



**New Fiscal Relationship Information Session: 10 Year Grant**

*Tk'emlups te Secwepemc - Chief Louie Centre Assembly Hall,  
200-330 Chief Alex Thomas Way, Kamloops BC, V2H 1H1  
May 29, 2018 10:00am – 1:00pm*

**Minutes**

*See Appendix A, for a detailed listing of participants.*

1. Introductions and Opening Remarks, Dillon Johnson, Temixw Planning
2. Opening Prayer, Elder Jo-Anne Gottfriedson
3. Opening Remarks, Catherine Lappe, Regional Director General, Indigenous Services Canada (“ISC”) BC Region
4. Presentation: Indigenous Services Canada, Alain Grenier, Director, New Fiscal Relationship Secretariat, Indigenous Services Canada
5. Presentation: First Nations Financial Management Board, Shayla Point, Director, Market Development, Financial Administration Laws (“FAL’s”) & Stakeholder Relations & Bryan Titus, Chief Operating Officer, First Nations Financial Management Board (“FNFMB”).
6. Questions and Answers:

Inquiry	Questions & Discussions
Louise Gordon, Spokesperson Taku River Tlingit	A few years ago, we were talking about block funding. There is a serious lack of funding that should be looked at with capital asset maintenance. The old funding does not reflect our needs to maintain our buildings (e.g. geo-thermal, heating). It is a foreign language and capacity building is important and that is where we are running into difficulty.
Catherine Lappe, Regional Director General, ISC BC Region	We all recognize that self-sufficiency is key to take on all the programs and meet the needs of members. Formulas for remote communities are being looked at, looking at different needs are part of the on-going discussion and we are putting this mechanism forward to enable your community to put funds where your community needs. Although it doesn’t address sufficiency needs it will allow you to choose the priorities your community identifies. It is 10 years rather than 5 years, and you can keep your unexpended funds.  On the capital maintenance side of things we are all struggling with sufficiency. We need to ensure that the priorities are addressed and resourced.
Alain Grenier, Director, New Fiscal Relationship Secretariat, ISC	We tried block before but it is not getting you all the leverage you need. Generally, the block agreements were for 5 years, and the 10-year block agreement provides you more flexibility. The former 5-year blocks were contributions and the current 10 year grant provides you more flexibility in reporting to your community and move funds at fiscal year-end to areas of need. The former block was also relying upon recipient audits that we are trying to get rid of now. You do not have enough money to do all you need to do, but you will have more flexibility. Flexibility will not address your needs however, but we are trying to address that.



John Rankin, Taku River Tlingit	At this time 33% of needs are being met. Taku River charges fees to other programs to cover admin costs to address deficits. The difficulty is that there is no consistency of allowable admin limits ranging from zero, 10, to 15%. A recent example was INAC who said that they just finished the 16/17 audit that they were going to reject all the admin fees, so now we need to make these kinds of adjustments. What are the policies regarding the shortfall and allowable admin fees?
Alain Grenier, Director, New Fiscal Relationship Secretariat, ISC	I do not have answers about prior audits. One of the things we are looking at regarding sufficiency to meet basic operational needs that have been cut, which is so important. That is being looked at. In terms of charging an admin fee we will be more flexible and you can move more money around, and we hope to have less of these kinds of issues. You will be managing your needs and funding with the flexibility and authority to do so.
Administrator, Canim Lake	<p>In our block funding the departments submit their budget to their Council and this is our third year where we have a short fall. One area is Income Assistance, based upon policies. O &amp; M was just identified and our school is 30 years old and the number of repairs.</p> <p>We just heard about new funding for new ACRS. We have to use our capital dollars first and foremost.</p> <p>Staffing and capacity building was brought up. Most bands have to go to court with their social workers. Will this be funded? We are currently in the education jurisdiction process; how will this ten-year grant address these shortages?</p>
Catherine Lappe, Regional Director General, ISC BC Region	<p>That is one of those things we are addressing with escalators within our base programs, not application-based programs. We recognize over time that we need to address these issues to ensure that there are sufficient funds to address these things. These cannot be addressed in one year. This is one of the pieces that we need to take and bring back to you. ASETS programs will be more flexible to meet member needs.</p> <p>On the ACRS piece, I apologize you were not aware and we can work with you on that. We can address that retroactively. We are committed to Canadian Human Rights Tribunal that will support Aboriginal agencies to increase funding based upon a funding methodology that is in process and in collaboration. We will be working more closely with the province on this.</p> <p>With regards to education we were keen to get more monies for schools before next September under the TEFA Agreement. It is happening concurrently. This is one piece of a whole bunch of tools that will give you more flexibility to do what you need to do for your communities.</p>
Lori BillyBoy, Williams Lake Indian Band	We had a membership code and we have a ten-year grant. If we add membership can the grant include that? Another question is can we continue to apply annually for project specific funding?
Alain Grenier, Director, New Fiscal Relationship Secretariat, ISC	That is one of the major things we are trying to wrap our heads around. When you get the grant if you have a population shift we recognize that we need to stay flexible enough to meet those needs. In certain areas some are adjusted by price and population and we are working on the answers. Certainty, we are not wanting to penalize you especially in education. We do not want to cause harm from taking on



