

## Overview of 2015

Good evening everyone and thank you for coming. The VCF has had another very positive and busy year.

### Major Announcement:

- In early 2016 we have signed a long term fibre agreement and have purchased a forest licence from Carrier Lumber for \$1.5 million which was then surrendered to the Government with a new Community Forest awarded in return. The \$1.5 million was paid from VCF Cash reserves.
- VCF now has two community forest licences and a small forest licence.
  - o K2T which is the original CFA has a cut of 33,000m<sup>3</sup>/year
  - o K5Q which is the new CFA has a cut of 35,000m<sup>3</sup>/year
  - o FL A93987 has a cut of 2300m<sup>3</sup>/year and will be operated mostly in Carrier Lumber operating areas in the Robson Valley.
  - o Total cut per year of just over 70,000m<sup>3</sup>

### 2015 Financials:

- We have a total revenue of \$4.9 million
- Total expenses of \$3.6 million
- Total net earnings for 2015 of \$291,000
- Our Silv liabilities are identified per block with a total liability of \$768,000 of which this dollar value is protected to ensure success long term.
- The VCF total equity is \$5.1 million
- We are financially healthy, debt free and able to invest capital very quickly where necessary

### 2015 Highlights:

- VCF has harvested 62,000m<sup>3</sup> during 2015 which is down from 102,000m<sup>3</sup> in 2014. The main reason for the downfall in harvesting is that the majority of pine killed stands have been harvested. In 2015 we targeted the last of the MBP stands which were for the most part very difficult and expensive logging and road building.
- We planted 525,000 trees on logged blocks with another 360,000 trees planned for planting in 2016. We will be very close to 100% of our ground planted after this year's plant. We start planting on Monday.
- We surveyed >500ha of plantations to ensure they meet government standards. We were very pleased to see the positive results.
- We built >20km of roads and now have 7 blocks with over 70,000m<sup>3</sup> worth of harvesting with the roads built and ready for harvest.
- We slashed for forest health >300ha in areas where pine disease threatened pine plantations.
- We have started a new forest inventory on our original Community Forest Area and are half way through the work. The inventory should be completed in June with a new timber supply review due in August 2016. The new inventory will cost \$180,000.

- Local contractors completed most of this work and include: loggers, truck drivers, road builders, road maintenance contractors, scalers, surveyors, tree planters, slashers and road and block development contractors.

#### Recreation:

- We have signed a memorandum of understanding with Glacier Destinations and have done the following to support their project:
  - o Built a connector road from the Westridge FSR to the lower McLennan where VGD intend to install a bridge over the McLennan River.
  - o We have built roads into a planned subdivision area and plan to log this area this summer.
  - o We have built road and partial cut a block up the Westridge where they plan to have ski runs and gondola lifts. They seem very happy with the outcome.
  - o More roads and areas are to be talked about and we will help if we can as this is a major investment in Valemount and one that we fully support.

#### Grants:

- The VCF awarded 7 grants in 2015 totaling \$5000
- We also pay 50% of the cost of the Valemount grant writer who works out of the village office and writes grants specifically for Valemount and area.

The VCF is still in expansion mode with the goal of economic growth and job creation.

- In 2014 we purchased the old Slocan mill site for \$850,000. \$450,000 was obtained through grants from NDIT and CBT.
  - o We are making plans to upgrade infrastructure on the site which is old and has not been in operation for over 10 years.
  - o We are talking with multiple companies that could potentially locate to our yard and are working on the details on how we can do this.
- We are planning on harvesting our BCTS sale down the east Canoe in June 2016. This sale has a nice mix of tree species with a total volume of 33,000m<sup>3</sup>. This sale will bring in >\$1.5million into the Valemount economy.
- We have had discussions with BCTS managers on the types of future sales that we would be interested in and hope for more success in the future.

I'd like to thank the 2015 board of directors for their knowledge, experience and guidance in moving us forward and a special thanks to my colleagues Janey Weeks and Adrian van der Zwan for their support and expertise. I'd also like to thank the mayor and council who have shown trust in us and have supported the direction of the VCF and its board. We have had a very positive year and I look forward to another one in 2016.