CAA Board and Staff Recommendations for Dues Changes

To be voted on May 7, 2024
Implementation on Dec 1, 2024[1]

Introduction

This brief to CAA members offers financial context and recommendations for adjusting their dues. The recommended changes require approval by the membership at the 2024 CAA annual general meeting (AGM). The brief is focused on the financial health of membership services. It does not address more general membership activity to be covered in the annual report to members.

The recommendations described in this brief seek to ensure the long-term sustainability of the CAA while considering short-term transitions and leveraging the organization's reserves.

This brief provides context for two recommendations to be voted on at the 2024 AGM:

- An increase of 5% for most membership categories
- Changing educator category dues such that:
    - Basic Avalanche Educator (BAE) match the cost of Avalanche Practitioner dues and,
    - Advanced Avalanche Educator (AAE) match the cost of Avalanche Professional dues.

These recommendations occur in the context of recent inflation and cost pressures in Canada. Over the past decade, increases to CAA membership dues have generally remained below the increases in the Bank of Canada's consumer price index (CPI). The proposed increase would continue this trend by keeping dues 10% below CPI increases over the past decade (illustrated in Figure 3 on page 6).

Context

The board makes recommendations to hold or increase member dues depending on the needs of Membership Services to meet the demands of members and expense pressures, considerations of long-term sustainability, and inflationary trends. These areas are discussed below.

Membership department expense context

In recent years, there has been increased demand for membership services. These include the transition to competency-based membership, additional staff time to support membership processes (applications and other services) including wages for Membership Application Reviewers. Increased focus on audits and CPD reviews has further intensified the workload. A hybrid Spring Conference and other initiatives, including mental health initiatives, CPD offerings, and the development of The Avalanche Journal website, reflect a broader scope of activities aimed at meeting evolving member needs and organizational objectives. Together, these changes have increased membership expenses, as detailed in Figure 1 below.

Membership dues revenue

Revenues from member dues have leveled off during the same period that demands on membership services increased. There are several causes for decreased revenues which are discussed below. Figure 1 illustrates the last decade of revenues vs expenses.

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[1] Typically, dues changes are voted on during the CAA AGM in the May. Any changes take force at the beginning of the new fiscal year which is also the start of the membership beginning on December 1, 2024.

Figure 1: Membership Revenues v. Expenses[2]

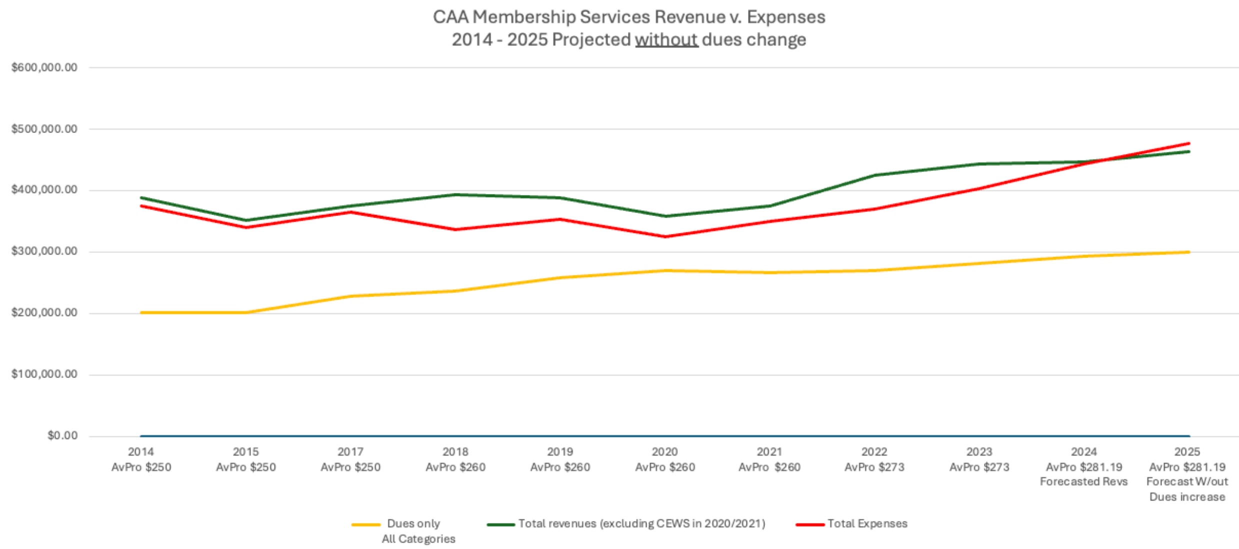

Figure 1 illustrates increased Membership Services expenses (red line) from 2014 contrasted against Membership Services revenue (green line). Membership Services revenue includes member dues but also includes revenue from partnerships, events, sales, and other sources. Membership Services revenue begins to level off in 2022. **Without an increase in dues or reduction in services, expenses are projected to exceed revenues in 2025.**