	<p>this agreement. Whatever arrangements you do you are trying to make things better. We will work hard.</p> <p>Is it a certain percentage difference to be made?</p>
Catherine Lappe, Regional Director General, ISC BC Region	<p>If you open an agreement there are positive and negative impacts and we are trying to project those.</p> <p>The question we are still struggling with is what will those reporting requirements will be and not duplicate application and department funding. As the other programs require we are trying to create a streamlined platform respecting the relationship we are trying to develop here.</p> <p>We can provide your feedback as part of the advisement with the AFN. We are trying to provide stability and not penalize. We are trying to establish a balance to support short, medium and long-term decisions.</p>
Tim Isaac, Councillor, Okanagan Indian Band	<p>First Nations Fiscal Management Act (“FMA”) keeps us more dependent upon INAC. We need to have revenue sharing to not become dependent upon federal transfers for programs. We can develop our own rules and guidelines. Is this one way of getting out of the Indian Act.</p> <p>What happens after the 10-year grant? It will be up the government at the time.</p>
Leanne Walsh, Director, Fiscal Policy and Investment Readiness, ISC	<p>The whole concept of going under the FMA is the idea is to provide support for taking on other revenue services. The other options of sufficiency under the 10-year grant is also about getting other funds on the table. We are looking at other revenue sharing agreements, resource tax agreements, and open the door to support sufficiency.</p>
Shayla Point, Director, Market Development, FAL’s & Stakeholder Relations, FNFMB	<p>I know your community is not interested in the First Nations Tax Commission. You can state that in your own laws. Opting in into the FMA is not to remove the Indian Act. While there are other modern legislations that address specific sections of the Indian Act that include lands, for example, the point of that is to facilitate economic development on their own terms. Similarly, the FMA the purpose is to take on pieces of the Indian Act based upon your terms and conditions.</p>
Alain Grenier, Director, New Fiscal Relationship Secretariat, ISC	<p>We heard the Prime Minister last summer when he said we were going to get rid of INAC and separate it into two departments. ISC is a transition department. This is the last version of INAC you will ever see. In their mind they want to see indigenous led organizations to support the programs you need. Think about it in the next 10-20 years we will all be gone. This is all included in the FMA looking at ways to increase revenues for First Nations. We heard that you can fix some things and a more important message was to increase revenues. If anyone has been negotiating, the Department of Finance is guarding its jurisdiction and they are the only ones that can negotiate this. They still know and are told to engage on revenue generation. It is very important part of the equation.</p>
Catherine Lappe, Regional Director General, ISC BC Region	<p>Resource revenue sharing is supported by the provincial and federal government and we need to make sure that we are working with all partners on this. I want to assure you that staff are excited about this journey and want to support FN’s self-determination. There are challenges with compliance in the past and they recognize that things will change with FN jurisdiction. We are committed to that journey and</p>



