

**2025 Tahltan Annual General Assembly**  
**Minutes of the Trustee Presentation to the Membership**  
**July 6, 2025 – 10:30 a.m. – Dease Lake Arena**

**PRESENTERS:**

- Garry Merkel – Chair
- Bill Adsit – Trust Manager
- Andrew Smit – Trustee
- Otis Hiltz – Trustee
- Rob McPhee – Advisor
- Deena Tokaryk – Communications Manager

On July 6, 2025, Tahltan Heritage Trust Trustees Bill Adsit, Otis Hiltz, Garry Merkel and Andrew Smit provided an update to the Tahltan membership on the Trust's 2024 activities and financials at the Tahltan Annual General Assembly.

**HANDOUTS:**

- 2024 Financial Statements
- 2025 AGA Presentation

**INTRODUCTIONS:**

Garry Merkel opened by introducing himself and Bill as long-term Trustees and new Trustees Andrew and Otis, emphasizing the value they bring from their career perspectives and importance in knowledge sharing and succession planning. The Trustees shared their Tahltan heritage and provided a summary of their education and experience/qualifications to serve as a Trustee for the Trust.

**A Benchmark for Trust:**

Otis provided insightful perspective on the financial health of the Tahltan Heritage Trust (Trust) compared to the many Indigenous Trusts he manages in his professional role as Trustee of Indigenous trusts across Canada:

- The Trust has obtained its funds from government revenue sharing and impact benefit agreements related to energy and resource projects; other trusts have received their funds from federal and provincial government settlements.
- At a value exceeding \$70 million, the Trust has a substantial and sustainable foundation that is enabling it to grow significantly year-over-year. Other trusts are typically smaller and do not provide the same level of consistent funding back to the community.

- Having the Trust's management done by Tahltan Trustees provides both savings on administrative costs and a high level of accountability.

## **PRESENTATION:**

### **Trust Overview Recap:**

Long-time Trust Advisor Rob McPhee gave a presentation comparing the strategy and management of trust models by Norway and Alberta established to benefit from their oil production, a non-renewable resource:

- **Norway:** discovered oil in 1969. The government adopted a long-term strategy to ensure current and future generations of citizens benefit from their oil wealth. In 1990, they created the Government Pension Fund Global, to shield the economy from ups and downs in oil revenue and serve as a financial reserve and long-term savings. 4% of annual revenue is used for funding the government budget; the rest is invested. The first money was deposited in the fund in 1996. Today, it is the largest sovereign wealth fund in the world (valued at over US\$1.8 trillion in assets at the beginning of 2025).
- **Alberta:** discovered oil in 1976. The government established the Heritage Fund and began contributions, but began reducing the amount contributed each year, stopping entirely in 1987, and using the funds for government services, capital and pet projects. In 1997 the fund was restructured, implementing a plan to increase long-term investments, banning government from using it for direct economic development or social investment purposes. As of March 2025, the Heritage Fund's net assets were valued at \$27.2 billion (which could have been much higher had the capital not been eroded).

Rob explained the Tahltan Heritage Trust has followed Norway's model, adopting a long-term vision and strategy to ensure current and future generations of Tahltans benefit from time-limited resource extraction. The Trust invests the funds it receives each year, allowing only the earnings to be distributed to the Tahltan Nation for initiatives that benefit the Tahltan members, ensuring the capital is protected for the future.

### **Rationale for the Trust:**

Garry revisited the rationale for creation of the Tahltan Heritage Trust – to ensure current and future generations of Tahltans benefit from time-limited resource extraction – with a preliminary target of \$200 million to support the Tahltan Nation's goal to be self-sufficient.

He reminded members of the role and responsibility of the Trustees and Tahltan Governments. The Trustee's job is to manage the capital and distribute the funds available, only distributing what they have earned. The Tahltan Governments are responsible for appointing Trustees and engaging Tahltan Membership to establish priorities for the distributions.

### **What's New:**

Andrew recapped the Trust's developments since the 2024 AGA:

- New 2024 Agreement finalized with the Tahltan Governments and implemented
- Yearly Audited Financial statements as of 2023
- Onboarded two new Trustees: Otis Hiltz & Andrew Smit
- Implementing policies, processes and procedures
- Introducing dedicated Trust emails for Trustees and a new SharePoint site to house documents

### **Financials:**

Bill walked through the financials for the 2024 fiscal year, which ended in December 31, 2024.

**Income Statement:** reviewed the Income Statement, noting:

- Total Income increased from \$7,572 million in 2023 to \$11,998 million in 2024.
- Management expenses decreased from \$3,615,613 in 2023 to \$452,250 in 2024 as the education funds were transferred in 2023.
- At \$452,250, expenses remain less than 1% of income, which falls below accepted overhead costs for trusts, and Bill's role as Trust Manager, rather than hiring an external trust manager who would charge between .05% and .075%, enables the Trust to keep its expenses lower.
- Net Income increased from \$3,956,877 in 2023 to \$11,536,254 in 2024.

