

**GUIDELINES FOR THE
FARMING AND FISHING INDUSTRIES
DEVELOPMENT ACT**

**Part 2:
Council Operation**

**Updated in
2022**

**British Columbia
Ministry of Agriculture
and Food**

Table of Contents

INTRODUCTION	1
OPERATING PROCEDURES	1
The Operating Resolution	1
Meeting Records	2
Selecting Officers	2
Books of Account	2
Choosing a Year End	3
STRATEGIC PLANNING	3
Elements of a Strategic Plan	4
THE BUSINESS PLAN	6
Elements of a Business Plan	6
FUNDING PROJECTS.....	8
Soliciting Project Proposals	8
Evaluating Project Proposals.....	10
Awarding Projects	11
Evaluating Project Results.....	11
PROBLEM SOLVING AND DECISION-MAKING	12
The Information and Decision Cycle	12
Solving Problems	13
MANAGEMENT AND ADMINISTRATION.....	14
Council Members	14
Staff and Support Models	15
Staff Selection	16
Staff Roles and Responsibilities	17
ANNUAL MEETINGS AND REPORTS	18
FINANCIAL MANAGEMENT and UNPAID LEVIES	19
WINDING UP A COUNCIL.....	20

USING THIS MANUAL

These guidelines are intended to help an industry development council operate efficiently and effectively, once it is in business. For guidance on how to establish a council and fund, refer to Part 1 of these guidelines found at: <https://www2.gov.bc.ca/gov/content/industry/agriculture-seafood/business-market-development/agricultural-trusts-and-councils/agricultural-councils> .

Not all portions of these guidelines will apply in every situation. These guidelines may not provide all answers. The aim of these guidelines is to communicate B.C. Government policy in respect of the operation of councils and to respond to some commonly raised questions regarding the *Farming and Fishing Industries Development Act* (FFIDA). These guidelines should not be a substitute for full consideration of any issues and problems encountered by a council.

For issues that are not addressed in these guidelines, please contact AgriServiceBC:

Telephone: 1 888 221-7141

Email: AgriServiceBC@gov.bc.ca

DISCLAIMER

This document is not a legal authority, and should not be used as a substitute for the *Farming and Fishing Industries Development Act* ([click to access FFIDA on BC Laws web page](#)) and regulations. Interpretation and utilization of this document is the responsibility of the user.

INTRODUCTION

In supporting a proposal to establish an industry development council and a fund, producers set in motion a process that ultimately gives council members the authority to administer the fund and determine how to use it best. The council members are responsible for managing the council's business. They are accountable to producers who pay into the fund.

Council members will undoubtedly bring diverse points of view. That diversity may be sectoral, regional, or even cultural. Council members may also bring different skills or approaches to problem-solving and decision-making. A well-managed organization will see those individual differences as a source of strength, not conflict. If a council can build consensus among its members, it should be able to maintain support within the sectors and regions those members represent. The council's goal should be to determine what is best for the industry as a whole and to serve that common interest through its development work and the operation of its fund.

OPERATING PROCEDURES

The Operating Resolution

A council's operating resolution serves the same purpose as corporate bylaws, cooperative rules of association or the constitution of a non-profit society. A council may wish to review other organization's operating procedures prior to tackling its own.

An operating resolution provides the framework within which the council makes decisions and some general guidelines about how to carry them out. It also gives council members some sense of their rights and responsibilities. The operating resolution includes the rules of order for council meetings. It provides a set of procedures that covers most of the main rules for making, amending, and debating motions in a parliamentary meeting format. In practice, most councils are likely to find their meetings less formal than those governed strictly by parliamentary procedure. However motions are debated, motions must be duly moved, seconded, and carried to formalize any of its legal, financial or policy commitments.

Matters Covered in an Operating Resolution

- How meetings will be called and conducted
- How votes will be taken and counted
- The duties of members and officers
- The role and duties of committees
- The use and operation of the fund
- The form of notices
- The address of the head office
- How and where accounting records will be kept
- Submission of annual reports to the Minister
- Audit procedures
- How (and by what majority) the resolution itself can be amended

It is sound practice to address these issues during the start-up phase of a business. It is possible the steering committee has already drafted an operating resolution as part of the council's development plan. In that case, the new council only needs to review it and if they find everything in order, adopt it.

If the steering committee did not prepare the resolution, the new council should do so immediately. Existing councils should have an operating resolution in place.

Meeting Records

Like any well-run organization, the council will want to set up a system for recording its minutes and resolutions. Meeting minutes should be circulated to council members for timely and advance review, and approval at the next meeting.

Minutes need not be a detailed chronicle of every comment made at council meetings. They should simply record decisions or assignments and, where appropriate, who is responsible for carrying them out. If debate is contentious or the vote is close, it may help to note some key points made by each side. Council members who show dissent from the majority on an important decision can (and should) ask to have their dissent recorded.

Selecting Officers

It is common for councils to have four officers: president (or chair), vice-president, secretary, and treasurer. Small councils may wish to combine some of these posts (secretary-treasurer, for example), while very large or complex councils may want to split posts (two vice-presidents, for example).

Officers should be elected by the council at its first meeting. A council member, who does not wish to stand for office or an outside party, can chair the nominations and election.

