



**2024 Tahltan Annual General Assembly
Trustee Presentation to the Membership Minutes
July 6, 2024 – 1:00 p.m. – Dease Lake Arena**

On July 6, 2024, Tahltan Heritage Trust Trustees Bill Adsit and Garry Merkel provided an update to the Tahltan membership on the Trust's activities at the Tahltan Annual General Assembly.

HANDOUTS:

- 2023 Financial Statements
- 2024 AGA Presentation
- 2024 Trust Agreement (draft)

PRESENTATION:

Bill Adsit and Garry Merkel introduced themselves. Bill reviewed the Agenda and began the presentation.

Financials:

Bill reviewed the financials for the 2023 fiscal year, which ended in March 2024.

- **Income Statement:** reviewed the Income Statement, noting Net Income (income minus expenses) was less in 2023 compared to 2022, attributed to:
 - 2022 income included a lump sum IBA contribution from Skeena Resources for the Eskay Creek Revitalization Project.
 - 2023 expenses included an accumulated distribution of funds to TCG for 2022 and 2023.
- **Balance Sheet:** reviewed the Assets and Liabilities, noting an increase in 2023 (over 2022), which is nearing \$60 million.
- **Sources of Capital & Income:** detailed the sources of capital and income for the year, which totalled \$64.4 million, and explained their percentages in the overall value.
- **Portfolio Value Growth:** presented a graph showing the growth of the portfolio since 2018 (\$15,408,304), which peaked at \$59.6 million in 2023; notably the market value is actually higher (estimated at \$80.5 million) due to additional equity value from the Trust's 2017 investment in the Northwest Power Projects.

Annual Distribution:

Garry Merkel presented the annual distribution, reminding members the Trustees cannot spend the capital. He began by reviewing the Distribution Calculation Formula but noted that 2024 marks the first year of a fixed annual distribution for the next three years.

- **Three-Year Fixed Distribution:** the Trustees introduced the fixed annual distribution of \$700,00 last year to enable the delivery providers to confidently plan ahead year-to-year.
- **Annual Funds Available for Distribution (FAD):** are still calculated using the calculation formula to monitor overall financial performance and to inform projections for the 3-year fixed distribution.
- **2023 Distribution Calculation:** the 2023 calculation yielded \$425,605 FAD for 2023, but under the fixed annual distribution model, this would normally be bumped up to \$700,00. However, in 2023, the total distribution was bumped even further to \$3,288,886 to distribute all accumulated FAD that were not distributed in prior years plus meet additional requests by TCG.
- **Year-to-date Distributions:** this brings total distributions since 2018 to an impressive \$4.19 million to TCG that have been targeted for the Tahltan education fund. Education will continue as the default but may include additional priorities once the Tahltan Governments conduct member outreach to determine new priorities.

Trust Overview/Trustee Duties:

Bill provided a high-level overview of the Trust, including background and rationale on its creation. He outlined the requirements, qualification and duties of Trustees in managing the Trust, reiterating that Trustees are not responsible for program delivery from Trust income.

What's New:

Bill shared a highlight of several positive developments that occurred over the past year:

- Reset relationship with Tahltan Leadership
- Updated the Trust Agreement with Tahltan government representatives
- Settled outstanding funds
- Distributed the balance of the accumulated surplus available for distribution to Tahltan Leadership for current priorities
- Audited Financial statements are now being provided
- Appointment of 3 new Trustees: Otis Hiltz, Kody Penner and Andrew Smit

Introduction to New Trust Agreement:

With that as the foundation, Bill then introduced the new Tahltan Heritage Trust Agreement, which the Trustees had been developing with Tahltan government representatives over the past year. This has been a significant milestone in improving accountability of the Trust and Trustees as well as improving the relationship between the Trust and Tahltan governments.

Bill explained the rationale for a new Trust Agreement and outlined the key changes, including:

- Corporate to a Trustee structure
- Revised Trust purpose
- Distribution mandate
- Consensus resolutions from all three Tahltan Governments
- Beneficiaries addition / removal requirements

Garry confirmed that the new Trust Agreement with the revisions requested was passed by resolution by the TCG Board.

Tyson Lamarsh, TCG's lawyer, explained that the changes reflect the need for the Trustees to have independence from a political perspective from the three Tahltan Governments, but must also have accountability to Tahltan Leadership and Membership. He explained the new Agreement will next be presented to the Iskut and Tahltan Governments to approve through resolution.

Member Resources:

Bill introduced Deena Tokaryk, the Trust's Communications Manager. She introduced herself and reminded members the Tahltan Heritage Trust has a website – www.tahltanheritagetrust.com – providing news, information, presentations and financials. Members were encouraged to join the Trust's email list to stay informed of news and developments, by filling out a form provided.

MEMBER QUESTIONS:

A question and answer session followed the presentation. The discussion focussed on how use of distributions could shift from solely education to initiatives that benefit more members directly, as well as calls for new Trustees.

1. Alan Edzerza: thanked the Trustees for the presentation and developing the new Trust. He asked If there had been thoughts to providing some or all of the benefits to families to address their priorities.

Garry explained there are probably priorities that are family based and some that are nation based and that identifying priorities and the distribution process is the

responsibility of Tahltan Governments. He also noted that the value of the Trust is probably too small right now but that doesn't preclude having a discussion around a set amount for nation priorities (e.g., education) and another amount for families.

2. Gayleen Day: Bill and Garry will stay on as Trustees but doesn't support the new three Trustees because they aren't from Territory; she would like to propose Calvin Carlick.

Bill said they would look into it.

3. Bev Slater: why did capital increase so much from 2019 to 2020?

Bill explained that TCG received \$16 million from the Shared Prosperity Agreement with the Province to support economic development. The Trust was asked to manage this fund until TCG needed it – TCG requested that the fund be transferred back.

4. Norman Day: requested clarification on the 2023 distribution.

Garry provided clarity.

5. Carl Carpentier: has several family members who are accountants who would be qualified Trustees.

Garry said they did three calls for Trustees and will work with family reps on the next call for Trustees.

6. Marge Loverin: is hoping the Trust would have money for communities, for example a senior's home in Territory; TCG has enough money.

Garry explained this idea should be shared with the Tahltan Governments during their process to identify community priorities.