

Environmental Services Association of Alberta

3-Year Business Plan 2016 – 2018

December 31, 2015

ACCOUNTABILITY STATEMENT

The Environmental Services Association of Alberta's ("ESAA") Budget and Business Plan for the period January 1, 2016 through December 31, 2018 was prepared in accordance with the requirements of the organization's bylaws. All of ESAA's policy decisions as of December 31, 2015, and all of the Association's accountability obligations and relationships have been considered in preparing this Budget and Business Plan.

ESAA is committed to achieving the planned results laid out in this Budget and Business Plan.

Approved by the Board of Directors,
Environmental Services Association of Alberta



Renee White
President

ACCOUNTABILITY

ESAA has a number of stakeholders that it is obligated to serve and to whom it is accountable. ESAA is governed by a Board of Directors that is primarily accountable to its members. ESAA is accountable to its paid members and others that carry out or sponsor projects in support of the association's mandate or objectives.

ESAA must also consider a broad range of other stakeholders that have an interest in environmental services and projects that improve these services. Generally, these stakeholders include:

- Other industry association members.

- Government departments and agencies.
- Local governments and public service groups.

Since ESAA is mandated to establish programs, initiatives and services to improve Alberta's environment services industry, serving membership interest is paramount. ESAA serves its membership interest by only undertaking projects that benefit and promote the environment industry.

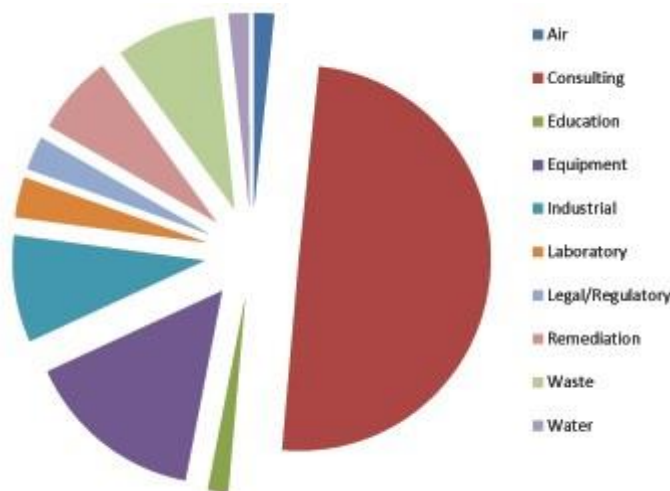
ESAA's obligations to its stakeholders include pursuing its objectives in a balanced manner, maintaining administrative efficiency, and representing all members' interests in an equitable manner. Serving the members' interest is further accomplished by responsibly managing the projects and services through an effective control system and by managing funds with appropriate controls.

ORGANIZATION HISTORY

In 1987, the Alberta Special Waste Services Association (ASWSA) was formed to assist companies in the newly developing environmental industry. The companies that constituted the membership of the ASWSA in the early years were the companies that handled, transported and disposed of hazardous waste. The Association provided these companies timely regulatory and marketing information that assisted them in their operations.

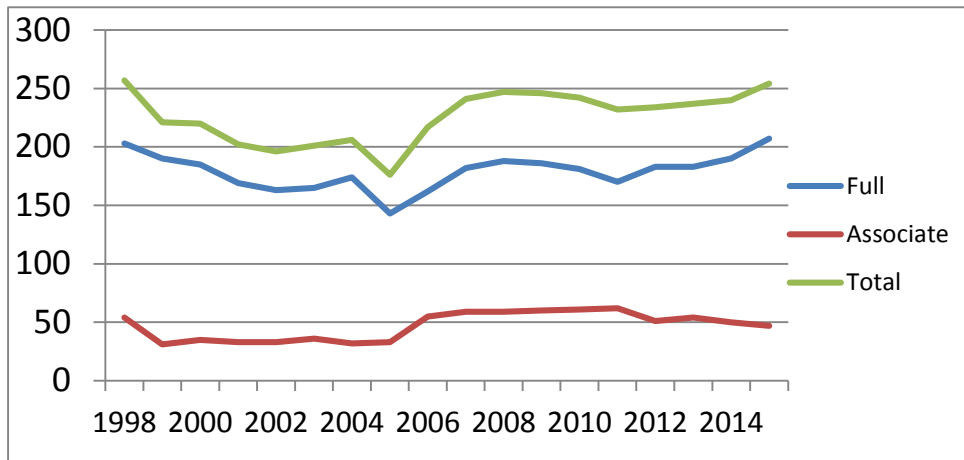
ASWSA's first major project was the delivery of the province wide "Household Toxic Roundup" program for the Government of Alberta. Over the years, the environmental industry began to expand and diversify. As a result, in 1992, ASWSA changed its name to the Environmental Services Association of Alberta (ESAA). ESAA grew to become one of Canada's largest and most respected environmental industry associations. ESAA now represents a large cross section of the environmental industry in the province, including industrial service companies, recyclers, consultants, laboratories, manufacturers and industry.