The size and financial resources of the council will largely determine the amount of work and time required of the officers. Small budgets require members to do voluntary administrative work that might be done by paid staff in a larger organization with more funds. It is a good idea to have written job descriptions for the officers. Job descriptions can be entered in the minutes or included in the council's operating resolution.

Books of Account

The council's accounting system and database will need to track all the levies paid to the council, by whom, and all refunds paid out, if applicable.

When the council enters into contracts to undertake projects (e.g., research and promotional work), it should ensure the work is properly accomplished, and all related expenses are accounted for.

In addition to the above, section 4(2)(a) of the Act allows the council to pay necessary or incidental costs approved by the minister related to administering the fund. That could include expenses of running the council itself, including reimbursements to members who incur out-of-pocket costs in performing their duties.

While the council is primarily a voluntary organization, this accounting system and database may require professional management. Even if it is maintained on a voluntary basis, it may be advisable to obtain professional expertise in setting it up. An efficient transparent accounting system will benefit the council over the long run.

Choosing a Year End

Councils are free to adopt a fiscal year end that best suits their business cycle. However, within three months of its fiscal year end, a council **MUST** file an annual report with the Minister, including its annual financial statements. The report can include other particulars the Minister may require. The FFIDA does not require such statements to be audited or reviewed, although some councils do take this step. Financial audits or financial reviews lend credibility to the council's affirmation of accurate reporting. Financial audits provide a more comprehensive review of accounting procedures than financial reviews, but both result in an independent review of a council's financial statements.

STRATEGIC PLANNING

The council will function most effectively over the long term if it has a strategic plan. The strategic plan should set medium to long-term plans for the council. Usually, strategic plans cover three-to-five-year periods.

Many people think strategic planning is only for large organizations with a lot of resources, but any organization can benefit from the process. Strategic planning for a small group need not be complex. There is a considerable amount of information available on the topic of strategic planning, and several methods have been developed. A large and complex council may wish to investigate and adopt some of these methods. Smaller councils may wish to adopt a simpler approach.

Essentially, a strategic plan comprises the following basic items, which are discussed in more detail below:

- a mission statement
- an analysis of the industry's business environment
- a set of objectives
- goals and strategies that will attain the objectives

Many organizations and businesses find it useful to make time outside of regular meetings to focus on planning, such as an annual strategic planning retreat. Using an outside facilitator to lead the strategic planning exercise can also be helpful, as the chair is then free to participate fully in the discussion.

Elements of a Strategic Plan

The Mission Statement

This is a brief general statement of the council's reason for being. It can express values or ideals, but also indicates what business the council is in. A mission statement is considered almost permanent. It may be reviewed occasionally, but it should be broad enough to be "timeless". It answers the question, "why do we exist as a council?".

Analysis of the Industry's Business Environment

The analysis looks at the external forces that may either aid or constrain the industry's future growth and development. Some questions addressed in this analysis are:

- What factors are affecting consumer demand for the commodity?
- How is the commodity, and its production practices viewed by the public?
- How does the current legislative and economic climate influence the industry?
- Who are the competitors?
- What technological changes are taking place in the production or processing of the commodity?

Sophisticated market research is not necessarily needed to answer these questions. Members of the council, as key players in the industry, probably hold many of the answers themselves. However, if council finds gaps in the knowledge regarding the market environment, filling those gaps with research will improve the strategic plan and ensure appropriate use of the fund later on.

The analysis helps to identify current strengths and weaknesses of the industry and to identify the opportunities and threats facing it in the future. The analysis helps the council set objectives and actions that use the industry's strengths, minimize its weaknesses, capitalize on opportunities, and forestall threats. These objectives and actions are the heart of the strategic plan.

Objectives

An objective is a general statement of what needs to be achieved. They typically are few in number and tend to cover a three-to-five-year period.

Example Objectives

Objective: Research

- To use the fund effectively in support of research that will develop new products, improve production practices, or expand the market for existing products.

Objective: Promotion

- To increase consumption or use of the commodity by promoting it to consumers, retailers, wholesalers, and processors, through the media, at trade shows, with point-of-purchase materials, and demonstrations or any other means.

In the second example, note that promotion itself is not an objective, but a means of increasing the consumption of the commodity. If promotion itself is described as an objective, it suggests that council would continue to undertake promotion regardless of whether it was effective in increasing consumption or not.

Goals and Strategies

Goals are specific targets that must be met to achieve an objective. Goals convert the strategic objective into specific performance targets that fall within the one-to-two-year time horizon. They state what, when and who, and are measurable. Often one objective involves more than one goal and strategy.

When writing goals, it is useful to consider the following factors:

- Is the goal statement constructed properly – to (action verb) (a single, measurable result) by (target date) at (cost).
- Is the goal measurable and verifiable?
- Does the goal relate to an objective and is it consistent with the mission statement?
- Can it be easily understood by those implementing it?
- Will the result justify the time and resources required to achieve it?

Strategies are the actions that are taken to attain goals and answer the question “how”. For example, if the goal is to approve a certain number of research projects in a year, how will this come about? Will the council solicit proposals? If so, on which subjects? From whom (industry organizations, academics)? Strategies signal the shift from planning to implementation.

Example Goals and Strategies

Objective: Research

- To use the fund effectively in support of research that will develop new products, improve production practices, or increase the marketing for existing products.

