



Important Update on BCCFA Membership

The BC Community Forest Association (BCCFA) is the voice and advocate of community forestry in B.C. We work directly with government on legislation, regulations and policy to support the success of community forest initiatives and to expand the program. Since the formation in 2002, the BCCFA has worked consistently to improve the conditions under which community forests operate.

More than ever it is important to have a strong Association that can represent the unique situations of each community forest organization as well as the bigger picture of our collective concerns. A sufficient funding level for the Association to operate effectively is needed. At the recent AGM, a resolution for a new membership fee formula was passed. The result will be increased revenue for the Association leading to a stronger organization.

Why is it important to be a member of the Association and to contribute to its efforts on behalf of the community forest sector? This paper gives information on the BCCFA priorities, and provides details on the new membership fee formula.

Working for Community Forests

We are actively engaged with the BC Ministry of Forests, Lands and Natural Resource Operations (MFLNRO) at the executive level in Victoria and with the regions and district offices. Monthly calls are held with MFLNRO through the Community Forest Joint Working Group and our new head office location in Victoria gives increased access to face to face meetings. These relationships are key to making sure that community forestry continues to grow as a viable feature on the BC landscape, and that accurate, timely and relevant information is available to BCCFA member communities.

Tabular rates are one example of the BCCFA's significant impact on forest policy. Prior to 2006, CFAs were crippled by the stumpage appraisal system. In the fall of 2005, after years of advocacy, the BCCFA was successful in securing a new pricing arrangement for community forest agreements. A number of options were considered, and ultimately the Minister offered tabular rates. The decision, supported by the BCCFA membership, resulted in CFAs paying 15% of the average sawlog stumpage rates in the Interior, and 30% on the Coast.

The caveat for the pricing deal was, and continues to be, that all community forests must be on the same system. There is no ability for a community to opt out if the regular stumpage system would give them a lower rate when, for example, there are new road building costs or there is harvesting of dead pine stands.

Although tabular rates are not perfect, they have had significant positive impacts for the large majority of community forests. These benefits are now being measured and monitored through the Community Forest

Indicators Survey. The first annual survey found that tab rates have indeed created the conditions for community forests to achieve what was envisioned over 15 years ago, making it possible for most CFAs to harvest in highly constrained areas, to encourage investment in the land base and to generate economic benefits for their communities.

The critical role of the Association in maintaining favourable pricing for CFAs was highlighted at the June AGM with the following resolution from the membership:

Whereas: the viability of many community forests depends upon the continuation of tabular rate stumpage,

THEREFORE BE IT RESOLVED that the BCCFA's members voice their support for the BCCFA Strategic Plan and in particular Item #1 regarding tabular rates

The first objective in the Strategic Plan, referenced in the resolution is as follows:

1. Tabular rates for sawlog stumpage are in effect, or a better timber pricing arrangement for Community Forest Agreements has been implemented.

Why Membership Is Important

The BCCFA is a membership based organization. Our core operations are funded solely through the collection of membership dues. While our objective is that 100% of issued CFAs become members, our membership is currently comprised of 80% of the communities in the program. Membership in the BCCFA is important for these reasons:

- The greater the number of community forests represented by the BCCFA, the greater the capacity to influence at the political and policy levels.
- Membership gives a community forest organization the opportunity to be part of important provincial forest policy discussions and to have the unique needs of each organization represented in those discussions. Membership gives a direct line to advocacy for action.
- Membership provides access to the network of knowledge and experience of community forest practitioners and BCCFA staff.
- Extension services - The BCCFA plays a very important role as a provider of support and extension services to communities all around BC striving to obtain and successfully implement community forest initiatives.
- Membership provides opportunities for participation in special projects with BCCFA partners such as UBC Summer Students, FP Innovations, discounts on in depth extension services, and discounts on conference fees.

Membership Fees: Necessary Changes

During the 2014 AGM, discussion on membership fees and the financial sustainability of the Association raised these issues:

- Revenue from memberships was insufficient to cover the core activities of the BCCFA, and the Association was operating with a deficit budget, drawing on ever decreasing reserves.
- The fee structure was unfairly distributed and resulted in smaller CFAs paying more per m³ than the larger ones.
- Rates based on AAC rather than actual harvest did not take into account the financial realities of our members from year to year.

As a result of the discussions, the membership directed the board and staff to explore options for a new membership structure to address the following objectives:

1. *To generate sufficient revenue through the collection of membership dues to fund the basic core operations of the Association which include advocacy on important policy issues like tab rates and expansion.*
2. *To put in place a membership fee structure that is as fair as possible to all members, and that acknowledges the variability in the operations of our members.*
3. *To set a fee structure that will stay in place for 3 – 5 years, and will be subsequently reviewed.*
4. *To build a reserve equal to 1 years' worth of operations within 5 years.*

New Membership Rates Approved

The board presented a proposal to the June 13th 2015 AGM to change the way membership dues are calculated. After an in-depth discussion, the following resolution was passed 30 to 3:

Whereas: *the Association seeks to generate sufficient revenue to fund its basic core operations, and to create a more equitable fee structure that acknowledges the variability in the operations of our members.*

THEREFORE BE IT RESOLVED *that the BCCFA's annual membership dues be calculated based on the following formula, to be applied retroactively for the 2015/2016 fiscal year:*

1. Membership fees based on \$0.12/m³ calculated on the previous calendar year's harvest.
2. Additional fixed rate of \$0.055/m³ based on AAC.
3. Cap of \$10,000.
4. Communities seeking a CFA pay \$250/year.

The formula above replaces the tiered structure previously in place. All additional membership fee policies continue to apply. For example, members with a licence other than a CFA pay \$500 with an optional donation up to \$2000. GST is charged on all membership dues. The rates for associate members and supplier members are unchanged.

What is Next?

A second set of invoices (or rebates) for the 2015/2016 fiscal year is being emailed to all full members. Based on actual harvests for 2014 (Harvest Billing System data), 65% of our membership will see an increase in their dues for this year, 25% will be issued rebates, and 10% will remain the same. Special circumstances will be considered by the board upon request should a community forest have problems with payment or have additional special conditions that impact the fee structure.

Revenue projections for the next 4 years based on the new structure¹:

	New AAC-Based Rates	Harvest-Based Rates	Total
Revenue based on 2014 harvest	\$ 50,000	\$ 137,000	\$ 187,000
Revenue based on 2015 harvest	\$ 50,000	\$ 125,000	\$ 175,000
Revenue based on 2016 harvest	\$ 50,000	\$ 116,000	\$ 166,000
Revenue based on 2017 harvest	\$ 50,000	\$ 112,000	\$ 162,000

Total raised over 4 years	\$ 690,000
Less 4 years of expenses*	\$ 600,000
Resulting Reserve	\$ 90,000

* Based on an annual budget of approximately \$150,000

Please Contact Us

The board and staff of the Association are available to answer questions. For more information and to discuss the new membership fees, please contact:

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¹ These projections are based on membership fees collected from the current membership in the Association.

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