



SERNbc Annual General Meeting: October 30 2019

Meeting Purpose:

- Director's Reports
- Resolutions
- Nominations/Elections
- Presentations

Meeting Called to Order: 10:04 am, October 30, 2019

Directors Present

John DeGagne – Chairman/President
Mike Jull - Treasurer
Duncan McColl – Vice President
Jim McCormack
Andrea Erwin
Warren Eastland
Brad Martin
Olin Albertson
Gerd Erasmus
Ken Watson
Bob Frederick

Directors Not Present

Michael Tilson (Regrets; Sean Rapai present as alternate) - Secretary
Michel Lavallee
Wayne Salewski
Chris Schell

Coordinator

Marc Steynen

Review of Financials - Phil Foucher, FCPA, FCA, Partner– KPMG – External Qualified Financial Review

- SERNbc Financial Review report distributed by John Degagne by email to Directors on October, 25, 2019 @ 4:38pm
- Phil Foucher walked Directors through the report
- Bulk of SERNbc's expenses are for sub-contractors
- Revenue is coming from multiple sources – but the province of BC makes up much of this revenue
- Review of balance sheet details
- Assets in 2019 - \$429,513; 2018 - \$475,777
- Revenue 2019 - \$658,089; 2018 - \$499,836
- Expenses 2019 - \$565,364; 2018 - \$542,712
- End of year Balance 2019 - \$74,989; 2018 - \$17,736
- Notes within financial statement on the goals of the company, accounts receivables, and risks (very little)
- A 'Clean Opinion' was provided by KPMG for SERNbc
- SERNbc is an equity position (positive), compared to a deficit from last year (2018)

Questions

John DeGagne: Is a formal audit required?

Phil Foucher: You incur much more cost if you do an audit. If it is not required by the funder, then he does not recommend doing an audit. This will allow more funds to go towards restoration.

JD: No indication that an audit is required by funders.

Phil Foucher: In preparing the statements, KPMG is looking at trends within the financials of the organization (increase, decrease), and documentation of financials (accounts receivables, expenses etc.)

Mike Jull: It is an important demonstration of finances, and due diligence for the Directors

Treasurer's Report - Mike Jull

- Presentation based on slideshow
- Details of slides included below
- Fiscal management framework, 6 year financial performance and indicators, treasurers' recommendations

Governance

- **Board of Directors have responsibility and oversight** for all SERNbc activities and expenditures.
- SERNbc directors **may delegate** specific financial functions to SERNbc staff by **approved resolutions**.

- The board of directors of the Society must nevertheless **exercise due diligence and oversight** in the management of SERNbc finances.

Fiscal Planning and Budgeting

- **Preliminary forecasting** by SERNbc staff
 - **Proposal of annual budgets** by SERNbc staff to the SERNbc board of directors.
 - **Approval of proposed annual budgets** by the SERNbc board by approved resolution.
 - **Significant budget amendments** must (should) be approved by the SERNbc board.
 - The SERNbc board can provide a *documented* level of **discretion or delegation** on this issue.
- We need to do more to have proposed annual budgets approved by the SERNbc board
 - Budget amendments need to be approved by the board as well

Expenditure MGMT and Controls

1. Expenditures are within and guided by approved annual budgets.
2. SERNbc staff:
 - a) Develop and approve sub-contracts and other expenses.
 - b) Review and approve invoices and related payments.
 - c) Inform bookkeeper of budgets, and approved expenditures.
3. Bookkeeper:

Records revenues and expenses in Sage 50 system.
Prints cheques for approved payments, but cannot sign cheques.
4. Signing Authorities:

4 signing authorities from SERNbc directors.
2 signatures are required per cheque.

