

CF NAME: COMMUNITY FUTURES HIGHWOOD

Fiscal Year: 2017-18

OPERATING PLAN

1.0 BOARD MOTION

1. The 2017-18 Operating Plan

Date of Board Meeting:	January 26, 2017
Motion:	That the CF Highwood Board approve the 2017 18 Operations plan
Moved By:	John Waring , Municipal Shareholder Council Board Representative Town of Nanton
Seconded By:	Jim Deacon , Municipal Shareholder Council Board Representative Town of Black Diamond

2. The 2017-18 Budget

Date of Board Meeting:	January 26, 2017
Motion:	That the CF Highwood Board approve the 2017 18 CFH Operating Budget
Moved By:	Ray Watrin , Municipal Shareholder Council Board Representative Town of Okotoks
Seconded By:	Rick Howard , Municipal Shareholder Council Board Representative Town of Vulcan

2.0 IDENTIFICATION AND CONTACT INFORMATION

CF Legal Name:	COMMUNITY FUTURES HIGHWOOD
Mailing Address:	Box 1599 , 14 McRae Street
Location Address:	Okotoks Alberta T1S 1B5
Phone Number:	(403)995-4151
Fax Number:	(403)995-3760
General E-mail address:	info@cfhighwood.net
General Manager:	John Lockhart
General Manager E-	john@cfhighwood.net
General Manager Cell:	403-818-2693
Chairperson:	Neil Wilson
Phone Number:	403-601-0148
E-mail Address:	newilson@platinum.ca
Website:	www.cfhighwood.net
Facebook Page Link:	
Twitter:	

3.0 DESCRIPTION OF THE ORGANIZATION

3.1 Description of your organization

<p>Board structure and committees (please reference the instructions)</p>	<p>CF Highwood is registered as a <u>Non-Profit Company</u> under the Company Act of the Province of Alberta with the effective date of name change April 27, 2007 (from Highwood Business Development Corporation to Community Futures Highwood)</p> <p>Ten (10) Incorporated Municipalities, representing the region served by CF Highwood hold 1 share each of the shares of the Incorporated Company known as Community Futures Highwood</p> <p>As per the Company’s Article of Incorporation, each Municipality (Shareholder) is charged with appointing, through a motion in-Council, 1 to 2 members of their community to be Directors of the CF Highwood Board... 1 to be a Municipally elected council person and 1 being a community at large person</p> <p>The shareholder appointed Board of Directors, under CF Highwood’s Articles of Association, holds an election of officers at a scheduled meeting the last Thursday of November each year... A Chair; Vice Chair; Secretary are elected.</p> <p>These same Articles of Association designate that the Shareholder appointed community at large directors will form the CF Highwood Investment Review Committee (IRC... loan committee). This IRC also holds election of officers, from its members, on the last Thursday of November each year... A Chair; Vice Chair; Secretary/Treasurer are elected.</p> <ul style="list-style-type: none">• This committee is charged with Loan proposal adjudication; business development/loan policy development; and risk managing the Loan portfolio. It will bring back to the full board regular reporting on the status of the Loan portfolio, business development activities they have approved the staff to undertake and new policies they have approved <p>The 6 elected officers... 3 Board officers & 3 IRC officers... forms the Management and Finance Committee (MRC) chaired by the Board Chair.</p> <ul style="list-style-type: none">• This Committee is charged with the day to day supervision of the Office General Manager and to overseeing on behalf of the board the major financial decisions and contract decisions as required, with the requirement of elevating major decisions to the full board as well as reporting back to the full board on actions and or recommendations that have made on their behalf.. <p>Other Ad hoc committee are struck as identified by the full board who also will lay out the roles and responsibilities of the Ad Hoc Committee at that time</p> <p>The Articles of Association allow that Shareholders will normally appoint their Directors as such... Elected Council member... appointed for at least 1 year at a time (some appoint them until the next Municipal Elections)... community at</p>
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CF NAME: COMMUNITY FUTURES HIGHWOOD