Goal:

- To approve within the current year one or more research proposals that will either test or produce a new consumer product using (the commodity), at a cost of (x dollars) or no more than (x percent of council’s budget for research).

Strategies:

- To create a request for proposals to solicit interest from (institution names) on the topic of (identify topic) by (date). The research will be undertaken on a contract basis (provide time period), for a fixed price (provide dollar amount).
- Leverage additional research funding by participating with (name organization) in the (name fund-matching program) to (identify research project).

THE BUSINESS PLAN

The business plan is a written summary of how an organization intends to conduct its business over the coming year. An organization uses a business plan as a blueprint. A council's annual business plan will translate the objectives, goals, and strategies of the strategic plan into concrete actions. It sets out a program of activities for the council and budgets for them. It answers the question, "who will do the work?"

Elements of a Business Plan

Management Overview

This section of the business plan assesses and determines the organization's human resource requirements. The business plan should assess the business and technical skills available and determine the ability and experience required to do the work. The business plan will identify whether most of its work is done by paid employees, by volunteer committees, or by council itself. If some skills need to be acquired or augmented, training should be considered for some or all council members. Naturally, the council's size and budget will influence some of these decisions. The council also may contract certain tasks.

Production Strategy

The council's "product" is essentially:

- Information to help promote the commodity to build domestic and export markets
- Information resulting from research to help produce the commodity more efficiently and/or with better quality

The production strategy focuses on how information will come into the council, be utilized, and be transmitted to producers or other persons. The production strategy answers questions such as:

- How is information organized?
- What resources, materials, and communication channels are currently available and which ones will have to be developed?
- Is current and relevant technical information already available? From which organization?
- Is new technical information required? If so, should it be funded by the council or can it be obtained from another source?

Market Strategy

If a council's product is information, then its market is the "target audience". Who must receive information in what manner? The target audience may be individual consumers, processors, exporters, distributors, the media, other governments, or the producers themselves. The market strategy focuses on the following questions:

- Who are the priority targets?
- What is the best way to reach them?
- Who else is competing for their attention?
- How will council use the strengths and advantages of the commodity sector to gain that attention and make sure it translates into sales?

Financial Analysis

A business plan can include several financial statements, all of which reveal information about the organization's finances.

Under FIDDA, a statement of revenue and expenditures and a balance sheet are required to be submitted to the minister responsible for FFIDA each year. Council also may wish to develop a cash budget that shows projected revenue and expenditures on a month-by-month basis.

Levy income from most commodities is likely to be highly seasonal and produce a large bulge in revenue when most of the product is sold. Expenses on the other hand may remain constant from month to month, and it will be important to manage cash flows so there is always enough money on hand to pay them.

Are there other revenue sources that can be used to level out the "valleys" in the income stream? Does the council have access to "matching fund" programs thereby leveraging additional funds? Should the council negotiate a line of credit with its bank or credit union to serve that purpose? If the levy is refundable, what contingency should be set aside to cover the requested refunds?

On the expense side, the cash budget should provide a clear indication of where the council intends to spend most of its income. The majority should go to the actions the council has decided to support in its business plan related to the objectives in the strategic plan, but there will be administrative expenses too. Salaries for paid staff, legal advice, printing, mailing, travel, insurance, and meeting costs are some of the major ones.

Filing Requirements

There is currently no regulation under FIDDA that requires councils to produce and circulate a business plan to producers. The purpose of circulating a business plan is to keep producers informed of the intentions and proposed activities of the councils for the coming year.

Disseminating this type of information and asking for feedback is good practice even though it is not formally required by law. If producers have opportunity to influence the plan, they are more likely to support it politically and financially by paying the levy. Open, two-way communication with the council gives them that chance.

FUNDING PROJECTS

Once the council has completed its strategic and business planning, it will understand where to direct its resources for the immediate future. However, council should have a set of policies, procedures, and criteria that will guide the actual disbursement of funds.

Some councils tend to keep their research and promotional activities "in house", using industry organizations, or even their own members to carry out the tasks identified in the business plan. Another option is for a council to receive proposals for research or promotional projects from academic or independent sources. In either case, it is important to have some standard operating procedures and criteria to guide the council's funding decisions that will:

- provide an objective way to evaluate projects and proposals fairly
- set standards by which the results of projects are measured
- reduce the possibility of favoritism or apparent conflict of interest in granting funds

Soliciting Project Proposals

Advertising or not

There is a natural human tendency to stick with the familiar, and a council may have the same tendency when deciding who should access funds. In many cases, when a council wishes to fund a particular research or promotional activity, it may have in mind a person or organization to carry out the work. Funds may be disbursed under contract or agreement without any external advertising. There is nothing inherently wrong with a “closed” process such as this, provided the activity has a clear mandate in the council’s business plan and it meets the criteria that the council has established. However, it also is advisable to set an upper limit on the value of projects that can be funded without some type of public application or tendering process.

Casting the net more widely and soliciting for proposals or advertising contract opportunities in research or industry journals, at universities, or through the council newsletters can benefit the council and the commodity sector as a whole. Tapping into a larger pool of experts or specialists could broaden council’s information base and result in new and creative ideas. Soliciting more broadly also could result in cost savings because of new or more efficient ways of delivering the product.

