



# TLC The Land Conservancy

Meeting: ANNUAL GENERAL MEETING  
Date: Saturday, October 22, 2016  
Time: 1:00 pm  
Location: Michele Pujol Room, Student Union Building, University of Victoria.  
Voting members present: 56

## Motions:

- i) **Motion:** Grant Thornton appointed as auditor. Moved by Lori Roter. 2nd. John Shields. Carried.
- ii) **Motion:** That the Bylaws of TLC The Land Conservancy of British Columbia be amended by replacing the entirety of existing Parts 1 through 20 with new Parts 1 through 21 as presented to the membership at the Annual General Meeting of October 22, 2016, noting that old Part 17 (Amendments to Bylaws) has been deleted and new Parts 19 (Property Acquisition, Financing and Covenants) and 21 (Winding up or Dissolution of the Society) have been added. Moved by Lori Roter 2<sup>nd</sup> Vicky Husband. Carried

## 1. CALL TO ORDER:

Meeting Called to order 1:04 pm. 56 members present.

**Board Present:** Briony Penn (via Skype), Frances Pugh, Fred Newhouse, Lori Roter

**Executive Director:** Cathy Armstrong

## 2. WELCOME AND INTRODUCTIONS (Fran Pugh) – Introduction of Chair for this meeting Dr. Ian Cameron Introduction of Fred Newhouse, Lori Roter, Fran Pugh, Cathy Armstrong.

## 3. APPROVE/AMEND AGENDA: (Ian Cameron) – Slight adjustment to the agenda to allow full discussion regarding Wildwood, advising members that more time will be allowed if warranted.

**Motion** to approve the agenda. Moved Anne Underhill 2nd John Taylor. Carried

## 4. MINUTES of Previous AGM – (Cathy Armstrong) **Motion** That the AGM minutes of November 21, 2015 be approved. Moved Vicky Husband 2<sup>nd</sup> Bill Pearce. Carried.

## 5. BUSINESS ARISING FROM THE MINUTES (Ian Cameron) No business arising.

## 6. CHAIR'S REPORT (Fran Pugh)

Most Chair Reports to TLC are happy up-beat, how great we are. I have to be honest and say this has been a tumultuous year, as the CCAA (Company's Creditor Arrangement Act) becomes finalized.

In early October last year TLC's Director of Operations, John Shields was injured in a single car accident returning from Tofino. I want to say a huge thank you to John Shields. Health issues made it impossible for John to return to TLC in his former role, but TLC was so lucky to have you when you were needed so badly. You stepped up. I have so much respect for your calm clear analysis and the kindness that guided us during your challenging term as Director of Operations. We recognize your work and thank you for your continued help and support.

I remember a former executive director of TLC saying that "miracles happened at TLC". Well, a "miracle" happened and Cathy Armstrong, actually working beneath her skill-set as Office Manager, but absorbing the organization, was

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able to step into the role of Executive Director. A vertical learning curve, but one that Cathy has been able to effectively accomplish.

Which brings me to the Board and Staff relationship. TLC Staff - Connie, Sherry (accounting), Andrew, Dianna, Mara, and Torrey have punched above their weight. The hours these people have put in, the skills they have volunteered, they don't blow their own horns, but these amazing people are a TLC "miracle".

I will move on to the next "miracle" and that is the TLC Board of Directors. I have worked with this Board; for 3 years that would have destroyed most organizations. In late 2012 the reality of debts, creditors, shortfalls and obligations became crystal clear. In farming parlance TLC was "running out of daylight".

You know sometimes when leadership may be a little out of its depth (I'm speaking for myself) the strength, the skills and the depth of the Board make things work, and TLC has been blessed with an amazing Board of Directors. They are volunteers. There have been a few changes to the Board with no acrimony, over the past 3 years: work issues, health issues, moving, jobs, but every Board member has worked towards the sustainability of the organization, appropriate re-homing of properties and paying the bills. I am amazed and proud of what the organization has accomplished.

The most recent accomplishment was Lohbrunner Farm being transferred to Farm Folk/City Folk. The volunteers there are forming a Co-op and we look forward to following their progress. Another transfer this year was the 3 parcels adjacent to Sooke Potholes to the CRD. The Tsouke First Nation is now running the Potholes Campground. A real success story.