Fiscal Year: 2017-18

OPERATING PLAN

	<p>large member... is appointed for at least 3 years the first appointment and 1, 2 or 3 in subsequent re-appointments with both the Shareholder Municipal Council and the Appointee determining whether or not a re-appointment will take place. In both situations a total of 9 years, on the CF Highwood board, will be the maximum serving time.</p> <p>The Articles of Association, as at January 29, 2015, limit any board director to a maximum of 9 consecutive years as a board member for CF Highwood.</p> <p>CF Highwood holds its AGM in early July of each year... this AGM is hosted by a different Shareholder Municipality each year following a 10 year rotation with every region having the opportunity to host the AGM. The AGM is presented as an open function where community leaders, business leaders and media have the opportunity to listen to a Corporate Auditor’s report provided by a representative of the independent Auditing firm and an operational report of activities and program outcomes provided by the Board Chair and the IRC Chair.</p>
<p>Office locations and coverage of communities (i.e. offices, part time staffing in other communities)</p>	<p>The office of CF Highwood is located in Okotoks, AB., in an office facility owned by that Shareholder Municipality, the Town of Okotoks.</p> <p>The Town of Okotoks is a partner with CF Highwood in this building which also functions as a Business Incubator with 10 fully furnished business offices with secure high speed internet services, a Board/Training facility and part time Administrative receptionist. CF Highwood manages the facility and shares the net rental revenue with the Town of Okotoks.</p> <p>In each of the other 9 Shareholder communities it is a normal practice for the Shareholder to accommodate, if available, pre-arranged space for CF Highwood staff in which to meet with local potential clients.</p>
<p>Other</p>	<p>The Board of Directors meet 6 times a year to discuss updates of the strategic plan, projects and the Organization’s Financials and Outcomes...</p> <ol style="list-style-type: none"> 1. The January meeting also provides the Board the opportunity to review and approve the up-coming Operating Year’s ‘Operations Plan and Budget’ 2. The March meeting also addresses write-offs and other year-end items; 3. The May meeting addresses the overall previous year’s financials, operations plan outcomes along with the Annual Performance Report to WED 4. The July meeting is the AGM 5. The October meeting is the semi-annual review of financials and outcomes; 6. The November meeting is Election of Officers <p>The IRC meets as needed but always before each Board Meeting</p> <p>Management Review Committee (MRC) meets as required on the call of the Chair.</p>

CF NAME: COMMUNITY FUTURES HIGHWOOD

Fiscal Year: 2017-18

OPERATING PLAN

3.2 Board of Directors

Name	Position on Board	Geographic Area of Representation	Month & Year Joined Board
Neil Wilson	Board Chair (MRC)	M.D. of Willow Creek (Councillor)	Jul 2008
Davis Edels	Board Vice Chair (IRC/MRC)	M.D. of Foothills (Community at large)	Nov 2015
Amber Chapman	Board Secretary (IRC/MRC)	Town of Okotoks (Community at large)	Nov 2014
Al Gillis	Board / IRC Chair (MRC)	Town of High River (Community at large)	Nov 2010
Gordon McPherson	Board / IRC Vice Chair (MRC)	Town of Vulcan (Community at large)	May 2015
Doug Shepherd	Board IRC Treasurer (MRC)	Town of Nanton (Community at large)	May 2015
Jim Deacon	Board Member (IRC)	Town of Black Diamond (Councillor)	Nov 2013
Alan Noble	Board Member (IRC)	Town of Black Diamond (Community at large)	Apr 2016
Dragan Brankovich	Board Member	Town of High River (Councillor)	Nov 2013
TBA	Board Member	Kananaskis Improvement District (Councillor)	Vacant
Delilah Miller	Board Member	M.D. of Foothills (Councillor)	Apr 2016
Evan Berger	Board Member	M.D. of Willow Creek (Community at large)	Apr 2016
Jakob Hensel	Board Member	Town of Nanton (Councillor)	Nov 2013
Ray Watrin	Board Member	Town of Okotoks (Councillor)	Nov 2013
John Waring	Board Member	Town of Turner Valley (Councillor)	Oct 2016
TBA Sept 2013	Board Mem/IRC Mem	Town of Turner Valley (Community at large)	Vacant
Rick Howard	Board Member	Town of Vulcan (Councillor)	Nov 2013
Glen Gateman	Board Member	Vulcan County (Councillor)	Nov 2013
Jason Thornhill	Board Mem/IRC Mem	Vulcan County (Community at large)	Mar 2015

Is the board representative of the community? If not, what are your plans to address this?	Each of the 10 Shareholder Municipalities identify and select their own Board representatives and all other rural regions (hamlets, villages, ranch and agricultural lands) within these Incorporated Municipal regions are represented by the MDs or County's.
Please describe your Board's succession plan for departing board members.	<p>The CF Highwood Board of Directors and Staff have no direct input to selection or replacement of a Board Member other than providing a job description of a board member and IRC member. The Shareholder region, under guidance of the CF Highwood Articles of Association appoint their member representative to our Board for 1, 2 or 3 year terms and review each at time of reappointment.</p> <p>Staff GM provides an annual report on attendance and 3 months before any one board member term is due to expire, in conjunction with the Board Chair, and in conversation with the existing Board Member, a letter is sent by the Board Chair to the Municipal Shareholder Council</p>

CF NAME: COMMUNITY FUTURES HIGHWOOD

Fiscal Year: 2017-18

OPERATING PLAN

	concerning that specific member’s tenure expiration and offering input to possible next step.
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As per Section 5.5 in the contribution agreement, please confirm that the following are posted on your website. Please provide the hyperlink to your website for each item listed below.

