

President Note for 2023 AGM Package

Dear Vancouver Folk Music Festival Member,

Thank you for reviewing our 2023 Annual General Meeting materials. As this year's meeting is particularly important, we have gathered all of the information and links that you will need in this Voter Guide. Please read through it before coming to the meeting, to be as prepared as you can be to fully take part.

You may have heard of some of the struggles that our festival has faced over the last few years. Given the magnitude of these challenges, we will not be proceeding with the festival this year and the Board is asking the membership to vote on dissolution of the Society. The main challenges that drove this decision are:

- Many of our suppliers have ceased operation, so many essential items have become hard to source.
- We are facing increased competition for vital supplies (including tents, fences, and porta-potties).
- We have seen price increases in almost every area (up 30-50% in some cases).
- Unlike previous years, many of our suppliers are now demanding payment up-front, thereby putting extreme pressure on cash flow.
- There are many additional costs to producing an event during the COVID-era, and the current inflationary environment is driving costs up even further.
- The budget forecast shows that operating the Festival in 2023 will result in a loss of almost \$500,000.

While it is true that our Society has faced challenges in the past and still managed to "make it work", this new environment is very different from previous years. Prior to 2020, the challenges were mainly in the area of manageable budget short-falls, and we were usually able to make-up the difference through donations, managing payment timelines, and box-office income. Unfortunately, the strategies that worked in the past will no longer work today, and we simply cannot afford to continue.

In an effort to avoid this resolution, our Board and Staff have looked at our situation from every angle, sought additional funding, and explored different formats and venues, but could not find a solution that would allow the festival to continue.

We are in a position where we cannot afford the production costs, however we do have the necessary funds to responsibly wind up our society in an orderly way. In order to dissolve the society, we are legally-bound to verify that we will not be leaving any bills unpaid. If the Society continues operating past mid-2023, we will no longer be able to meet this obligation. You can learn more specifics about our financial position in the Financial Report, Budget, and Audited Statements included in the AGM package.

This resolution is the last step any of us wanted to take. As board members, each of us dearly loves the festival and we all fought to find another solution. We know that the prospect of bidding farewell to our beloved event will be deeply painful to many in the community, as it is to us.

I hope that the materials in this voter guide will help you, as a member, understand the position that we are in. You will find information on our financials, an FAQ sheet, the language of the resolution and the meeting agenda.

Yours sincerely,

Mark Zuberbuhler
Board President, Vancouver Folk Music Festival