Application Process

The detail required of applicants will depend on the cost of the project and the complexity of the activity. A council may send smaller, short-term, and well-defined projects to a few individuals requesting them to bid on the project. For larger and more costly projects, a more formal application process is desirable. There are two possible approaches:

- **Proposal-driven:** The council puts out a general call for proposals that meet stated goals and criteria but asks applicants themselves to propose work to be undertaken in support of these goals.
- **Plan-driven:** the council’s business plan identifies specific projects and seeks qualified applicants to carry them out.

Either of these approaches may be used, and it is up to the council to indicate whether the budget is open-ended or fixed. If the budget is open-ended, the proponents will identify costs of the project themselves. If the budget is fixed, the proponent will indicate what they are willing to do within the fixed budget.

The plan-driven approach is focused and bounded; whereas the proposal-driven process could bring in fresh ideas that the council had not considered before. They are not mutually exclusive, and council may wish to use different approaches for different projects.

Choosing an Application Process

Proposal-Driven	Creativity within a limited budget	Sky’s the limit
Plan-Driven	Task completion where there are few unknowns	Task completion where there are many unknowns or that require new approaches
	Fixed Price	Open Ended

Evaluating Project Proposals

Council should establish criteria to fairly evaluate project applications and proposals, especially in the case of complex costly projects. A point system applied to selection criteria that the council has developed may be useful. Once a proposal has been evaluated against all criteria, the weighted scores can be added to calculate a total score for each proposal. Criteria and weightings can change from time to time as priorities change, but the methodology ensures a fair and equitable measurement by consistent standards. Note that if the council is assessing a plan-driven proposal with a fixed price the evaluation criteria may be very simple, such as price and past experience.

If council receives many applications or proposals, it may wish to ask staff or a committee of the council to pre-screen them using agreed upon criteria while bringing the final decision to a full meeting of the council. With clear criteria in place, it will be much easier for council to delegate some decisions to staff or council committees and to make final decisions itself.

<u>Method</u>	<u>Example Criterion</u>	<u>Example Score</u>
1. Divide the list of selection criteria into those that the proponent MUST meet, and those that the proponent SHOULD meet. For example, FFIDA stipulates that levy funds must be used to benefit and promote the industry in the province.	Proposals that do not meet the requirements of FFIDA would be rejected.	
2. The remaining criteria falling under the SHOULD category can be weighted if some are more important than others. A scale of 1-5 (least to most important) is often used.	Cost-benefit criterion weighted at 5 Previous experience criterion weighted at 2	
3. A scoring scale is needed to determine how well a proposal meets each of the SHOULD criteria. A scale of 1-5 (poor to excellent) is often used.	Proposal deemed to provide excellent value for money scored at 5 Satisfactory previous experience scored at 3	Weighted score for the cost-benefit criterion is $5 \times 5 = 25$ Weighted score for the previous experience criterion is $3 \times 2 = 6$

Possible criteria that could be used to evaluate project proposals include the following. Council may wish to use some criteria from this list, or develop its own criteria:

- Does the proposal conform to FFIDA, the regulation, public policy guidelines under which the council operates and the council's strategic plan (objectives and goals)?
- Does it serve the interests of the industry as a whole?
- Will the benefits be felt in all regions? In all sectors?

- How much of the total budget will be spent on the project, and what is the level of benefit derived relative to the expenditure (cost-benefit)?
- Is the application clearly thought out? Does it propose measurable results? If it is time-limited, are the proposed schedules realistic?
- What is the track record and previous experience of the applicant with similar work?
- Can the project be cost-shared with another organization?

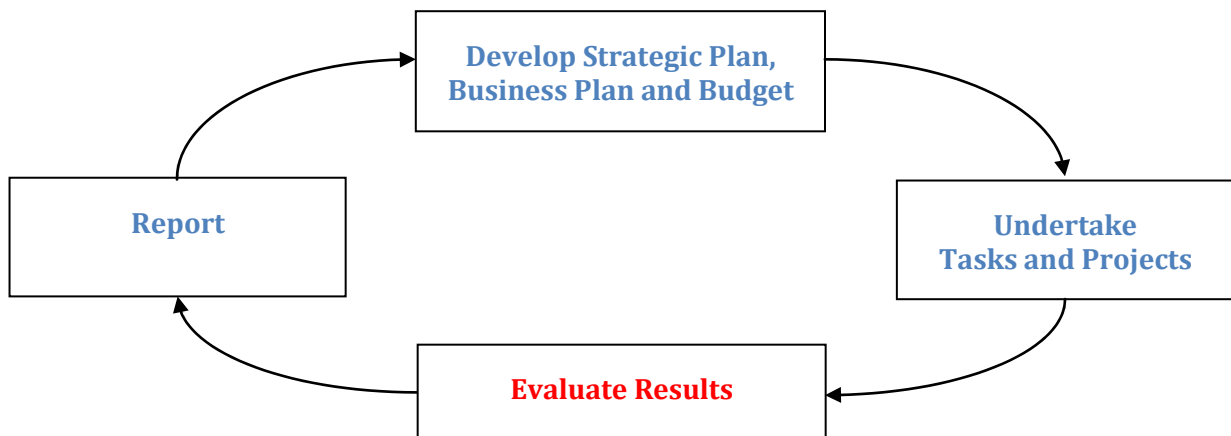
Awarding Projects

Successful applicants should be notified in writing, and records should be kept for all project approval decisions. It is advisable that all undertakings of work (outside of petty cash) be supported by a signed contract between council and the person(s) doing the work.

