

You are here because you care about the future of TLC. We, the TLC Board are here because we care about the future of TLC. We all here because we believe in what TLC has accomplished and because we want to find a way to make sure that the work of TLC, the only large membership based land trust in BC, will go on.

We are in a very challenging financial situation. Challenging enough that at the end of May, when a large donation did not materialise, the board immediately formed a working group with staff and began planning to secure the future of the organisation. The results of that effort, the way ahead is what we want to tell you about today, and we're also here to listen to you because you are the owners of the organisation

This is TLC's 15th AGM. It is the fourth time I have stood here to talk about the past year and where the organisation is at. Challenging is a word I have used a lot but it fails to capture what we have had to navigate during the last year and particularly the last six months.

After two years of cost cutting measures, we learned in May that that TLC was not able to pay its lenders and suppliers what they were owed. We knew immediately that we had to lay off more employees and we had to do this without being able to pay them what they were owed. We understand the hardship this created. We are deeply sorry for this and we do want to make good on these obligations.

I know many of you will have questions regarding why the legitimate concerns raised three years ago were not more quickly addressed. To that I can say that the polarization of the issue made it a complicated, delicate and lengthy process to determine what the real nature of the problem was and to obtain the information the Board needed to act fairly, respectfully and constructively. The real root of the problem has always been the huge challenges of turning an organisation founded on the principle of growing a culture of conservation -with an accompanying need for ever larger staff and management costs - towards a principle of sustainability and stability and what that really means in a practical day to day operational sense.

TLC has never denied that risks were taken to save properties. Boldness enabled TLC to raise about \$75 million, leverage a further \$100 million and protect about 130,000 acres of the Province over the last 15 years.

This has left us with just over \$1 million in short term payables and \$7 million in long term debt. We have a plan to ensure that these commitments are met and that will enable TLC to move forward. Some of you will have read of this plan which is a two stage process towards stability then sustainability.

The first stage began in June with adopting a plan based on the following principles:

1. TLC will live within its reliable monthly cash income based on contributions from our membership. We have established this and our predicted monthly cash inflow of 100K to 120k has been holding up well over the past few months. This means that we are not depending on unpredictable large gifts for our basic operations.
2. TLC will cap its existing long term debt and apply targeted donations to paying down short term debt.

This has meant substantial staff reductions, moving to affordable office space and negotiating reduced loan payments with our lenders. All this has been accomplished despite problems with the Canada Revenue Agency freezing our bank accounts which has caused delays in payments to lenders and other creditors including our former staff.

We acknowledge that the public trust in this organization to manage its financial obligations has been severely shaken. It has ramifications throughout the conservation community and so we have reached out to a wide cross section of conservation and financial advisors as well as members at large who have a sincere interest to rebuild this public trust. To this end we have engaged in a process convened by VanCity Credit Union to get the best advice for rebuilding trust, restructuring the organization, our future business model and our future role. Briony Penn will talk about the details of this process later. We will be bringing the recommendations to the membership.

We have also been soliciting the membership for their recommendations on future priorities through a survey and Marilyn Payne will speak to that later.

At the core of what we are planning is a new and innovative business model that will be grounded in the activities which TLC does best. It will require fewer core staff and will require less operational funding. Foremost in this will be partnerships with government and local communities and community groups and cooperation with other land trusts. In this model TLC will remain focussed on saving properties but less focussed on holding properties that have been saved. We believe that there are options for local communities and community groups to become more autonomous in saving, managing and raising funds for properties they care about with TLC in a facilitating role. We believe that we can transfer what we have learned to other groups. The more people who know how saving properties can be done the more that will be done.

To develop this model we will consult members, partners and professionals and use our own experience and learning, including the valuable learning which comes from the things which did not work. We will use research on best practices from around the world to find the best cooperative ownership/management models for the protection of land.

We believe that it is in everyone's interest to do what they can to ensure that TLC continues. If TLC does not survive there is little we can do to ensure that the commitments to all who have been affected by our financial difficulties are honoured. In the words of a Times Colonist editorial on July 6th:

"Everyone in BC, unknowingly or otherwise, is touched by The Land Conservancy – its problems are our problems. The conservancy has been bold and forward thinking, and it can still move ahead, although perhaps leaner and a little more cautious. It does what governments, subject to political winds, won't do, and what businesses, faced with the necessity of making a profit can't afford to do"

We are here to listen, we value your input. You are the owners of the organisation.

I'll finish with another quote again from the same editorial in the TC:

"TLC has embarked on an overhaul of its structure and finances, which is necessary. But it needs more support, particularly in membership which is a significant source of its income. It has about 8000 members ; it needs about 30,000 members to be sustainable. That's a huge challenge, but within the realms of possibility.