Fiscal Monitoring and Reporting

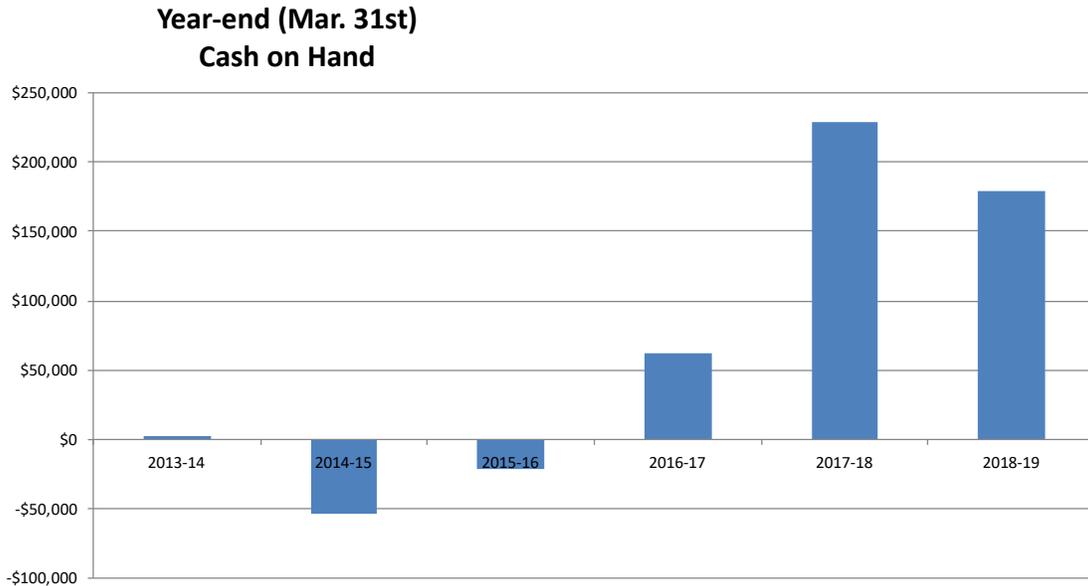
- SERNbc staff (John, Marc) :
Project management, cash flow planning, coordination with funding agencies, day-to-day operations, management of sub-contractors, tracking of SERNbc expenditures against approved budgets.
- Bookkeeper (Grace Stevens, Accutech Business Services Ltd.) :
Financial bookkeeping and entry and documentation of SERNbc financial transactions, preparation of cheques for SERNbc authorized signatures, preparation of interim financial reports for SERNbc staff, treasurer, board.
- Treasurer
Regular review and oversight of SERNbc financial management systems, on behalf of, and reporting to, the Society board of directors.
- External Qualified Financial Reviews
Annual external financial reviews by qualified personnel (CPA's), as directed by the SERNbc board of directors.

Raw Data

- SERNbc is an organization with substantial growth. SERNbc is in a period of lot of growth, with Revenues in 2018-2019 exceeding expenses.
- In 2019-2020 – Revenues will exceed \$1,000,000.00

Fiscal Year	Annual Revenues	Annual Expenses	Annual Surplus (Deficit)	Year-end Cash on Hand
2013-14	\$127,856	\$126,588	\$1,268	\$2,622
2014-15	\$232,784	\$232,665	\$119	-\$52,994
2015-16	\$147,189	\$136,609	\$10,580	-\$21,515
2016-17	\$213,356	\$200,184	\$13,172	\$62,034
2017-18	\$499,836	\$542,712	(\$42,876)	\$229,082
2018-19	\$658,089	\$565,364	\$92,725	\$179,436

Trend in SERNbc Year-end (March 31st) “Cash on Hand” over 6 years, 2013-19



- SERNbc started capturing more financial reserves in 2015-2016, this reversed in 2017-2018 with expenses exceeding revenues, and now surplus’ in 2018-2019 and 2019-2020
- Cash flow management has been a challenge for SERNbc. There are advances from funding agencies, but the challenge in keeping contractors paid while balancing the books
- The reasoning for the surplus now is the Revenue from MoFLNRORD Grant for Non-Project-Specific Grants.
- SERNbc needs to do more to ensure board approval by resolution of proposed annual budgets
- There is enough money in place for the coordinator position for the next 3 years – represented as ‘deferred revenues’

“Deferred” Revenue from MoFLNRORD Grants

Fiscal Year	Amount of Grant	Portion Expended (Coordinator function)	Portion of Grant unexpended in Fiscal Period

2016 / 17	\$ 100,000.	\$ 0.	\$ 100,000.
2017 / 18	\$ 150,000.	- \$ 46,225.	\$ 103,775.
2018 / 19	\$ 100,000.	- \$ 61,447.	\$ 38,553.
TOTAL to Mar. 31st, 2019	\$ 350,000.	- \$ 107,672.	\$ 242,328.

Treasurer's Recommendations

1. Ensure robust processes for the proposal and well-documented **board approval of annual budgets**, and regular monitoring of annual finances relative to budgets. *This is a priority area for improvement.*
2. **SERNbc cash flow planning** (including timely cash advances in collaboration with funding agencies) is essential for effective management of Society finances.
3. **Ministry strategic grant funds** (in deferred revenues) are a vital and unique “nest egg” for SERNbc, and should be managed sparingly and wisely.
4. **Routine administrative expenses** other than the Coordinator position should continue to be expensed from project overhead fees, wherever possible.

Questions

Jim McCormack: What is the likelihood of government (MoFLNRORD) increasing core funding?