For projects managed under contract that represent a significant expenditure, the council should seek legal advice on contracts and payment. It may be possible for a council to establish a general contract format that can be used for all projects. Legal advice also will be useful if obligations under a contract are not fulfilled.

Evaluating Project Results

Upon completion, projects should be evaluated in terms of what was proposed and what was delivered. Evaluating project results is an essential element of managing overall organizational performance.



The entire cycle above constitutes a council's performance management structure. For council to manage its operations well, it should:

- have a strategic plan, business plan and a budget to direct what's to be accomplished and the resources required.
- fund projects and activities to achieve the intent of the plans.
- determine criteria for measuring success and collect information to assess progress; and
- report on success, comparing actual achievements to the plan(s) and adjusting where necessary.

Reporting on individual projects is a key aspect of overall performance management. Projects are likely to constitute some of the most important activities undertaken by a council; they can be task-specific (such as a particular research project), or a program (e.g., operating a website or a newsletter).

Reporting can be within council, forming part of an annual review that feeds into the next planning and budget cycle, or it can be to producers at large. Reporting can also feed into the process and policies affecting project applications, and project selection and evaluation. Some questions to consider when evaluating project results include:

- Was the project completed?
- Was it completed on time? Were delays reasonable or not?
- Were changes to the project terms of reference and/or contract required, and why?
- Did the project deliver the results expected? If not, why not?
- What would council do differently in future?
- What worked well?

PROBLEM SOLVING AND DECISION-MAKING

In deciding how to allocate council funds, it is most likely that divergent views will emerge from council members. A well-run organization will have a method of reconciling the views and arriving at decisions that are acceptable.

The Information and Decision Cycle

A decision-making method, whether consensual, parliamentary, or executive can be viewed as a tool. Different tools have different uses, and a council may need to utilize more than one decision-making method to effectively run a council.

One way to look at decision-making is as a cycle with four identifiable phases:

- gather factual and accurate information
- carry out analysis
- make a decision
- implement activities

Information may be gleaned from many sources (council itself, producers, project results, research etc.). Committees, individual council members, and/or staff are involved in gathering information and then providing analysis and recommendations to council for decision.

Making Decisions

The full council makes all major policy and financial decisions. Those decisions should be made by formally voting on a motion and duly recording the vote in the council minutes. Council members, or persons designated by council, will carry out decisions once they are made. As these decisions are implemented, the results should be monitored. The results then become information on which to base future decisions. The table below highlights both good and bad practices in decision-making.

What Works	What Does Not Work
<ul style="list-style-type: none">• Clear definition of roles and authority.• Separate operational and policy decisions.• Seeking consensus in small groups if there is trust.• Delegation of decisions to the smallest groups that can legitimately make them.• Airing interpersonal conflicts so they do not sabotage decisions.	<ul style="list-style-type: none">• Everyone makes every decision.• Decision-making without adequate or accurate information.• Seeking consensus in large groups that do not know each other.• No problem definition.• No plan for implementation.• Decision by exhaustion.

Solving Problems

Good planning, clear decisions and proper delegation do not make problems disappear. But the council may be able to solve problems more effectively once plans, policies and procedures are in place. Accurately identifying a problem is the first step in solving it. It is sometimes said that “a problem correctly stated is already half-solved” because accurately defining the problem helps get at the cause rather than at the symptoms.

Problem-solving requires a climate of openness to new ideas and a willingness to express them frankly and respectfully. It requires trusting relationships, and a recognition of the individual roles people and their personalities play in the decision-making process.

There are seven steps usually recognized as necessary to solving problems:

- Define the problem
- Identify its cause
- Generate various ideas for solving it
- Evaluate the suggested solutions against objectives to be achieved
- Decide on a solution
- Implement the solution
- Monitor and evaluate how well the solution works

These seven steps look straightforward, but there are pitfalls on the way to finding an effective solution. Common mistakes in applying these seven steps include:

Errors of Method

- Acting on assumptions instead of facts
- Jumping to conclusions about the cause of the problem
- Acting first and setting objectives to be achieved later
- Failing to evaluate possible solutions against objectives to be achieved
- Failing to consider possible negative consequences of a chosen solution
- Ineffective or vague means of implementation

Errors of Attitude

- Relying too much on past experience (“we’ve always done it this way”)
- Allowing biases to affect decisions
- Unwillingness to trust the information and ability of others
- Autocratic or apathetic management style
- Failure to provide leadership

MANAGEMENT AND ADMINISTRATION

Council Members

The FFIDA has a very specific purpose: to give the producers of farming and fishing commodities the legal authority needed to levy themselves for the purposes of benefitting and promoting the industry and conducting research or educational programs to develop and promote the commodity. This very focussed purpose can be a simple and effective means for council members to determine what are and are not their responsibilities.

Duties and Responsibilities of Council Members

When administering a council, members should conduct themselves in a manner similar to the director of a corporation or a trustee. Members of councils must always act honestly, in good faith, fairly, with proper care and attention, and in the best interests of the council. A council member must never put his or her personal interests ahead of the commodity sector as a whole by, for example, using information gained as a result of being a member of the council to obtain a benefit not available to all other members of the commodity sector.