Dues revenue considerations

Historically, increases in CAA membership have outpaced attrition (retirement, career changes, and other factors). Overall membership numbers peaked in 2021, followed by a dip in 2022 and 2023. Encouragingly, there is evidence that membership totals appear to be bouncing back in 2024. This trend is illustrated in Figure 2 below.

Causes for the drop off in membership include:

- The impacts of the Covid-19 pandemic on business and employment prospects[3]
- Adoption challenges posed by the Competency-Based application process
- Avalanche Canada's temporary allowance for non-CAA members to teach AST courses

During this period shortfalls in revenue were absorbed by:

- The Canada Emergency Wage Subsidy (CEWS) in 2020 and 2021
- Increased partnerships
- Increased seminar revenue

The CAA's strategy during this period has been to keep dues increases low to buffer the impacts of COVID-19 and inflation on members.

In 2024 we are seeing a modest but significant reversal of these trends towards sustainable increases in membership.

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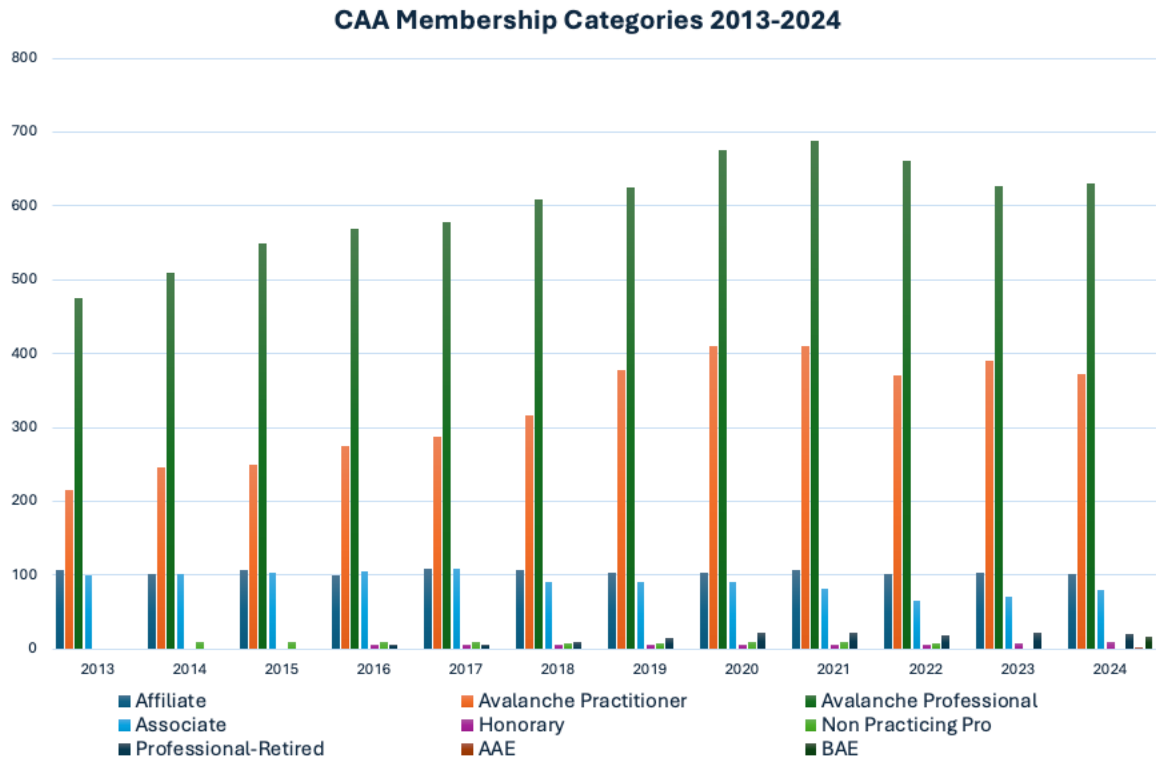
[2] In 2016, the CAA moved its fiscal year to start on December 1. As a result, two partial fiscal years occurred in 2016. To avoid confusion 2016 data was withdrawn from Figure 1.

[3] This is our understanding from anecdotal evidence, but it is very challenging to determine the number of applicants who did not apply because of the business climate and other factors during Covid.