TLC's 29% interest in Maltby Lake has been transferred to long time TLC members Carmel and Woody Thomson who are valuable stewards of the cleanest water column on the south island.

26 ecological properties were transferred to the Nature Conservancy of Canada and the Hardy Mountain Doukhobour Village was transferred to the Regional District of Kootenay Boundary. Ross Bay Villa was transferred to the Ross Bay Villa Society and this year that outstanding group of volunteers was awarded an Outstanding Achievement in Heritage Conservation Award.

The process has been heartbreaking but with moments of great joy.

Now I will speak to the amazing people who are TLC creditors. Nearly \$3 million has been repaid or received in debt forgiveness. It is unlikely that TLC will pay one hundred cents on the dollar to unsecured creditors, but distribution of funds has been as fair as we could make it. TLC needs to get out of this process. Once again, TLC is "running out of daylight". It has to stop.

I thank you, the membership. You have continued to believe in TLC.

On that note, TLC lost a valued member this week. A good man, a quiet man, a kind man who loved Abkhazi Garden, who did everything in his power to ensure the Garden lives on and is loved and is enjoyed as the Abkhazis lived and loved. Please stand for a moment's silence for Jack Eldridge. Thank you. **Motion** Moved acceptance of the Chair's Report Fran Pugh Second Nina Rastogi Carried

## 7. REPORT FROM EXECUTIVE DIRECTOR (Cathy Armstrong)

Recognition of Abkhazi volunteers in attendance and deep respect for Jack Eldridge.

Acknowledgement that CCAA events occur daily, and that this report will not necessarily follow the fiscal year but rather highlight the accomplishments achieved to date. Just two weeks ago we signed the final contract for the property transactions within the Plan of Arrangement. Successfully concluding the process is an historic event.

TLC is only the second non-profit in Canada to accomplish this. Most of the Board members who were with TLC

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at the beginning of this process are still here today. We owe them an immense debt of gratitude. We are projecting an exit to CCAA by the end of this calendar year or shortly thereafter. The final contract is the remaining 6% interest in Maltby Lake to the Friends of Maltby Lake Watershed Society and Carmel and Woody Thomson. I want to acknowledge the Thomsons for their perseverance and long range vision for this property. Last Summer we also transferred Hardy Mountain Doukhobour Village to Kootenay Boundary Regional District as well as 26 properties to the Nature Conservancy of Canada. This transaction was massive and consumed enormous amounts of staff time, in particular Andrew Mackinnon who wrestled with all of the complexities that arose. TLC is thankful to NCC for stepping up to assist us with this large transaction. Next we transferred Ross Bay Villa to the dedicated volunteers who have lovingly restored this heritage home. Wildwood is under contract at this time, and there is time in the agenda for those in attendance to voice their concerns in respect to the future of Wildwood. FarmFolk CityFolk Society have purchased Lohbrunner Farm and a cooperative will be formed with the current volunteers. Next Friday we bring the sale of Kogawa House to the Court for approval, as well as our Revised Plan of Arrangement. The Revised Plan sets out the final stages of the property transfers and clearly outlines the final payments to creditors. The City of Vancouver will take title to Kogawa House, and the Historic Joy Kogawa Society will continue to operate the successful writer in residence program under a long term lease with the City. Our staff has remained the same as last year, with the exception of John Shields who has retired. Introductions of staff: Andrew is our Conservation Manager and is working on our conservation strategic plan, Dianna revamped our webpage and handles all communications with members and the public, Connie and Sherry are our accounting team have completed our year end in record time this year, Mara keeps membership records current, Torrey is managing the covenant portfolio. Our staff is second to none, thank you.

Appreciation to our hard working Board. We are looking forward to 2017 and sharing our draft strategic plan with our members and supporters. TLC remains focused on diligent monitoring of our covenants, and have been finalizing some new additions. We feel that conservation covenants are the most cost effective means of preserving sensitive ecosystems and preserving conservation values on privately held lands. We have also been expanding our invasive species removal program, focusing on our covenants and partnering with the Victoria Green Team. TLC is using a systematic, science based approach that involves a multi year strategy to ensure the long term success that utilizes best practices by learning from other practitioners. TLC is examining approaches to acquisition of new covenants that maximizes impact, focused on connectivity or corridors and to reduce the emission of carbon. Next year we celebrate our 20<sup>th</sup> anniversary, so watch for upcoming events.