While these obligations may sound complex, simply stated they mean a member should carry out his or her duties according to the standard of a reasonable, prudent, careful person.

Councils are distinct legal entities under the FFIDA. When carrying out business on behalf of a council, members are acting as representatives of the council and not in their personal capacities. As such, council members have relatively limited risk of personal liability for actions taken in their role as members of a council, providing that they carry out their duties according to the requisite level of care and attention and do not neglect their duties. Simple errors in judgement (for example, decisions taken in good faith after proper consideration, but which turn out to be wrong) should not attract personal liability.

However, a council may wish to contact a reputable insurance broker regarding liability insurance for itself and its members. Obtaining expert advice from a qualified insurance broker will ensure that council members fully understand any potential or perceived risks.

It is a good idea for council to seek legal advice if there are any doubts regarding a council member’s actions.

Council Member Best Practices

Get the Facts

- Obtain and read reports.
- Attend meetings.
- Ask thoughtful questions.
- Beware of pressure from one-sided or special interest groups.
- Examine council books and records.
- Seek advice of the whole council when necessary.
- Encourage council to seek legal advice when necessary.

Keep Producers Informed

- Ensure decision-making is open and transparent.
- Involve everyone in major decisions that will have significant impact on their interests.

Give thoughtful Consideration

- Leave adequate time for important decisions; do not make them in haste.
- Table and defer decisions if necessary.
- Consider all angles of a decision. Do proposed solutions address real problems? Are they discriminatory? Are there ulterior motives? Is there the perception of ulterior motives?

Keep Good Records

- Minutes and reports should be clear and complete.
- Council members should record their dissents from any wrongful decisions (even if absent).

Ministry Staff

FFIDA establishes council composition to include one or more representatives of the Ministry. Industry Specialists are the primary government representative on councils in B.C. They are not elected nor appointed to their position; rather they are designated by the Province and agree to serve in that position because the Ministry needs their expertise and/or influence in that position. The ministry's Industry Specialists have two primary responsibilities as government representative: a) providing general supervision of councils, and b) pointing councils to legislative requirements under FFIDA. It is not their responsibility to manage councils, nor to perform administrative duties.

Conflict of Interest

Conflicts of interest can arise in the letting of contracts or the disbursement of funds from which a council member or related person could directly benefit. Council members must take care against benefitting from "insider" information they may hold as council members. For example, because of the council's promotion efforts, a major new export market is about to open. Members must avoid a conflict of interest by not acting on this opportunity until it becomes generally known to other producers.

Unless a conflict of interest is persistent and ongoing, it is not necessary for a member to resign. The conflict should be declared and recorded, and the member should abstain from discussion and voting on the issue. If a member is not immediately aware of a conflict, it should be declared as soon as the facts are known.

Council members should have a clear and similar understanding of what constitutes "conflict of interest". This may require seeking legal advice on the topic. The more knowledge and understanding council members have regarding conflict of interest, the lower the likelihood of serious issues arising. A council may choose to adopt a "Code of Conduct" that could address a variety of conduct issues including conflict of interest.

Staff and Support Models

Hiring a council manager or other paid staff will certainly help facilitate the work of the council, but some council budgets will be too small to allow for full-time paid staff. For these councils, part-time management is an option. Alternatives include

- sharing management with other councils; and
- contracting specific tasks as necessary and as the budget allows.

Both alternatives have strengths and weaknesses which should be carefully examined by the council.

Shared Management

An option is for several small councils to band together to hire a single manager. This arrangement might allow them to share other resources as well: office space, a mailing address, and telephone costs, for example. The manager also would form a link between the different councils that would allow them to share information and learn from each other's experience.

There seem to be few inherent drawbacks in this model, but it does pose some logistical challenges. The cost-sharing arrangements would have to be carefully considered among the participating councils and the manager's tasks proportionately divided. It might be difficult for councils with very different commodities to find a single manager with the requisite industry knowledge to serve them both. On the other hand, everyone on the council is knowledgeable about the industry they are part of, so it may be more important that the manager is a generalist. The participating councils would have to agree on what criteria to apply in selecting their common manager.

Contracting Specific Tasks

A council could decide to let short-term contracts for specific management or administrative projects. This would allow the council to target scarce resources on selected priorities and it could vary the rate of payment depending on the expertise required. Bookkeeping and accounting are activities where this could work.

This arrangement would not provide the day-to-day continuity of a regular manager, which could be a drawback for the council since it is otherwise a volunteer organization. Council members also might wind up spending as much time administering the service contracts as they would doing the work themselves.

Staff Selection

It will be up to the council(s) to determine what is needed in a staff member and the criteria that must be fulfilled, salary range, and where it may be best to advertise the position. The criteria also help determine what questions will be asked in an interview.

The section in these guidelines on EVALUATING PROJECT PROPOSALS (page 9) provides a weighted scoring system that can be applied to selecting staff as well as selecting projects. In terms of selecting staff, criteria may include such things as: interpersonal skills, industry experience, organizational abilities, and technical expertise (legal, financial, or other).