MEMBERSHIP DEMOGRAPHICS



ESAA is currently comprised of 260 corporate members, split 1/3 associate and 2/3 full members. 83% of ESAA Members are located in Alberta.

ESAA's Full Members are broken down into 10 categories and their primary focus is shown in the chart. Members provide additional services beyond their primary service.



VISION

The Environmental Services Association of Alberta (ESAA) is a not-for profit, event funded and membership driven association dedicated to supporting a strong environmental services industry.

MANDATE

ESAA's mandate is to be a leader in promoting and developing the environmental services industry through education, events and meetings which facilitate productive relationships with relevant organizations and government.

VALUES

The ESAA Board of Directors has identified the following set of values used to guide the process of planning and to guide its actions as it delivers services to its members and stakeholders:

- ESAA is and will remain **accountable** to its members for operating in a financially responsible manner while delivering high quality events and providing relevant services.
- ESAA is a **leading** industry association responsive to the needs of the environmental services industry by providing a forum for engagement that supports dialogue with and between industry and government stakeholders.
- ESAA is committed to supporting the growth of the Environmental Artworks Foundation of Alberta and other **community** and charitable initiatives.
- ESAA has a strong and engaged **volunteer** Board actively contributing to the organization activities.

LOCATION & STAFF

ESAA is currently located in Edmonton, Alberta and has been since its inception. In October 2008, ESAA purchased an office condo in Edmonton by taking on a mortgage with Alberta Treasury Branch.

ESAA is managed by two (2) full-time Directors; Director, Industry and Government and Director, Program and Event Development. ESAA staff also includes a part-time (0.6 FTE) Member Services Clerk. Accounting related duties are also outsourced.

GOALS

ESAA's mandate and objectives give rise to a number of specific goals that are useful in guiding ESAA through day-to-day operations and in carrying out short-term to mid-term business planning. Specific goals lead to the development of strategies and performance measures that give ESAA the ability to drive its activities and measure its progress.

ESAA's Board has identified the following six (6) areas as the organization's goals:

1. Financial Stability

ESAA will continue to be a self-sufficient industry association relying on revenue from membership fees and events.

ESAA will become mortgage free and grow its long term investment fund

In support of this goal, ESAA will strive to diversify revenues by expanding membership and developing products and services that provide additional revenue streams. ESAA will aim to become mortgage free by 2020 and begin building a 6 month operating reserve fund.

2. Membership

ESAA will set membership growth and retention numbers to ensure ESAA's place as the voice of the environment industry in Alberta.

ESAA will continue to develop new services and events, while improving the quality of existing products and services that it provides to its membership.

In support of this goal, ESAA will work to ensure the highest level of membership satisfaction while actively pursuing membership growth. ESAA will listen to the needs of its membership and industry and develop events and services that fit their requirements.

3. Government Relations

ESAA will continuously monitor regulatory change and actively pursue and participate in opportunities with governments to develop effective regulations and policies.

In support of this goal, ESAA will build the necessary relationships and develop strategies and mechanisms to:

- Ensure member participation in response to legislative and regulatory change led by government.
- Provide the opportunity for members to take an active role as stakeholders in the creation of legislation and regulations having an impact on the industry.
- Build external relationships/partnerships to ensure that ESAA is aware of all changes that would, or could, impact the industry.

- Where possible build partnerships that are mutually beneficial for the delivery of environment related services to the industry and the public.
- Publish the monthly Regulatory Review to keep the membership aware of all changes, consultations and cases that may impact their business.
- ESAA Board members or upon recommendation, Board appointed representatives will sit on a number of external committees as requested/required.

4. Communications

a. Internal

ESAA will fulfill its responsibility to deliver effective and efficient communication and to meet its obligations associated with sound corporate governance and financial management.

b. External

ESAA will maintain, manage and distribute to members, and other interested stakeholders, relevant industry information in a timely and accurate fashion.