John Degagne: The funding comes from range branch, and it is dependent on how much other programs spend throughout the province. Surplus funds might be directed to SERNbc. They [Range Branch] know about SERNbc, and are confident in SERNbc's ability to deliver on projects

Mike Jull: the province is on a run of prosperity, but there is now a decline in the natural resource sector. Suggests that times could get fiscally tighter, and SERNbc should keep the ‘nest egg’ in the event that there is a curtailment in funds in the future

MS: Have we investigated the line of credit?

JD: No, but it is on his list

MJ: There is risk to a not for profit in holding a line of credit that must be recognized

Sean Rapai: What type of administration fee is being charged by SERNbc?

Marc Steynen - The short answer is 10%, but each funder sets the maximum. FESbc allows 12.6%, but it can be lower, or nonexistent for other grant organizations.

Motion to accept financial update from Mike Jull: Gerd Erasmus

Seconded: Warren Eastland

In favour: All

Opposed: None

Passed Unanimously.

Coordinator's Report on Projects – Marc Steynen

- 6 page document handed out to support presentation – Annual General Meeting Society for Ecosystem Restoration in Northern BC (SERNbc) 2018/19 SERNbc Project Report
- Does not include details on grants, funders and working with the organizations
- This focuses on the projects
- 6 funders in 2018/2019
- FESbc is the largest funder of SERNbc, and Marc has some concern about how much longer FESbc will be operating
- LBI funds increased in 2018/2019, much of this is spent as seed funding for other groups
- Other funders include – Environment and Climate Change Canada, MoFLNRORD, Habitat Conservation Trust Foundation and others.
- 9 LBI projects were completed in 2018/2019
- 6 FESbc projects completed in 2018/2019, the largest of which was the Vanderhoof Road Rehabilitation Project,
- However, much of that area was burned by wildfire and the group had to start from scratch.

Dave Hooper and Ken Watson: what portion of the area is planted in deciduous trees?

Darcie Fodor: A portion of the prescription included planting deciduous trees

John Degagne: The team was operating in a forested landscape, but once the area was burned, the entire area needed to be replanted, not just the roads. The road are now needed for access to the burned area. The entire area is burnt, which has changed the entire scope of work. Benefits of project include the development of templates, and defining scopes of work

- Projects completed are summarized on pages 2 and 3 of report
- High level summary provided for North Area Reforestations Planning and Mapping, Road Rehabilitation Development, VanJam Fire Planning, Whitebark Pine, Kenny Dam ERP, Little Bobtail
- The overarching goal in these projects is to identify multiple funders to support the work, and develop projects that are multi year
- Caribou habitat recovery is a focus of many projects in the Northeast and Skeena
- There are also many caribou projects because of available funding for caribou work right now
- The SERNbc caribou projects include removal of roads and access, caribou tactical plans (NE – South Peace Tactical Restoration Plan)

- This Tactical Restoration concept was then ported to the Tweedsmuir-Entakio Caribou Tactical Plan and Telkwa Tactical Plan.
- Based on these plans, SERNbc is looking to develop sub projects under each of these tactical plans in the Skeena – Whitesail, Lichen Restoration etc.

Dave Hooper: How are the results being verified?

MS: We collect information about on the ground attributes (cameras, drone imagery, course woody debris on transects) etc, that feed into pre- treatment monitoring. Once the treatment is implemented, there is a post treatment monitoring plan including cameras etc. (eg. For the Tweedsmuir project SERNbc just purchased \$30,000.00 in cameras)

John DeGagne: Raises questions about the value of monitoring and research type data collection, and that SERNbc has in the past emphasized the delivery of projects

DH: Can we have other experts or researchers to drive these monitoring projects?

MS: Yes, and that involves working with Biologists to do that work.

Mike Jull: Faculty at UNBC can get graduate students involved, but this takes advanced time. The advantage of this approach is that graduate students are inexpensive.... but they require advanced notice.

JD: SERNbc is transferring from an ad hoc organization, is learning as an organization, and transitioning to an organization that can start to bring in other folks [researchers] to be more effective

Duncan McColl: If SERNbc wants to conduct research, it must recognize that many of the current programs don't lend well to research and are difficult questions to answer. SERNbc as an organization must develop a strategic plan in this area, to involve research.

Warren Eastland: Research implies a highly technical approach, but perhaps 'verification' of meeting project goals would better help SERNbc to demonstrate results. Using the term 'verification' may be more appropriate in SERNbc's case, and this can inform 'wise and efficient' spending.