The usual process is to interview the top three to five candidates that have been short-listed based on resumes or applications. The initial screening will be based on a review of the "must"

criteria, similar to reviewing projects proposals. The “should” criteria are assigned weights, and the evaluation is done primarily during the interview process. Develop two or three interview questions related to each of the “should” criteria, working from the general to the specific, until you have the information to evaluate and assign a weighted score.

It is a good idea to strike a hiring committee to do the interviews (three people is typical) and have its recommendations ratified by the full council. Having more than three interviewers can be unwieldy and intimidating for applicants.

Staff Roles and Responsibilities

In voluntary organizations with few staff, some of the traditional role divisions between a board, and its staff are not always clear cut. The general rule of thumb is that a board makes policy and staff administers it.

The way councils and their management staff divide their duties also will depend on several other factors, including a council’s size, geographic distribution, previous history, and the volunteer time council members have available. But in practice, volunteers often do the work staff would do in a larger organization with more resources.

Staff and managers can often be put in a difficult position. In the policy sphere, the manager is the council’s subordinate and employee, but s/he also may be directing those same council members to carry out their administrative decisions in their role as volunteers. Consideration should be given to the reporting structure between staff and council members. When staff are reporting to all council members, multiple assignments by different council members without sufficient coordination, can lead to competing demands on staff time. Where possible, a streamlined reporting structure should be considered. Staff should also be provided with periodic evaluations of their performance based on their original hiring criteria and the goals set for them in their job.

Because council/staff roles are more fluid in practice than they are in theory, it is important for council and staff relations to be characterized by open communication and mutual trust. Much of these guidelines are directed towards creating such a climate through strategic planning, clear operating procedures, and consensual decision-making. Staff are an integral part of those processes, but their role must be an advisory one since they are not council members. For its part, the council should understand that whatever authority it delegates to staff, the council is ultimately responsible for how it operates. That responsibility cannot be delegated.

The following is a suggested framework for allocating tasks and defining roles and responsibilities between staff and management.

<u>Roles and Responsibilities</u>	
Finance	<p>Council</p> <ul style="list-style-type: none"> • Reads and understands financial statements to monitor performance. • Sets financial goals. • Approves budget. • Decides major disbursements from fund. <p>Staff</p> <ul style="list-style-type: none"> • Maintain accounting records. • Provide background for, and work with council to draft budget. • Make routine disbursements from fund.
Planning	<p>Council</p> <ul style="list-style-type: none"> • Formulates objectives, goals, and strategies. • Establishes policies and procedures. • Monitors progress on plans and projects and adjusts as necessary. <p>Staff</p> <ul style="list-style-type: none"> • Provide information for planning. • Suggest strategies for attaining goals. • Put plans into operation and provides progress reports.
Administration	<p>Council</p> <ul style="list-style-type: none"> • Sets, calls, and plans its own meetings. • Recruits and trains new members. • Establishes effective, accountable committees if needed. • Communicates and meets with producers. <p>Staff</p> <ul style="list-style-type: none"> • Supervise operations. • Prepare necessary information and advice for council decisions. • Publish and distribute council communications.

ANNUAL MEETINGS and REPORTS

An annual report and an annual general meeting (AGM) are not just good communications, they are required by the FIDDA. Business at an AGM traditionally includes a report on the past year's activities, but a discussion of the strategic planning goals and the business plan are also useful. It gives the producers some direct influence over the future work of the council and that can be more meaningful than a review of the past.

All producers who pay the levy are eligible to attend the AGM and vote on matters arising from it. The Act also allows levy collectors to attend. They may have a voice in discussions, but not vote unless they have been expressly given a right to vote by regulation. Collectors may have

valuable ideas to express and can use the AGM as a forum for that purpose, but since only producers pay the levy, normally only they have the vote.

Maintaining support from, and contact with, the community of producers who pay into the council's fund is an essential part of a council's operation. The council is meant to represent producers of the commodity. This may seem obvious, but it is easy to lose sight of it when the council is focussed on its internal operations. Regular communications are important. Typical formal communications include:

- A one-page summary of what the council is and what it does.
- A quarterly newsletter describing current activities and accomplishments of the council. The newsletter can also be used to solicit producer ideas and suggestions.
- A list of resources and information such as technical research, market studies or promotional material available from the council and elsewhere that would be of value to producers.
- Annual reports circulated to producers summarizing the council's progress over the past year.
- An AGM where producers can discuss the annual reports and future plans with council members.
- A survey or questionnaire to be undertaken to solicit producer responses regarding new ideas and future activities and to assess council effectiveness.

In addition to these types of formal communication, council members should be accessible to producers who want to discuss its work informally, and the members themselves should use every opportunity to network with producers on council issues. Council meetings should be open to producers who wish to attend.

FINANCIAL MANAGEMENT and UNPAID LEVIES

Once the levy system is established, the day-to-day financial administration of the council is likely to be in the hands of a manager or the council's accounting firm. Generally, the council's role will be to receive regular financial reports, monitor revenue and expenditures to ensure they are on budget and to take corrective action when they are not. The FFIDA does not require financial statements to be audited but a council may wish to pursue a financial audit or a financial review. These processes lend credibility to a council's assertion of accurate financial statements and provide further assurance to levy paying producers.

An organization may respond to a budget deficit with immediate spending cuts when the real issue may be too little income. If they also do not address the revenue side, cuts can be counter-productive in the long-term. If a council's levies remain unpaid, or it receives a lot of refund requests, this may say something about how producers perceive the value of the council.