In support of these goals, ESAA will maintain an information management system and seek to become a members' source for information on industry issues, regulations, and technology.

5. Events

ESAA will deliver the highest quality professional development courses and events for industry while continually striving to find additional topics to meet the needs of industry.

In support of these goals, ESAA will work with industry to identify the professional development needs for the environment industry and other industries, including:

- Ongoing enhancements to the Environment Business professional development course series
- Ongoing enhancements to improve the technical quality and delegate satisfaction.
- Gauge industry support for an addition to the ESAA Tech series of conferences

6. Community Involvement

ESAA will continue to support the growth of the Environmental Artworks Foundation of Alberta.

ESAA will continue to support charitable initiatives.

In support of this goal, ESAA will:

- Continue to provide volunteer staffing support to the Environmental Artworks Foundation.
- Continue to provide technical support for the website, contests and judging.
- Continue to provide assistance to a number of charities via ESAA events and challenge ESAA members to support the charities

STRATEGIES and PERFORMANCE MEASURES

1. Financial Stability

Strategies

- a. Annual financial report to the ESAA Members
- b. Monthly financial report to ESAA Board
- c. Diversify Revenue split events/membership (1)
- d. Reduce ESAA debt (mortgage)

Performance Measures

Item	Target	2016 Results	Target	2017 Results	Target	2018 Results
Annual financial report to ESAA Members	1		1		1	
Monthly financial report to ESAA Board	12		12		12	
Diversify Revenue split events/membership (1)	93/7%		92/8%		90/10%	
Reduce ESAA debt (mortgage)	\$63K		\$33K		\$0K	

(1) Current ratio is 95% events and 5% membership fees / Weekly News advertising

(2) Assumes regular monthly payments with \$2,400 going to interest and a minimum \$12.5K lump sum payment each year.

2. Membership

Strategies

- a. Annual contact with every member – either in person or by phone
- b. Set growth and retention rates
- c. Assess membership demographics in growth and going forward
- d. Attend and exhibit at Tradeshows/ Conferences in Alberta, Canada, and the United States as applicable
- e. Attendance at related industry events in Alberta (CLRA, CPANS, member events, etc)
- f. Improve member satisfaction by improving existing member services where needed
- g. Contact with each new member – either in person or by phone
- h. Exit interviews by phone with members not renewing

Performance Measures

Item	Target	2016 Results	Target	2017 Results	Target	2018 Results
Annual contact with every member by Phone (1)	200		210		215	
Annual member visit (2)	50		50		55	
Add New Members (3)	25		25		25	
Membership retention rate	92%		95%		95%	
Quarterly Updates to Board with Membership tracking info	4		4		4	
Develop annual membership demographics report	1		1		1	
Attend relevant tradeshows / conferences in Canada	2		2		2	
Attend relevant tradeshows / conferences out of country	1		1		1	
Attendance at industry events (CLRA, CPANS, Members)	10		10		10	
Improve member satisfaction with existing member services (survey)	>90%		>90%		>90%	
Contact with each new member by phone or in-person	100%		100%		100%	
Exit interviews with members not renewing	100%		100%		100%	

(1) Every member should be contacted either in-person or by phone each year

(2) Visit 25% of members

(3) Add 25 new members each year

3. Government Relations

Strategies

- a. Meeting with Alberta Environment and Sustainable Resource Development (AESRD) DM / ADM – once per year
- b. Meetings once per year with provincial Ministers – AESRD, Alberta Energy Regulator (AER), and as others as issues arise
- c. Meetings once per year with senior management at AER, and as other issues arise.
- d. Work closely with Government on regulatory change
- e. Regular Contact and meetings with key staff at AESRD and AER

Performance Measures

Item	Target	2016 Results	Target	2017 Results	Target	2018 Results
Meeting with AESRD DM / ADM	1		1		1	
Meetings with appropriate provincial Ministers	1		1		1	
Written communications / invitations to Ministers as appropriate	3		3		3	
Annual Meeting with Senior Management at AER	1		1		1	
Regular contact & meetings with key staff at AESRD	4		4		4	
Regular contact & meetings with key staff at AER	4		4		4	
Meetings with DFO, PWGSC, ENV Canada	4		4		4	