MS: calls it 'effectiveness monitoring'

DH: We need examples of forest management and restoration that include co-management - (First Nations, provincial staff etc)., and putting out cameras (collecting monitoring data) from each of these different treatments

MS: Shovel lake project had this co-management goal in mind, and is SERNbc best example of a co management approach is the Shovel Lake project

Mark Thompson: Long term monitoring can take 20 years, perhaps \$200,000.00/year, effective people, so it is difficult. SERNbc must be mindful of this when wading into the research space

MJ: The organization [SERNbc] must recognize that we need to challenge our assumptions, and this is done through research. So SERNbc should work in partnership with researchers to develop these long term projects and capacity

Gerd Erasmus: There are many students out there looking for projects, and we need to communicate better with prospective students

DH: SERNbc has set out in the strategic plan something along the lines of "fostering student involvement"

JD: Delivering projects and keeping finance in order is a big job, and SERNbc can add pieces (graduate students etc.) but needs this to be led by directors

Moving on.

- \$300,000.00 of restoration implemented in the Quintette area, with more planned
- Whitesail Reach, a project around debris removal and recovery. The goal is to clean up key habitat areas (islands) and remove woody debris from these areas
- Working to engage with Rio Tinto, but there has been challenges in doing this. Rio Tinto is currently following its own engagement plan.
- The Whitesail project is an innovative project, is providing potentially and small local restoration economy, and with the ultimate goal of providing access to the islands before the caribou lose the memory of this access
- Historically, these islands have been key escape and calving habitat, but use has been declining because of an increase in debris in the reservoir
- Budget Presented for 2019/2020 on page 6 of the report
- Lots of growth for SERNbc
- Looking for assistance from board in developing the Strategic Plan, ER planning and monitoring etc. Will follow up with emails in November

JD: Is there opportunity for society members? Or just the Board of Directors?

MS: Open to any and all iterations [so everyone both members and directors can be involved] of the committees driving these projects

MJ: There are opportunities to help in both development and review of the plans

JD: Strategic plan for SERNbc could involve having Directors from across the north, but also not be to entirely comprised of government workers

Olin Albertson: Are there still funds available if people have projects?

MS: LBI funds in second column have some funds available before end of year

JD: Would involve shifting funds from existing project to accommodate new

OA: Is collaboration with a First Nation that is interested in fish passage work

MS: Funding could be re-allocated for Seed funding for the project

Duncan McColl: Seeing funding released from Canada with a focus on Salmon. Should be looking at seed funding to get projects past conceptual stage (who, where, what), to support Salmon type fish passage projects to the grants and organizations (in this case federal funding opportunities)

Motion to approve Marc Steynen's report: Mike Jull

In favour: All

Opposed: None

Passed Unanimously.

Nominations - Duncan McColl

- There have been discussions about shrinking the board size, but also expanding
- There are some retiring board members
- Mike Jull, Jim McConnel, Mike Tilson are retiring

Gerd Erasmus: important to follow process, 3 retiring positions, and an additional positions from those whose term is up

Directors With Term Ending 2020

John Degagne
Bob Frederick
Duncan McColl
Ken Watson
Chris Schell

Directors Who Terms Ends 2019

Olin Albertson
Andrea Erwin
Wayne Salewski
Mike Jull
Brad Martin
Gerd Erasmus
Michael Tilson
Warren Eastland

Retiring

Michael Tilson
Mike Jull
Jim McCormack

Nominations

Sean Rapai
Dave Hooper

John Degagne: Puts forward the question of how active the society should be in attracting additional board members from across the North, and also women to the board. Notes that there is 1 female on the board. In a resolution that the board has previously approved, the board of Directors will be 9-15

Mark Thompson: What is the role of a Director? Role of existing members?

JD: Level of commitment is minimal, but should grow. Two in person meetings a year, the others occur over the phone. Insurance covers most of the risk to directors.

Bob Frederick: Motions to nominate Olin Albertson, Andrea Erwin, Wayne Salewski, Brad Martin, Gerd Erasmus, Warrant Eastland, Michel Lavalle, Dave Hooper, Sean Rapai

All in Favour: All remaining Directors
Opposed: None
Motion passed.

SERNbc Board of Directors:

John Degagne
Bob Frederick
Duncan McColl
Ken Watson
Chris Schell
Olin Albertson,
Andrea Erwin,
Wayne Salewski,
Brad Martin,
Gerd Erasmus,
Warran Eastland,
Michel Lavalle
Dave Hooper
Sean Rapai

Final Motion and Wrap Up

Motion to adjourn: John Degagne
In favour: All
Opposed: None

Meeting Adjourned. @ 1:00pm.

Presentations 1:00 pm – 3:00 pm

- Dr. Winifred Kessler “The Habitat Conservation Trust Foundation: An evolving force for conservation in BC”
- Dr. Jeffrey Werner “Landscape change and wildlife health”

Notes by Sean Rapai, October 30, 2019
October 30, 2019