

## ARC REPORT FROM THE DIRECTORS

MAY 16<sup>th</sup>, 2023

The year of 2022 was a tumultuous one! Our GM of 20 years took retirement and thus our previous Chair Hugh Chalmers stepped up into the breach. Therefore as a consequence Hugh had to resign his position of Director. Since Hans entered his name in the competition for GM and was subsequently confirmed to that post, he had to resign as well. This left us with only five directors for a good part of the year.

Therefore, the Board entered a six-month arduous process of selecting a new Boss. First, we enlisted the professional services of FCL (Federated Co-operatives Ltd) and the use of their professional Human Resources department. They did an excellent job of guiding us through a program that covered spreading the opportunity in Armstrong through out the western provinces. At the tail end of the process, we had six qualified candidates to evaluate. We are delighted with our final choice. Hans seems to be fitting right into his new position.

Obviously the other business lines for ARC could not be placed on hold during this time frame. We continued to execute our game plan of diversifying our income sources. We acquired two more liquor store locations and expanded the storage lot facilities. While acquiring the three Husky stations deviated somewhat from this plan, we carefully analyzed the potential revenue from these locations to the almost bargain basement pricing from FCL and realized that the acquisition choice was an excellent business opportunity. We also had to consider what competitor might step in and threaten our territory if we declined the opportunity.

Along with the expanding business lines, we knew we also had to revise our organizational structure. Through the leadership of the new General Manager we now have layer of operational managers in energy, finance and liquor sales. I have no doubt that Hans will expand on this topic in his report.

The bottom line is literally that we are and intend to stay as one of the highest performing co-operatives in not only British Columbia but in western Canada.

To close out, on behalf of the Board I would love to extend our thanks to the staff and management for making it all happen. We can plan and calculate but you folks make it all happen!!