the crippling short-term debt. If 1/3 of the membership gave \$500 that would wipe out the short-term debt.

6. QUESTIONS, CONCERNS, COMMENTS FROM MEMBERSHIP

- Entrepreneurialism is extremely risky when you're cutting edge, and TLC has been an entrepreneurial non-profit organization. Keep moving forward, learn from the past, don't play a blame-game
- Clarification around \$1.2 million short-term debt and \$5 million long-term debt
- What properties have mortgages and for how much? How are properties being cared for?
- Thanks for preservation of Saltspring Island lands
- Appreciation for a transparent presentation of the organization, the creativity of the organization over the years and hopes for a successful outcome through the VanCity process expertise provided by this process. This region has been transformed because of TLC.
- Are "deposits on land" for new purchases? (refers to Gowlland Point/Galiano Conservancy). How willing is the board to enter into novel new fundraising initiatives? Partial ownership? Shared ownership? Offer to donate 2-300 Garry Oak seedlings.
- There may be eligibility for federal forgiveness of loans and cash up to 100% if properties are certified to be of national historic importance.

- Questions around how the property at Ayum Creek was sold.
- Support from many other conservation groups at the meeting VanCity convened shows the importance of TLC's success to the province. What is important to keep in mind is the short-term nature of the crisis and how vital is the long-term vision.
- Concern about the slow response of the board to the crisis situation. Questioned the commitment of TLC to the Capital Region District around the TimberWest Lands. Did TLC walk away from a commitment?
- Loss of faith of major donors, membership and potential membership. Questioned this has been acknowledged.
- Credit to all former board members. Short-term debt is difficult. Volunteer group for Second Lake has been offered, and has not been acknowledged.
- Offer to write off loans to TLC.
- Interest expressed by Friends of Kogawa House to manage property and accept a transfer of property and mortgage.
- Concern if TLC is forced into receivership, what happens to the properties and the answer is not clear.
- There are properties, some purchased by TLC, some donated that are vulnerable and have not been covenanted.

7. SPECIAL RESOLUTIONS& BYLAWS- Nitya Harris, TLC Director.

Bylaw Amendment: Re Ecological Gifts: Moved by Nitya Harris: "That the Bylaws of TLC the Land Conservancy of British Columbia be amended by adding a new clause 20:02, which states: "As soon as possible following receipt of a gift of property under the Ecological Gifts Program of the Government of Canada, such property will be declared inalienable unless it is the expressed intent, at the time of the donation, that the property will be transferred to another qualified recipient" and by re-numbering the subsequent clauses in Part 20 of the bylaws". John Shields 2nd. Carried.

1st Resolution: Re Mortgage approval by members. Moved by Nitya Harris: "Be it resolved that all existing mortgages held by TLC are approved by the members of the Society."

Discussion: The board will not approve new mortgages. Does it make members responsible for mortgages? No.

Fred Newhouse 2nd. Motion carries. 4 opposed.

2nd Resolution: Re restriction of property transfer to other organizations. Moved by Nitya Harris: "That the Society approve Section 20 of the Bylaw as shown below to allow the transfer of inalienable properties to an organization with similar purposes through a resolution of the Society."

Protection of Property

20:01 The Directors may declare a property of an interest in land to be inalienable.

20:02 When a property or an interest in land is declared to be inalienable, the Society will take every measure possible to ensure its protection in perpetuity.

20:03 A property that has been declared inalienable shall be:

- a) protected by a Conservation Covenant under section 219 of the *Land Title Act* (British Columbia). The Covenant shall be held by one or more organizations independent of the Society and shall, if allowed by the Registrar of Land Titles, prohibit mortgage and restrict sale; and
- b) protected by adequate insurance.

20:04 A *property that has been declared inalienable shall not be:*

- a) *mortgaged under any circumstances; or*
- b) *sold unless the Society is being dissolved, and then may be sold only to another society having similar purposes.*

20:05 A *property that has been declared inalienable may be transferred to a qualified donee that has similar purposes to the Society by a Special Resolution of the Society. TLC shall retain a conservation covenant or reversionary interest on any inalienable property that has been transferred to a qualified donee.*

20:06 An interest in land that has been declared inalienable shall not be released or sold.

20:07 An interest in land that has been declared inalienable may be:

- a) transferred or assigned to a *qualified donee that has similar purposes to the Society*, provided that the Society retains a reversionary interest in the land and such transfer is approved by a Special Resolution of the Society; or

b) transferred or assigned only to an organization having similar purposes to the Society, without a Special Resolution of the Society and without a reversionary interest, if the Society is being dissolved.

20.08 The Society will seek to constantly improve the level of protection provided to inalienable property as new legal mechanisms become available.

20.09 The Society may not remove inalienable status once granted.

Discussion: Are the governments of Canada and the Province of British Columbia qualified donees? Yes.

- There may be cost recovery possibilities, including the cost of the actual transfer.

- There may be some opportunities to place covenants on ALR land.

Motion Carries. 6 opposed.

8. MEMBERS' SURVEY– Marilyn Payne, Marilyn Payne Consulting.

- Need to know what the membership want: what the next steps should be.
- Response has been quite low. Even so, TLC members have put some great ideas forward for consideration. It's a way to tap the knowledge and innovation from the membership.
- This has been a first attempt at a membership survey and will help direct the organization from the members' perspective. Deadline is mid-November.

9. FUNDRAISING –Tom Watson, TLC Director

- TLC recently received a donation of \$34K in stocks. There are advantages for some supporters to donate in this manner. When shares are donated to a charity the tax credit received is for the entire amount of the donation. There is no capital gains tax on the donated stocks.
- Matching funds: The Weston Foundation Matching Funds campaign for Abkhazi Gardens is a great example of leveraging matching funds. Up to \$125K, any funds raised by the organization will go to paying down Abkhazi debt. This is a target that has been met by TLC donors and \$250K of the Abkhazi mortgage will be paid down through this matching funds opportunity. There are many other opportunities for matching funds campaigns, so that every dollar donated by TLC supporters can be doubled and even tripled.
- TLC welcomes all suggestions for innovative, low risk fundraising opportunities.
- Walter Meyer zu Erpen offered the Fruit Crumble Initiative. The objective is to raise \$15K toward TLC debt reduction. The fundraiser will be November 18, 2012 noon to 4pm at Abkhazi Gardens.

10. NEW/OTHER BUSINESS

- i) Recommendation from the floor to thank the staff of TLC.
- ii) Event in the New Year celebrating 15 years of TLC under Bill Turner's leadership. Perhaps, if they are available, would include the 5 founding members of TLC.
- iii) Annual Report – will be posted on the web-site. If people are not able to access on-line, please leave name and address, so information can be mailed out.
- iv) New lieutenant governor for BC - wants to work for environmental sustainability. We have worked with her in the past. Members suggest a very warm invitation be offered to lieutenant governor Judith Guichon to join/support TLC.
- v) Concerns were expressed around the very low staffing levels. Questions around the capacity of the office to handle the load, i.e. prompt donation receipts issued, after today's significant contributions.
- vi) Members emphasized that money donated to TLC projects would go where donors intend.

11. ADJOURN

Tom Watson moved adjournment; Todd Wong 2nd. Meeting adjourned 4:05pm.