	excited about it and wanting to take a service orientation. People are more excited about this way forward and this journey.
Bryan Titus, Chief Operating Officer, FNFMB	The FMA is optional. It is also optional to have the FAL to include taxation laws. In the future it helps FN's to build credibility. Within your own community the structure will be built for your community
Dillon Johnson, Temixw Planning	I did happen to be at a conference last week with Dan Wilson from the AFN, and I had the same questions for him regarding the NFR objectives. My perspective is to support self-determination and jurisdiction. He said that this grant is progress, but for the long term they working towards a legislative foundation similarly to the way the provinces and territories enjoy.
Diane Calliou, Band Administrator, Doig River	<p>The main things I want to ask about the Financial Transparency Act. Is that going to die now, or is it going to continue to apply? It has been quiet but it is in force.</p> <p>Back at the beginning of the FMA, there was a FN Statistical Institute, but it got killed I think it is time to make use of that resource. It has nothing to do with the funding but I am thinking it would be useful.</p> <p>The Financial Transparency Act makes me wonder about the public face of it. It makes me wonder about recent events where the FN's are having to take the role of explaining issues to non-FN's. How is this going to roll out for the rest of the public?</p>
Alain Grenier, Director, New Fiscal Relationship Secretariat, ISC	<p>Both Ministers Bennett and Philpott are adamant that they will not be enforcing requirements, with an interest to repeal or replace it with a regime that is more like a mutual accountability framework that is with your citizens. You are right, I sense that you want to get rid of it. The Minister is aiming to repeal and replace it with something more respectful that is anchored in the accountability you have with your own peoples. It will happen between now and the next mandate.</p> <p>I understand the public perceptions and we get a lot of those letters and respond with straight forward answers and we have to provide accountability to FN governments and walk away from colonial control. The minister is doing her part and speaking on this. Unfortunately, the media picks up on the 3% that is news worthy and gets better rating. You only hear about the bad issues and not the good things. It is unfortunate but still there is work being done.</p> <p>On the FN statistical function, this could not be more appropriate. The Auditor General came out with an important chapter on closing the socio-economic gap on reserves. This can help demonstrate including redeveloping or reintroducing a statistical function that is FN led, operated and developed. This is a critical part of how we can determine if we are addressing the gap and moving the gap down. We are also working on a FN auditor function to move to this next era.</p>
Barclay Smith, Coldwater First Nation	We have two pieces on the table today. One is a 10-year grant with ISC and the other is the FMB. Our experience with FMB, we are not a minority. There are seventy FNs that could possibly meet this criterion in BC, with 67% that have chosen not to have a relationship with the FMB. How do you feel about forcing this relationship? Would you be willing to open 10-year grants without the imposition on this second part that can be dealt with at a later date?
Alain Grenier, Director, New Fiscal	When we established this proposal for a ten year grant we had to come up with eligibility criteria that was defensible with Treasury Board using a new methodology for eligibility and accountability regime. You do these kinds of report and you know



Relationship Secretariat, ISC	how complicated and cumbersome these can be. To move to more flexibility an interest-based decision making it was important to come up with a process that still shows the rigour of a sound decision making process. We could have come up with new criteria or new proven criteria. The work that the FMB has done was important to demonstrate a proven track record with an industry reputation for sound governance. We went with this and we recognize that not all FN's want to go this route, so how do we mirror this kind of financial governance. This is how we came up with you coming up your own Financial Administration Bylaw, approved under section 83 of the Indian Act and demonstrate you are financially sound to be eligible for this grant. In order for us to be successful we need this to get the go ahead of the government.
Catherine Lappe, Regional Director General, ISC BC Region	The intent is that we are trying to get out of business and the government is trying to support self-determination. We need to support FN's led organizations. There is commitment to get us out of the business that will ultimately improve community outcomes and arrangements. We do have a Sample FAL with those references. It would be a hard sell to include those that we already have in place.
Bryan Titus, Chief Operating Officer, FNFMB	<p>There is no forcing into the FMB route. As of late we have 144 FN's with FAL's. We have 118 that have FP certificates. A lot of FN's have FMB certification. They utilize the FN Finance Authority.</p> <p>There is always going to be people with differing opinions. The financial administration bylaw under Section 83. If you have any questions you can ask me any questions.</p>
Shayla Point, Director, Market Development, FAL's & Stakeholder Relations, FNFMB	<p>We are happy to provide services if you chose the by-law route. The other 67% have not said no, they just haven't said yes yet.</p> <p>I am happy to look at your law to see if it meets existing criteria.</p>
Simpchw First Nation	You mentioned health funding. Would that be streamed, traded off?
Catherine Lappe, Regional Director General, ISC BC Region	All FN Health funding in BC rests with the FNHA on a ten year basis, so we have just started conversations with FNHA but we will be having more about aligning accountability frameworks. They are still accountable to parliament as well and we still need to have more work to do to not create unrest and coordinate some of these pieces.
For participant (from Laara) to Dillon	<p>Can Q &amp; A's be emailed out?</p> <p>Yes, they can be sent out to attendings along with PPT's. No problem.</p>
Dale Hall, Collections Officer, TTES	They get a 2% adjusted annually. Wil this be part of the funding?
Alain Grenier, Director, New Fiscal Relationship Secretariat, ISC	Presently we do not have a set escalator, but that does not say we will not have one. Next year we have to figure out something. It is the work we are doing right now. It is part of the sufficiency work that we hope comes together.