Figure 2: CAA Membership Categories 2013-2024



Detailed recommendations

Several recommendations can likely be drawn from the information above. The recommendations included in this brief focus primarily on dues changes, which need to be voted on at the Spring 2024 AGM.

Recommendation 1: Member dues should increase by 5%.[4]

Member type	Current	Proposed
Affiliate	$140.60	$147.63
Practitioner	$175.75	$184.54
Professional	$281.19	$295.25
Associate	$281.19	$295.25

Based on current projections, the proposed 5% increase should move the 2025 Membership Services budget from deficit to break even. The 5% increase in dues across the board should allow the Membership department to return to a modest surplus in 2026 and beyond, ensuring sustainability and future investments in services.

Recommendation 2: Basic Avalanche Educator and Advanced Avalanche Educator categories should have dues fixed at the same amount as their Avalanche Practitioner and Avalanche Professional counterparts.

Member type	Current	Proposed
Basic Avalanche Educator	$128.00	$184.54
Advanced Avalanche Educator	$205.00	$295.25

[4] Does not include Education Categories detailed in Recommendation 2.

CAA board and staff foresee a slow shift in member composition towards an increased numbers of new applicants applying for BAE and AAE categories relative to Avalanche Practitioners and Avalanche Professionals. Currently, BAEs and AAEs pay 73% of the dues of their traditional counterparts. Membership Services revenue will decline further if this price gap remains, and newer members come from these categories. From a cost standpoint, these newer categories require as much or more support than the Avalanche Practitioner and Avalanche Professional categories. The proposed change would have dues reflect these costs and price dues for these categories sustainably.

Alternatives to the proposed recommendations

No increase, or an increase lower than recommended may result in a deficit budget for the membership department in 2025 and make it harder to return to a 5-10% surplus in the future, reducing the CAA's ability to invest in initiatives to serve members.

Long-term outlook – getting back to targeted returns

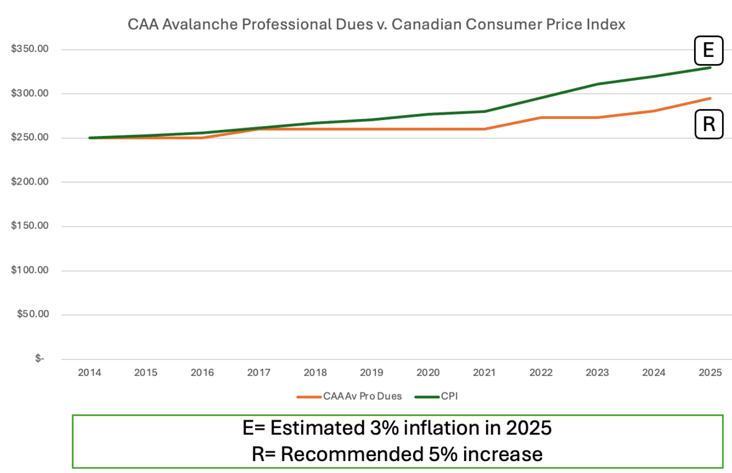
Improvements to the application process and increased partnerships aim to revitalize membership revenue, restoring sustainability and targeted returns.

These recommendations prioritize fiscal responsibility and long-term viability, positioning the CAA for continued success in serving its members and advancing its mission.

Proposed changes v. Canadian inflation

Figure 3 (below) illustrates the CAA Avalanche Professional Dues pace of increase versus the Bank of Canada's Consumer Price (CPI) index for the same period for an item of the same price, with a starting point of $250.00 in 2014. Up to 2024, member dues are 12.2% below CPI for the period. Assuming inflation is 3% in 2025, the suggested increase to 5% in 2025 would see dues increases for the period at 10.4% below CPI in 2025.

Figure 3: CAA Avalanche Professional dues v. CPI 2014 - 2025[5]



Procedure for Approval

CAA bylaws require that voting members approve a *regular resolution* at the annual general meeting to authorize an increase in membership dues. This brief is provided by the board and staff in advance to inform members of the context of the proposed dues change ahead of the AGM. The Board will bring a

[5] 2014-2024 CPI figures derived from Bank of Canada Inflation Calculator. 2025 CPI figure is estimated.

vote on these recommendations to members at the AGM. Any change in dues would take effect on December 1, 2024.

Questions and Feedback

Members with questions about the contents of this brief are encouraged to email the executive director in advance of the AGM. Where possible, answers will be shared with all members. Email: jobad@avalancheassociation.ca