**Motion** to approve the Executive Director's Report. Moved Vicky Husband, Second Peta Alexander. Carried.

#### **8. COVENANT MONITORING REPORT (Torrey Archer and Briony Penn)**

Briony Penn came in by Skype and outlined the legal framework for conservation covenants and the reasons why the Board is focusing on these to ensure long term protection of important conservation lands. Covenants provide a legal mechanism to ensure a public benefit by restricting some of the private rights of fee simple ownership. Torrey outlined the work in the past year monitoring our current covenants. This year Janie Dubman volunteered to assist TLC after finishing a project in the Phillipines and she coordinated with Nanaimo Area Land Trusts and Vancouver Island University to provide training. Approximately 30 students joined each session that was offered. TLC started the Greater Victoria monitoring season with a hike into the Sooke Hills with the CRD and a local hiking group, the Wednesday Wanderers. A Mother's Day BBQ was held partnering with LifeCycles and Greater Victoria Green Team (GVGT) at the Welland Orchard to thank all the volunteers. A Broom Bash was held in the Highlands in April in partnership with the Highlands District Community Association and GVGT, and were excited that native species were revealed. Highlands District is composting the Broom. Thank you to Sammy Kent of Pacific Ecoscapes donated the truck to the project. We monitored Ayum Creek Park in Sooke, Habitat Acquisition Trust (HAT) is working on invasive species removal at this location and TLC will be partnering with them in the upcoming season to continue this work. The Atkins covenant near Thetis Lake has been the site of another invasive species removal project, partnering with CRD volunteers. Some of our covenants are CRD Parks, like the Kinghorn covenant at Mt Work Regional Park. TLC visited this site twice this year. Red legged frogs were spotted here, which are endangered. DuMamiel Creek covenants in Sooke have high species diversity and we also travelled to Mt Benson which has recently been acquired by Nanaimo Area Land Trust (NALT). 523 acres were saved from logging. VIU Geography Dept. Chair Hannah Wilson and Janie Dubman coordinated a

hike up Mt. Benson with VIU students, TLC and NALT staff. TLC has also worked with UVic students to fight the development of Cunningham Woods. Eric Higgs, Professor at UVic and others lobbied to have the Woods removed from the development plans, and TLC assisted by holding a BioBlitz event to highlight the biodiversity found in this parcel. The site is now designated a special study area, removing the threat of redevelopment. TLC monitored 118 covenants this past year, Remaining covenants were monitoring by partner land trusts across the province. 217 volunteers took part in the monitoring and restoration program, 880 hours in total! Thank you to the volunteers and TLC members for the ongoing support of these important programs. (106.43)

**Motion** To accept the Covenant Monitoring Report. Moved by Torrey Archer, Seconded Carried

Question – Besides covenants, what are other protective tools that can be used for conservation? Answer – Outright purchase, however, in the future, TLC will utilize acquisitions only to the extent that a designated new owner is identified. Question – How does TLC monitor the 230 covenants it holds currently? Answer - Torrey Archer is the Covenant Manager and she personally visits those covenants on Vancouver Island and the Gulf Islands, and we have partners who are contracted to perform the monitoring of covenants in other parts of the Province. Question – How does TLC enforce its covenants? Answer – TLC has a fund for legal challenges, but it is important to note that in 19 years it has not been necessary to mount a legal defence, rather landowners are worked with individually to address infringements on an annual basis. Owners can be penalized for willfully allowing damage or contraventions to the covenant and are also responsible for restoration costs.

#### 9. TREASURER'S REPORT (Lori Roter)

TLC has an independent auditor who will report on the Financial Statements, the role of the Treasurer is to ensure that TLC complies with financial obligations and that the Board is aware of the ongoing operational expenditures and revenues via a monthly monitoring of the budget. This year TLC's operating budget is in surplus. The CCAA expenses are continuing, and there is an urgency to finalize this process. The Board has committed to developing and instituting a full set of financial controls and this work is ongoing. **Motion** That the Treasurer's Report be accepted. Moved by Lori Roter. Seconded. Carried.