**Balance Sheet:** reviewed the Assets and Liabilities & Equity.

- Market securities (investments in stocks, bonds, GICs as well as the Northwest Hydro Projects) increased from \$24,374,957 in 2023 to \$39,483,468 in 2024.
- Of note, the Trust's investments fared well in 2024 (61%) return, despite the turbulence of the market (which saw an 80% decrease).
- Also of note, the Fair Market Value (FMV) the Coast Mountain Hydro asset would sell for \$48.5 million in 2024 as compared to \$44.7 million in 2023.

Otis provided insight into the Trust's investments compared to the trusts he works with. He said the Trust has been well managed over the years and is more broadly invested, with most of the capital in private and public investments. He also noted the Trust saves considerable money by having Bill as its in-house Trust Manager.

**Sources of Income:** highlighted the total sources of income up to 2024, which is \$75.7 million.

**Portfolio Value Growth:** presented a graph showing the growth of the portfolio since 2018 (\$15.4 million) to more than \$71.1 million in 2024. It has almost doubled since 2019 (\$37.7 million). At this trajectory, the fund could reach \$100 million in 5-6 years, further advancing the goal of \$200 million to be self-sufficient. Of note, including the Northwest Power Project investment, the fair market value sits at \$97.9 million.

Garry provided insight into the Trust's 2017 investment in the Northwest Power Project. The Trust invested \$29 million and borrowed the rest to invest \$125 million. The Trust is paying that debt with income earned from the projects and taking a return. As the debt is paid down the Trust's income will grow over time. In addition, the Trust is not liable for any losses if anything happens.

He noted 2025 marks the second year of a fixed annual Funds Available for Distribution (FAD), which was set at \$700,000 for three years. The Trustees introduced the fixed annual distribution to enable the delivery providers to confidently plan ahead. Annual earnings are still calculated to monitor overall financial performance and inform projections for the 3-year fixed distribution.

The 2025 FAD is \$833,450. This includes the \$700,000 guaranteed amount plus \$133,450 not distributed in 2024.

### **Funds Available for Distribution**

Garry presented the annual distribution:

- **Formula:** Garry reviewed the formula for calculating the annual earnings, which preserves the spending power of the capital to ensure equal or greater value for future generations. Based on the previous year's financials: Income earned from various sources (including interest and returns on investments) minus Expenses and minus an Inflation factor of 2% that is added back to capital.

- **Three-Year Fixed Distribution:** as income can fluctuate from year to year, in 2023 the Trustees introduced a 3-year fixed annual distribution to enable the delivery providers to confidently plan ahead. The FAD has been set at \$700,00 for 2024 to 2026. This is assessed annually and could be increased if the numbers warrant but can't decrease. They may be able to increase for 2026.
- **Net Income:** is calculated annually to monitor overall financial performance and to inform projections for the 3-year fixed distribution.
- **2025 Distribution Calculation:** the 2025 FAD is \$833,450. This includes the \$700,000 guaranteed amount plus \$133,450 not distributed in 2024.
- **Year-to-date Distributions:** with the guaranteed 2025 distribution of \$700,000, this brings total distributions since 2018 to an impressive \$5.8 million to the TCG that it has used for the Tahltan Education Fund (supported by an AGM resolution approved by the membership). Education will continue as the default but may include additional priorities once the Tahltan Governments conduct member outreach to determine new priorities.

### Legacy Book Presentation:

Bill spoke to a special project in 2025 – creation of a Legacy Book to commemorate the milestone of the finalization of the 2024 Trust Agreement with the Tahltan Governments. The book tells the story of the Tahltan Heritage Trust's journey, from its creation in 2007 to its evolution in 2024, and the legacy the Trust is creating for current and future generations.

Deena walked members through a digital copy of the book, divided into the Original Trust and A New Era, closing with quotes from the four Trustees, underscoring their united vision in the legacy the Trust is creating. The book features image of culturally-important Tahltan landmarks and a stunning image of a wolf and crow, representing the two Tahltan clans.

Printed copies of the book were presented to the Tahltan Governments as the beneficiaries, acknowledging their contributions in developing the 2024 Trust Agreement:

- Tahltan Band – Chief Rocky Jackson & Band
- Iskut Band – Chief Marie Quock & Band
- Tahltan Central Government – President Bev Slater

Copies were also presented to the legal counsel who contributed to developing the 2024 Trust Agreement:

- Tahltan Cynthia Callison, Callison & Hanna

- Tyson Lamarsh, Miller Tieterle

Copies are also being gifted to the 10 Tahltan Family Representatives and the funding contributors. The digital copy will be uploaded to the Trust website for members to view.