Caveat... at the time of answering this question our Web Site does have these items BUT... it is under construction and change to bring it into line with changes being led by CFNA... at the conclusion of this exercise the web site will continue to host this data

Names of the current Board of Directors and names of any non-board member of the Investment Review Committee;	Yes... http://www.cfhighwood.net/corporate-structure.php
Profile of Board composition (i.e. geographic representation, sector/area of expertise, gender, etc.);	Geographic Representation only... .. http://www.cfhighwood.net/corporate-structure.php
Board Recruitment and nomination processes;	Yes... by way of Articles of Incorporation
2015-16 Annual audited financial statement;	Yes... http://www.cfhighwood.net/corporate-financial-data.php
2015-16 Performance results;	Yes... http://www.cfhighwood.net/performance-results.php
Investment Fund redress /appeals process; and	Yes... http://www.cfhighwood.net/application-process.php
Referral Reference to the FEDO to make it known to members of the public that business services for Francophone entrepreneurs are available	Yes... http://www.cfhighwood.net/

3.3 Staff

Staff	Position	Core Staff (WD) *	Month & Year Hired
John Lockhart	General Manager	WD... 100%	June 1993
Cory Kunz	Administrator	WD... 100%	May 2016
Ursula Sherwood	Business Analyst	WD... 100%	May 2016
Megan Watts	P/T Business Analyst	Loan Interest	May 2016
Billie Chapman	P/T Business Administrative Asst.	Loan Interest	April 2016

3.4 Staff Retention, Recruitment and Training

<p>Describe the challenges, if any, related to staff retention, recruitment and training. Also provide your plans to address these challenges.</p>	<ul style="list-style-type: none">• 10 years of frozen funding and no indication this will change anytime soon... this challenges the organization in attracting any trained or ‘hit the road running’ staff to not just have any measurable transfer skills, forget managing the programs, in all three staff critical positions... General Manager; Business Analyst; Office Administrator.• it is nearly impossible to not only attract reasonably competent people but to attract anyone who is career searching with all that uncertainty.• It was a first step in April 1, 2015 to see part of the problem addressed with a 3 year contract and the ability to use Loan Interest... but we still have a reputation that once hired don’t expect any salary increases.• However the use of Loan Interest did not address two specific problems caused by 10 years of frozen funding... costs went up each year and no salary increase... these were not fixed with the use of Loan Interest rules. These can only be addressed with inflationary adjustments to the funding of the program.• The irony is that when we put a job on the market we get a great number of applications but that gets thin once they understand the limited compensation opportunities.• It is good, where we can, to share resources as we will always look at these options going forward and when and where it makes sense the Board will certainly implement this.• The existing General Manager, with close to 24 years in his position, has witnessed 9 good in-house trained Business Analysts, after 1 + years, go to the local bank branches offering these people much larger salaries and local promotion opportunities... similarly this has happened to office administrators who saw other opportunities with the skill sets developed at the CF.• I am sure we can all recognize the additional pressures turnover puts on any office, so I don’t need to elaborate what all this does to morale and work load on those left behind.• And when a Board needs to replace a Manager position... the impact is so much greater.• We do provide a balance of flex hours, focus on family, adjustments to, and flexible, vacation times, work from home times, staff recognition and respect every day, exposure to training and development, involvement in all aspects of the office, emphasis on team in all things and a strong supportive board working with the GM and recognizing the contribution of the whole staff team.
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	<ul style="list-style-type: none"> • When recruiting we emphasis all of these things including the fact that we provide free parking and for those applicants from south Calgary that they are only 10 - 20 minutes from their kid's school or home in the case of an emergency along with the other office operational amenities. • The longer this form of funding lasts the harder it will become and the Government of Canada puts at risk what is probably the best and most successful program they support... one that creates sustainable and strong economies thorough Small business start-ups and job creation
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4.0 PLANNING AND POLICIES

4.1 Strategic Priorities

Description of Top 3 Strategic Goals	
1	Increase the Loan uptake through our 5 Chambers of Commerce / CFH Partnership Loan Interest benefit program
2	Continue to dedicate resources to protecting our assets in this tight Alberta Economy... focus on a strong Risk Management program
3	Continue to develop partnerships within regional shareholder communities to maximize resources in CED and Business Development program delivery