4. Communications

Strategies

a. Internal

1. Management reports against Business Plan
2. Committee reporting

Performance Measures

Item	Target	2016 Results	Target	2017 Results	Target	2018 Results
Management reports against the Business Plan	4		4		4	
Committee Reporting to the Board	4		4		4	

Strategies

b. External

1. Report against the business plan to the membership and stakeholders
2. Membership communications with regard to contract opportunities (BIDS)
3. Inform the membership of regulatory change (Regulatory Review)
4. Industry and Government Relations via the Weekly News
5. Improve ESAA's website

Performance Measures

Item	Target	2016 Results	Target	2017 Results	Target	2018 Results
Management reports against the Business Plan to Members	1		1		1	
Inform the membership and industry of contract opportunities (BIDS)	44		44		44	
Inform the membership of regulatory change (Regulatory Review)	12		12		12	
Industry and Government Relations Update via the Weekly News	3		3		3	
Improve ESAA Website	Minor Updates		Minor Updates		Minor Updates	

5. Events

Strategies

- a. Identify / Evaluate / Develop new industry-specific courses – 1 per year
- b. Identify / Evaluate / Develop new industry-specific conference to add to the Tech series – 1 by end of Business Plan
- c. Identify / Evaluate / Develop initiatives that will lead to the development of partnerships for new technical streams at conferences
- d. Improve the quality of existing professional development programs

Performance Measures

Item	Target	2016 Results	Target	2017 Results	Target	2018 Results
Identify new courses for EB Series	n/a		2		2	
Identify and host new conferences	2		1		1	
Addition of new workshops and seminars as part of RemTech and/or WaterTech	1		1		1	
New partnerships for technical streams	2		2		2	
Improve customer satisfaction of EB	>90%		>90%		>90%	
Improve customer satisfaction of WaterTech	>90%		>90%		>90%	
Improve customer satisfaction of RemTech	>90%		>90%		>90%	
Host annual charity golf Tournament	1		1		1	

6. Community Involvement

Strategies

- a. Grow ESAA's financial support for Artworks via ESAA Events
- b. Support Artworks through the provision of labour, office space and technical support
- c. Grow fundraising efforts for ESAA specified charities
- d. Support members charity initiatives via communications

Performance Measures

Item	Target	2016 Results	Target	2017 Results	Target	2018 Results
Grow financial support for Artworks	+2%		+5%		+5%	
Support Artworks through the provision of labour, office space, IT	Yes		Yes		Yes	
Increase fundraising support for ESAA specified charities	+2%		+5%		+5%	
Support member charity events via stories in Weekly News	3		4		5	

FINANCIAL PLAN

Revenues

Revenues are directly dependent on membership of the organization and funding from the organization's various projects and events. Conferences account for a large majority of revenue. ESAA's year-end is December 31. Expenditures are estimated and shown separately in the financial plan.

	2015 Budget	2016	2017	2018
Revenue				
Membership Dues	\$110,000	\$110,000	\$112,000	\$114,000
Membership Services	\$21,000	\$12,000	\$15,000	\$17,000
EB Courses	\$150,000	\$0	\$100,000	\$125,000
<i>RemTech</i>	\$815,000	\$725,000	\$800,000	\$800,000
<i>WaterTech</i>	\$215,000	\$200,000	\$215,000	\$225,000
Special Projects (Workshops/Tradeshows)	\$25,000	\$80,000	\$30,000	\$30,000
Golf Tournament	\$45,000	\$50,000	\$50,000	\$50,000
Rental Income	\$15,000	\$10,200	\$12,500	\$12,500
Interest Income	\$10,000	\$6,000	\$6,000	\$6,000
Total Revenue	\$1,406,000	\$1,193,200	\$1,340,500	\$1,379,500

The following is a list of notes, which correspond with the assumptions used to make up the three-year forecast:

- No membership fee increases over the duration of the plan.
- Membership dues increased based upon goal #s set in plan.
- Interest Income held at current rate.
- Previous year column is based on previous budget not actuals

Expenditures

Expenses will be incurred for various activities required to support ESAA's program and pursue its mandate and objectives. Expenditures budgeted for below are related to the administration and management activities of ESAA.