#### 10. PRESENTATION OF FINANCIAL STATEMENTS (Grant Thornton)

Larry Beatty presented the 2015/16 Financial statements. The auditor's opinion is consistent with last year, a qualified opinion that recognizes that the organization is in CCAA. Special note is made of debt forgiveness of \$1.2 Million and revenues in excess of \$3 Million, including \$855,000 in donations and bequests. The largest expense was in relation to the transfer of conservation lands of \$13 Million, which is the book value of the land that transferred. Overall there is a deficit of \$11.3 Million, however in the General fund, or operating fund, there is a surplus of \$150,000. Question about restricted and unrestricted funds and the uses of each. Answer – the due to/due from the Consolidated Statement of Cash Flows shows monies that are owed between these two funds. Question about the cost of CCAA. Answer – In the Consolidated Statement of Operations they are listed as restructuring fees and total \$357,038. Question – what is the difference in forgiven debt that is restricted or unrestricted? Answer – debt that was secured against property is restricted debt. Net assets at the end of the year are approximately \$24 Million. Question about the valuation of conservation covenants. Answer what is reflected is the book value, as appraised at the time of acquisition. Question of valuation if covenant is co-held. Answer, the value is shared 50/50. The Consolidated Statement of Cash Flows shows actual dollars earned and spent which resulted in a net increase of \$147,964 this fiscal, for a total of \$594,850 of cash and cash equivalents held by TLC at the end of the fiscal year. The Notes outline in more detail some of the line items, such as listing the long term debt and capital assets. **MOTION** To approve the Financial Statements April 30, 2016. Moved. Seconded. Carried.

#### 11. APPOINTMENT OF AUDITOR (Lori Roter) **Motion** to appoint Grant Thornton as auditor 2016/2017. Question about comparable quotes. Answer that another firm did provide a quotation however Grant Thornton came close to matching their fees, and with their historical experience it was felt that they provided a superior service. Moved by Lori Roter. Seconded by John Shields. Carried.

## 12. BYLAW COMMITTEE REPORT (Lori Roter)

Last year the bylaw revisions were brought to the AGM for discussion. The changes have been available for member feedback and that feedback is incorporated into the version that was circulated prior to this AGM in preparation for approval today. The New Societies Act is coming into effect, and in anticipation the revised bylaws comply with the new requirements. Question – When the bylaws are voted on are they in effect immediately? Answer – No, they are not in effect until deposited with the Registrar. Question – What is being changed in regards to proxy voting? Answer – the proxy voting procedure was dealt with at the last AGM, clarifying the wording to ensure that members can vote in person or by proxy at all meetings of the Society. Question – How does the disposition of assets in Part 21 affect the current property transfers under CCAA? Answer – The federal court supercedes the bylaws, and has the jurisdiction to allow a property transfer while undergoing CCAA. Concern raised that there be a process for members to communicate with other members when a vote is contemplated to allow the gathering of proxy votes. Answer – The bylaws provide a framework but the next steps to be undertaken are to create policies and procedures for the means by which the organization communicates with and receives feedback from members. TLC also must respect the Privacy legislation and so the sharing of contact information is prohibited. **Motion** To accept the Bylaw Committee Report. Moved Lori Roter. Second Vicky Husband. Carried.

## 13. VOTE TO APPROVE NEW BYLAWS (Ian Cameron)

There are two options for approving the bylaws, we can move the entire revision ‘in toto’ and vote on the entire package or we can go through the bylaws section by section or ‘seriatim’. Dr. Cameron elects to go through the bylaws seriatim. We do not vote until we have discussed all of the Parts. Part One – no issues raised. Part Two – Concern raised about 2.02, suggesting two weeks rather than 45 days for members to have voting rights. Answer – This is an administrative issue to allow TLC office sufficient time to record a new membership and create the voting register prior to a meeting. Dr. Cameron advises that amendments will be entertained from the floor. **Motion** To amend 2.02 to change the waiting period to 2 weeks from 45 days. The motion is seconded and discussion ensues. Dr. Cameron advises that if this issue is important to you, then you should vote against the bylaws at the end of the presentation. Parts 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, receive no discussion. Part 19.03. Suggestion to insert ‘or returned to the owner at their discretion’ at the end. Answer – if a tax receipt is issued, the charity cannot return the funds to the donor. Under our policy and procedures, TLC will develop guidelines for fundraising campaigns, and an option will be included whereby a donor can elect to have the funds used for another purpose, or specify only the intended use is acceptable, in which case no receipt would be issued. Parts 20 and 21 have no discussion. Dr. Cameron clarifies that the motion will be put to accept the bylaws as presented, and if a member has concern about Section 2.02 or any other section they should vote against the main motion. Dr. Cameron asks for a mover and seconder of the main motion:

