

SUNSHINE COAST COMMUNITY FOREST LTD

MINUTES OF MEETING OF THE BOARD OF DIRECTORS HELD ON Monday, December 11, 2023 AT 213 – 5710 Teredo St, Sechelt BC and by Zoom

PRESENT:	Jim Tivy	Kathleen Suddes	Greg Caw	Bob Michor
(Directors)	Gord Crandlemire	Dennis Lozinsky	Jordan Wilson	Doug Marteinson
Regrets:				
ALSO PRESENT:	Sara Zieleman – Executive Director, Warren Hansen, Operations Manager, Karen Nielsen – taking minutes			

Call to Order

The meeting was called to order at 4.06 p.m.

1.0 Agenda - Amended

MOTION: Agenda was adopted as presented – CARRIED

2.0 New Business

2.1 2024 Budget

Budget process – provisional budget is required to be approved by the Board in order to move forward with the 2024 operating plan. Spread sheet and report provided, with operations P&L & cash flow. Gives a good snapshot and calculation for 2024 with what to expect from what's driving the markets and strategic initiatives. Once approved, we are able to move forward with the work. We reviewed the SWOT(strengths, weaknesses, opportunities, threats) analysis of the market, harvest strategy, strategic initiatives and what derives the benefit back to our community, this really hasn't changed since 2023. Currently there is less export to China means the market is flooded with the timber that would have normally been exported by other timber companies. This impacts the budget, with a drastic slide in lumber market, leveling of traditional log pricing to pre pandemic prices. Our current blocks are 17,000 m 1/3 fir, cedar, hemlock, currently the special value in the market is poles, which could be possible for the next blocks, we are not budgeted currently for poles, however, it will be market driven.

We looked at the end of 2023, what are our loggers going to produce, with a hope to start hauling this week. What will be sold in 2023 vs 2024? Will do volume estimate what has been felled and ready to load vs scaled at end of 2023. AN3, AN27, HM64 are on the plan for 2024.

Warren reviewed the spreadsheet and explained the details for the revenue, operational planning, logging operations, silviculture.

Recreational road maintenance costs are budgeted separately, not included in log costs.

Stumpage prices have gone down by over 50%.

Silviculture investment plan helps inform where our projects could be and where to put out money.

Sara did an overview of the budget, clarifying details about where the budget may have changed slightly.

Administration – includes Sara and Karen salary and payroll overhead as well as CRA. Management costs based on Chartwell, with what was known.

Details make it clear to understand how money is budgeted. Larger budget last year for board costs as were in discussion regarding development and stipends.

Added a little more to legal – mine road issue.

Advertising increased – regular advertising moving up from strategic initiatives. Coast Reporter – willing to hold previous rates negotiated 18 months ago. The ability to split ads when necessary was negotiated into cost as well, we will no longer require to purchase extra space for small adds for tenders etc.

Clarification made on education costs for board and staff, streamlined for consistency.

Question - Accounting is consideration taken for quarterly visits with Crowe MacKay – Sara believes budget will cover this expense.

Question Timber Tax – is fee based on 20,000 cubic metres, will that change based on our reduction? Based on harvested volume, not on AAC. We will investigate if we have to pay the full 20,000 with MOF.

Question Community Engagement – will review to make sure that amounts are carried forward correctly.

Marketing and Education – completing EBM brochure, map of how we communicate it.

Community Engagement – firewood program, tree planting, some other ideas; first nations community members who do weaving, botanical products, wood blocks being made with shíshálh Nation characters, Shy Watters weaver - group for board/cap, strip cedar with logs from BC Timber sales.

Donations – significant amounts should be aligned with our strategic values.

Wood Expo – need new signs.

Forest Management –include planning and habitat restoration areas, wildlife habitat modeling, wildfire mitigation project, research trial EW24, academic partnerships with UBC, healing forest with Tara Brown, recreation trail maintenance, chainsaw safety training, initiating Phare Lake recreation area, in kind costs last of Big Trees upgrades.

Further discussion is required regarding how to allocate profits made year over year. If we are no longer providing dividends to the DOS for the Legacy Fund, how can we best utilize those funds. Would be beneficial to put a budget forward with a net income, over the course of the year for the board to spend some time on financial analysis and consideration of best usage of surplus funds.

Free cash, is approximately 2.4 million. At end of year we will have spent \$80,000 on roads etc, with unsold log inventory. We expect funds for log sales in 2025. Cash position should be relatively the same from the beginning to the end of the year.

Discussion held that there may be an opportunity for a wood lot or similar tenure expansion in 2025 if that becomes available.

MOTION: to receive the 2024 budget - CARRIED

MOTION: to approve the 2024 provisional budget as presented – CARRIED

3.0 Next meeting January, 8, 2024

Adjourn meeting at 5.15.