4.2 Governance and Accountability

- Board retains an external Chartered Accounting firm to provide monthly, semi-annual, and annual company financials along with Bank Reconciliations
- Board uses an independent Chartered Accounting firm to conduct annual, independent, Corporate Audits
 - These audited financials are posted on the CFhighwood.net web site along with the annual operations plan, Corporate Articles and list of Board Members
- Board hosts open, visible regional meetings each year – AGM – each July:
 - These are hosted by a different Municipal Shareholder each year, in their region, at a location of their choosing, on a 10 year rotation... The Board invites representatives of local municipal council and municipal administration; local chamber leadership; Business leaders, EDCs and EDOs; Provincial and Federal Government elected representatives; local media; funding organizations and CFH partners in the host region; bankers; insurance brokerage firms; lawyers; accountants; and local CFH past and present clients.
 - The agenda includes presentation of the organization's annual Corporate Audit Report and results for the past year, by the CA Auditor representative;
 - Board Chair provides a year end Operational Report on results and activities;
 - The IRC Chair provides a year end reports on loan outcomes and activities;

CF NAME: COMMUNITY FUTURES HIGHWOOD

Fiscal Year: 2017-18

OPERATING PLAN

- Everyone in attendance receive a copy of all the outcomes and financials and have the opportunity to ask questions and receive appropriate answers
- These results are then posted on our Web Site
- Staff and Board Member representatives make presentations to Shareholder Municipal Councils; EDCs; and to Chamber meetings as time is made available to us
- Council Board Member reps are encouraged to provide Board meeting reports back to their Municipal Councils after each Board Meeting
- Sharing of annual Economic and Operational plans between Municipal Shareholder Administrations and the CF
- On-going communications and making the best use of partnership opportunities between the Municipal Administrations, Chambers, Other organizations throughout the region including Post-Secondary programs and Career centres and CFH

4.3 Policies & Incorporation Documents

Incorporation Documents	Date Document Was Last Updated	Date Submitted to WD
Articles of Incorporation and Association	January 2015	January 2015
Bylaws (Memorandum and Articles of Incorporation)	January 2015 / Revised Sept 2015	January 2016

Policies Related To:	Date Policy Was Last Updated	Date Submitted to WD
Investment Fund Management Please include: <ul style="list-style-type: none"> • Appeals and redress mechanism • Loans in excess of \$150,000 (if applicable) • Syndication Loans • Equity Positions 	2015 2007 2016 2016	2015 as per CFNA 2007 2017 2017
Conflict of Interest	2007	2007
Board of Directors (policy for appointment/selection, terms of office, etc.)	Shareholders control and review on-going... Covered in Memorandum of Association	January 2016 Memorandum of Association

CF NAME: COMMUNITY FUTURES HIGHWOOD

Fiscal Year: 2017-18

OPERATING PLAN**5.0 PERFORMANCE INDICATORS**

The process of setting overall performance targets should take into account considerations such as your CF's historic performance, status and trends in your region's economy, activities of other business service providers, needs of your community(ies), capacity of your CF, etc.

Note, both your CF and WD must agree to the final overall performance targets.

5.1 Please submit your performance target information into the [WD Web Portal](#) for the coming fiscal year for the indicators that are listed in the Ops Plan Instructions that was sent to you. (Separate Document)

5.2 Alignment with Government of Canada and WD Current Priorities

	Strategy	Planned Project/Initiative/Related Loan (2 – 3 sentences)	How will you measure project/initiative outcomes?
1 (a)	Innovation – Support business and initiatives that can bring new technologies to Canadian and global markets	Partner with local and regional shareholders to assist entrepreneurs in the manufacturing and IT sectors	Participate in at least 1 workshop providing advisory services for manufacturers or IT entrepreneurs
1 (b)	Clean Technology – Support business and initiatives related to Clean technology activities	Work with and support those shareholder regions who have identified business park growth industries as clean industries... low water users and high efficiency manufactured products	Partner with regional shareholders in their attraction programs and to target at least 1 loan to such industry clients
2	Trade & Investment – Assist business to enter into global markets		
3	Building Capacity for Defence Procurement Opportunities – Support businesses to take advantage of federal procurement opportunities		
4	Economic Growth Acceleration Opportunities for Indigenous Peoples – Support participation of Indigenous peoples in economic development		

6.2 Investment Fund Cash on Hand

Do you anticipate by March 31, 2018 at least 75% of your investment fund will be invested in (disbursed or committed) eligible Small and Medium Size Enterprises or will be available for your provincial investment pool? If not, what are your plans to address this?	YES
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6.3 Opportunities for Collaboration and Efficiencies

- Please outline your plans to explore additional opportunities for collaboration (CFs, WCBSN or other business service providers) or efficiencies in support of improved service delivery to your clients.

Collaboration and Efficiencies Planned/Under Discussion	
1	Continue with practice to offer every female client with the business and networking services of AWEA either as a complimentary service or primary service
2	Continue to strengthen the shareholder community partnership programs to achieve targets in training, CED, promotion, and marketing without impacting operational expenses as well as to encourage target market development in alignment with the Government of Canada Priorities
3	Continue to strengthen our Partnership with Town of Okotoks and the Business Incubator
4	Continue to take advantage of all CFNA programs... from insurance, equipment, etc. and training