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## 14. NEW/OTHER BUSINESS

None

## 15. DISCUSSION REGARDING WILDWOOD

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**a. Fred Newhouse**

I grew up in the Nanaimo Area, I have a forestry degree and I have owned a woodlot for 20 years. I became a Board Member in 2010. I was provided the draft management plan for Wildwood. I noticed especially the shift in management objectives from what Merv was doing to what EIS was proposing. I raised my concerns at a subsequent board meeting, but that was as far as it went. We can all agree that Wildwood is a special place. TLC has always been concerned about the intentions surrounding special places. When funds were raised to purchase Wildwood from Merv Wilkinson, the intent was that his ecoforestry practice would continue into the future. Merv was fortunate to be able to purchase a patch of old growth forest as a young man. Merv only logged the annual growth, slowly developing a single tree selection practice. Merv was involved in protests over clearcutting, and in fact was arrested. His defense before the judge was his own harvesting methods at Wildwood. The Judge called him ‘magnificently unrepentant’ and dismissed the charges. The first management plan took ten years to create, by which time Merv had retired. The first harvest took place shortly after. The Saanich Report in 2010 did an interview in which Merv expressed his concern about the harvest practice taking place. In the EIS management plan we look at the biodiversity guidelines and natural disturbance pattern for the east side of Vancouver Island. Fire is the primary cause of natural disturbance. Fires occur roughly 200 years apart and 20 – 1000 hectares in size and ironically create openings similar to clearcutting. Wildwood has a 60 year history of single tree selection in an old growth forest. A valuable information source. Merv passed his knowledge orally, via mentorships. Merv was also adaptable, and he modified his approach as he gained knowledge. The forest itself communicates via root tips, and cellular exchange continuously. With Merv we have the intelligence of the individual connected to the intelligence of the forest. This important aspect, the individual interacting with the forest, was the reason why the Board supported an individual, mentored by Merv, to continue his work.

**b. Jessica Snider Wolf**

I lived at Wildwood from 2000 – 2010. I was introduced to Merv’s book while studying in the University of Guelph. I was excited to see a model that demonstrates an alternative to clearcutting. I agree that we need to keep his model going. Where I do not agree is with what we must do with Wildwood at this stage. \$860,000 was raised so that TLC could purchase Wildwood to keep it forever protected in the hands of a charitable society. One generous donor gave \$200,000 to pay off the last of the mortgage, and TLC promised that Wildwood would not be sold to a private individual, but rather to a like minded society. Wildwood is not a park, it is a demonstration of sustainable forestry. There is a society that has a mandate in ecoforestry. Volunteers worked to complete a forest inventory. A covenant can be violated, and a private individual does not ensure the public’s access to volunteer and learn about ecoforestry at Wildwood. Jessica presents a petition to TLC encouraging the Board to transfer Wildwood to EIS. (2100 signatures collected online).

**c. Q and A**

Members raised concerns about the potential sale of Wildwood to a private individual:

- Wildwood can only be protected in the public domain.
- Donations to save wildwood should be returned.
- TLC promised to keep Wildwood inalienable.
- The public will not be able to visit Wildwood if it is owned by a private individual.
- A private owner could subdivide and/or cut old growth.
- Covenants can be violated and the loss of old growth is irreplaceable.
- Merv did not want Wildwood to be sold to a private individual, he wanted Wildwood kept public.
- The land trust movement is damaged by broken trust, no one will want to donate in the future.
- TLC has an inalienability bylaw that must be followed.
- Concern about property if a private owner were to suddenly die.

- EIS would provide three levels of protection; a trust deed, a covenant, and a committed Board to ensure protection.

**16. ADJOURNMENT:** Moved to adjourn. Meeting adjourned at 4: 20 pm.

DRAFT