If a council must collect unpaid levies, the Ministry recommends civil enforcement in small claims court if the council can estimate the amount of levies owed by the producer. This is preferable to enforcement by prosecution because the council controls the process, and the cost is low. The B.C. Provincial Court's Small Claims Court generally deals with cases involving from \$5,001 to \$35,000. Claims for up to \$5,000 must usually be taken to the online Civil Resolution Tribunal (CRT).

Section 9 states that a person who fails to comply with, or contravenes the FFIDA, is liable on conviction to pay a fine. However, prosecution does not guarantee that the unpaid levies will be remitted to the council.

Heavy enforcement procedures and legal action against non-paying producers may not get to the root of the problem. It is best to use a preventative approach that involves producers in the planning and assessment of council activities and keeps them aware of its positive accomplishments. Such strategies could include:

- Expanding the council's participant base to include producers with interests, skills and talents in specific council activities and tasks.
- Setting up farm tours and visits among producers or have council members visit to hear producer issues and concerns.
- Using various forms of communications and reports to ensure producers are aware of the accomplishments of council and what it has planned for the future.
- Evaluating both the levy's cost burden on producers and honestly assessing the value of the council's programs and projects to them. What does the level of non-compliance mean?
 - Is it significant, but not enough to warrant action?
 - Is the loss significant enough that action must be taken?
 - Is there a pattern that indicates certain groups need special attention?
 - Is the loss so large that the only conclusion is widespread opposition to council's policies and strategic planning?
- Use this analysis to help target collection efforts, or if warranted, change the levy council policies, or strategic plans.

These positive remedies should always be employed prior to engaging the legal system to collect unpaid levies.

Requesting Levy Changes

There are currently nine councils operating in B.C., and from time-to-time councils request levy changes. Changes to a levy must be approved by the Lieutenant Governor in Council (LGIC). Prior to initiating this process, the Ministry and the Minister must have assurances the increase is sufficiently supported by the industry sector. A plebiscite process has been used to determine the level of support.

Over time, councils have adopted a variety of approaches for holding plebiscites and determining plebiscite outcome. At times, the processes used, and the information presented, has been unclear making it difficult for ministry staff to advise executive and the Minister. The ministry has determined a consistent approach is needed. A plebiscite process consistently applied across various commodities will better serve the councils, membership, and the ministry.

1. Voting on Proposed Amendments

The council must permit all voting membersⁱ to participate in a plebiscite. The council must ensure that, as part of the plebiscite process, all voting members are provided with complete information concerning the general nature and specific wording of the amendment being proposed. A plebiscite must remain open for voting for a minimum period of four weeks from the time of commencement as declared by the council of plebiscite voting. During the period a plebiscite is open for voting, the council must ensure reasonable effortsⁱⁱ are undertaken to regularly remind voting members of the ongoing plebiscite and to encourage submission of ballots. The council must allow voting members to vote by proxy and to submit plebiscite ballots

to the council by the method of their choice, including by post, courier, facsimile or electronically, so long as the ballot is received by the council prior to the close of the voting period.

2. More than one proposed amendment

For greater certainty, more than one proposed amendment may be put to voting members as part of the same plebiscite but voting members must be allowed to vote on each proposed amendment separately.

3. Approval of a Proposed Amendment

A proposed amendment is considered to have been approved if:

- At least 25 percent of the voting members vote.
- At least 65 percent of members voting are approving members; and
- Approving members produce at least 50 percent of the total commodity production reported by all members voting, during the immediately preceding harvest year.

For the purposes of these approval thresholds, “members voting” means, all voting members that vote in a given plebiscite regarding a proposed amendment, and “approving members” means those members voting that have voted in favour of the proposed amendment.

4. Information to be submitted to the Ministry

The Ministry will require the following documentation:

- The specific plebiscite question put to the membership.
- The date voting commenced and how people were informed of the start date.
- The date(s) reminders were provided and the form of the reminders.
- The closing date for voting.
- Total number of all voting members.
- Total amount of production for the commodity by all voting members.
- Number of members voting and the percentage they represent.
- Number of, and percentage of, votes for and against the motion; and
- Verification the production of the approving members is at least 50 percent of the members voting.

Example

This example is for a council with a voting membership of 100.

- Voting members must equal 25
- Approving members must equal 16.25
- Approving members (16.25) must produce 50 percent of the commodity produced by the 25.

WINDING UP A COUNCIL

If several producers want to wind up their council, the minister will encourage them to determine just how significant the support for that idea is. If a significant number of producers were to express the desire, the minister may wind up the council. The same standards of openness and same tests of support would apply to winding up a council as applied to the plebiscite establishing a council.

The FIDDA allows regulations to be made to dissolve a council, and to distribute the fund and a council's assets. To date, the ministry has made two such regulations to outline the process

before the council and fund were legally dissolved.

ⁱ Voting members are either defined in the individual regulations or in the original plan submitted. For the purposes of the New Tree Fruit Varieties Development Council (Ambrosia council) a voting member is any commercial ambrosia grower.

ⁱⁱ “Reasonable effort” is more than two e-mail reminders, any combination of three or more mail outs, newspaper ad, and annual general meeting following the initial announcement of a plebiscite.