### **Member Resources:**

Deena introduced herself and reminded members the Trust has a website 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 the form provided.

### **MEMBER QUESTIONS:**

A question and answer session followed the presentation.

1. Riannon Ball: What are your succession plans for new Trustees?
  - Bill confirmed it is top of mind and they are open to more Trustees.
  - Garry added they can have up to five Trustees; we sit at four with Andrew and Otis, but new Trustees need to have the financial and governance skills required. Tahltan Governments make the decision.
2. Why was there such an increase in the amount of distribution in 2023?
  - Garry explained the Trust had Funds Available for Distribution that were not distributed from previous years, so in 2023 distributed all of those previously undistributed funds plus the \$700,000 fixed amount.
3. Lynda Etzerza: FAD – can we apply for funds for a cultural centre or Elders housing? What is the process?
  - Bill explained the Trust's role is to invest the funds not to allocate where the distribution goes – that is the beneficiaries role.
  - Garry added the new 2024 Agreement requires all three Tahltan Governments to work together to determine where the FAD goes.
4. Feddie Louie: Hats off to the Trustees for taking care of the money, it's complex. Recommends the Trust develop a list of qualifications required for Trustees and an internship for youth in finance.
  - There is a list of qualifications on the website and the Trustees will consider the youth internship.

5. Alice Hamlin: welcome to the new Trustees; is proud they are all Tahltans. Agrees with Freddie, would like to see youth go into finance.
6. Ken Etzerza: how are the Skeena shares held?
  - Bill confirmed they are sitting in a separate account in the Trust portfolio and have grown from \$1.3 million to \$3.1 million.
7. Sandra Marion: provided clarity on the Education Fund, in her capacity as Secretary-Treasurer of TCG. TCG experienced a change in Chief Financial Officer (CFO). The old left without providing any accounting information; the new CFO did an assessment and discovered a surplus in Education. It was reported last year and in 2024 was sitting in Education.
8. Jerry Asp: provide clarification on the \$125 million paid for the Coast Mountain project.
  - \$29 million was contributed as cash of which \$23 million was provided by Axiom Financial as part of the negotiation, plus \$6 million that was contributed from the Trust's capital. The remaining amount (\$96 million) was added to existing project financing as the Trust's debt portion of the project. The agreement also provides that the Trust is not responsible for paying any losses or repayment of any balance on the loan if the project suffers financial hardship.
9. Yvette Quock: I have been going to school for three years; it is financially difficult. How do members get access to money.
  - Bill explained the Trust doesn't manage distributions; she would need to speak to the Tahltan Governments, TCG in particular as it manages the Education Fund.
10. Carol Quock: can you provide clarity on the 2024 distribution calculation?
  - Bill explained the funds were transferred to TCG who used them to support legal costs in defending the Tahltan border.
  - Garry explained these funds included the balance remaining from undistributed Funds Available for Distribution from previous years plus the \$700,000 fixed distribution for that year.
11. Ken Etzerza: Governance process requires a resolution from the membership to pass. Previously membership authorized TCG to spend the funds on education.
  - Garry provided clarify, agreement by the floor was to spend on education and that would be managed by TCG. This was done by a membership resolution at an AGA

but there was still uncertainty how these decisions should be made. Over the last year it was formalized that the Tahltan Governments engage the membership on spending priorities. Tahltan Governments could bring those priorities to be supported by membership in resolutions if that is what decided.

12. Roy Joseph: Trust question to Otis: should Tahltan families create a trust to shelter against tax?
  - Otis answered that as a status person you may want to ensure your investments are maintained on reserve. GICs can work for this but more complex investments may not be considered to be “on reserve”. It is a complex issue and CRA ultimately decides the tax status of investments.
13. Jerry Asp: distribution of Trust earnings, to date only education, now border. Need somebody at the Trust or TCG to develop a list of programs/parameters we can distribute to, so members can vote on it and include when and who is responsible.
  - Bill explained the Trust’s mandate is to invest and distribute the funds to the Beneficiaries; the question has to be raised with the three Tahltan Governments.
  - Jerry: should we put a resolution together with a list of parameters by the next AGA?
  - Bev: it should go to the Leadership Forum, with direction from membership.
  - Yvonne Moon: if funds are going to TCG, we should be able to direct questions to them to find out how the membership wants funds spent – to Elders centre, more to education, or bring substance treatment into communities. Funds distributed to the three Tahltan Governments must have spending by the people.
  - Garry: we could consider having the Trust and Tahltan Governments both report at the next AGM. The Trustees report on financial performance and Tahltan Governments report on spending and gather input towards setting spending priorities.

Presentation concluded after the last question.