Expenses (Projects and Services)	2015 Budget	2016	2017	2018
Member Recruiting and Retention	\$10,000	\$12,000	\$15,000	\$15,000
Government Relations	\$0	\$5,000	\$7,500	\$7,500
Membership Services (Reg Review, Awards, Photos)	\$24,000	\$29,000	\$32,000	\$35,000
EB Courses	\$115,000	\$0	\$75,000	\$90,000
<i>RemTech</i>	\$510,000	\$490,000	\$510,000	\$520,000
<i>WaterTech</i>	\$180,000	\$170,000	\$180,000	\$190,000
Special Projects (Workshops/Tradeshows)	\$15,000	\$60,000	\$20,000	\$20,000
Golf Tournament	\$50,000	\$45,000	\$45,000	\$45,000
Total Expenses (Projects and Services)	\$904,000	\$811,000	\$884,500	\$922,500

The following is a list of notes, which correspond with the assumptions used to make up the three-year forecast:

- Increase in recruiting/retention to meet targets.
- WaterTech expenses to decrease in 2015 based on new venue
- EB expenses to decrease in 2016 based on past history

Expenditures (continued)

Expenses (Administration)	2015 Budget	2016	2017	2018
Bank Charges	\$27,000	\$23,000	\$25,000	\$27,000
Bad Debts	\$1,000	\$1,000	\$1,000	\$1,000
Amortization	\$57,500	\$31,000	\$32,000	\$33,000
Mortgage Interest	\$11,000	\$5,000	\$4,000	\$3,000
Computer Software/Hardware/Maintenance/Website	\$10,000	\$10,000	\$12,000	\$12,000
Insurance/Professional Fees	\$26,000	\$14,000	\$15,000	\$16,000
Director's / Committee Expense	\$22,000	\$15,000	\$12,000	\$20,000
Equipment Lease	\$5,000	\$5,000	\$5,000	\$5,000
Office Supplies/Furniture	\$6,500	\$4,000	\$5,000	\$5,000
Postage and Courier	\$2,000	\$2,000	\$2,500	\$2,500
Telephone/Fax	\$7,500	\$9,000	\$10,000	\$10,000
Utilities	\$5,000	\$7,000	\$8,000	\$9,000
Condo Fees	\$8,200	\$8,600	\$9,000	\$9,500
Property Tax	\$11,500	\$16,800	\$18,000	\$20,000
Maintenance	\$10,000	\$8,000	\$10,000	\$12,000
Contingency	\$5,000	\$5,000	\$5,000	\$5,000
Wages	\$230,000	\$215,000	\$225,000	\$240,000
Benefits	\$30,000	\$35,000	\$40,000	\$4,000
Total Expenses (Administration)	\$475,200	\$414,400	\$438,500	\$434,000
Total Expenses	\$1,379,200	\$1,225,400	\$1,323,000	\$1,356,500
Net	\$26,800	-\$32,200	\$17,500	\$23,000

The following is a list of notes, which correspond with the assumptions used to make up the three-year forecast:

- Membership Services include BIDS, Reg Review, Newsletter services, Industry Awards and Photo Contest
- Assumes mortgage is paid off completely at the end of 2018

FISCAL RESPONSIBILITY

Minimizing administrative overhead is an important goal of ESAA. Another important objective of ESAA will be to ensure that there is six months operating reserves available once ESAA's current mortgage obligations are completed.

Monthly financials should be provided to the Board as they are prepared. It is important that any concerns be presented on a quarterly basis to the Board of Directors by ESAA Management.

MONITORING and EVALUATION

ESAA will constantly monitor its actual results and will compare these to the targets or performance measures established for each goal. Business plan evaluation reports will be prepared by management to present to the Board at each Board meeting.

Evaluation reports will provide details on actual results versus targeted results and will highlight significant differences. An evaluation of variances will include a discussion of the operating environment and any relevant changes, as well as the effectiveness of ESAA's efforts to manage and implement its strategies.

ESAA is prepared to assess and adjust the plan at any time to ensure that it is pursuing its goals and objectives in the most efficient and appropriate manner. Adjusting the plan may be expressed by modifying the approach used to manage project types and expenditures, or by modifying targets to more appropriate levels.

ESAA is committed to evaluating its goals annually to ensure they are consistent with its mandate and objectives and add or adjust its goals as may be desirable with regard to the above. Weaknesses in its plans, goals, targets, reporting and evaluation processes will be identified as part of an annual overall evaluation by ESAA, through its Board of Directors in conjunction with management, as part of the annual reporting function. All policies and procedures will be reviewed annually to ensure consistency with its mission, objectives and goals, and to assess effectiveness.

This business plan will be updated annually and the Board shall approve the annual three-year business plan prior to the then-current fiscal year end of ESAA.