John Rankin, Taku River Tlingit	Some may have opinions about the FMB but in our experience we have had a very good relationship with them.
Shayla Point, Director, Market Development, FAL's & Stakeholder Relations, FNFMB	Just to reiterate any FN that has not yet received a presentation, we are receiving requests. We only go where we are invited. One of our rep's will go to your community at no cost and give you feedback and more information on the 10 year grant, FAL, etc.. We have a website and email that you can use. There are also other sessions throughout the province and the country.
Dillon Johnson, Temixw Planning	Review of upcoming sessions.
Dillon Johnson, Temixw Planning	What does the yellow and green parts of the Sample FAL mean in terms of implementing these sections?
Shayla Point, Director, Market Development, FAL's & Stakeholder Relations, FNFMB	For the FN's who already have a FAL are already brought into force. The yellow parts have to be in force by Jan 1, 2020. There are only a small group that have to come into force. FMB will do implementation testing to see if you are doing what you said you would do. This wouldn't come into force until Jan 1, 2020. For example, the green highlighted section requires a Finance & Audit Committee. There are also committee eligibility criteria, but to qualify for the grant you only need to appoint a committee.
Diane, Upper Nicola Band	<p>We have worked with FMB for several years and we are coming into this iteration and it is a bit overwhelming. It is very bureaucratic and it seems like we are being pummelled into a multi-national corporation for the things that we need to be able to do. For example, the Finance &amp; Audit Committee we were told it had to be this and that and we said we can't have it like that. It needs to be easier for people with a pared down version that could be used. It makes us feel inadequate. It is a suggestion.</p> <p>To do with the 10-year agreement, will that be treated differently that the funding agreements that are more certain than those that we currently have if we go into the loan component?</p> <p>The P&amp;ID is something we apply for every year and it is helpful. Will this be rolled in the near future?</p>
Shayla Point, Director, Market Development, FAL's & Stakeholder Relations, FNFMB	<p>With regards to our standards they were established to create certainty to support borrowing from the FNFFA. The FAL does go further and I would be happy to go through your laws so you can meet the minimum standards so there is recommended language and the rating agencies that are based upon internationally recognized controlled frameworks. We have listed to feedback from FN's across Canada and have revised the standards. These standards are intended to protect the integrity of the Nations to borrow and meet these standards that meet these framework standards. It's like building a house - if you want a FN that governs well that foundation is their financial management systems. We also have something that requires unique considerations of each FN. We need to go through your FAL to identify what is required and what is optional.</p> <p>Right now, there are other income streams that can be leveraged. I think your question is, will this grant be aligned with the current leveraging.</p>



<p>Bryan Titus, Chief Operating Officer, FNFMB</p>	<p>Like any other standards, we have to periodically do searches to identify what is working and not working. Our process review is currently looking at what is working and not working. The bottom line is that we have standards but we are looking at ways to make things more efficient for FN's. We are also trying to support FN's who have a lack of capacity (access to qualified HR).</p> <p>We are in the process of looking into monetization, so that FN's will be able to leverage transfers within the 10-year grant to invest in their communities.</p>
<p>Leanne Walsh, Director, Fiscal Policy and Investment Readiness, ISC</p>	<p>We want to pilot monetization over a ten-year period to build quicker. We are testing it out right now and we will bring it forward if it works.</p> <p>One of the biggest drains is the government funding so we are looking at how we can make those more sufficient. We are looking at raising those amount to ensure that they are sufficient.</p>
<p>Lisa Hall, Finance Director, Skowkale</p>	<p>We do some administration for multiple FN's. We have 4 small communities who operate out of one lands office, and we are wondering if that group could get a FAL and qualify as a group?</p>
<p>Leanne Walsh, Director, Fiscal Policy and Investment Readiness, ISC</p>	<p>One of the things we are working under the FMA is tribal organizations. We are working to support groupings of grouped FN's. So that work is well underway and I think that is something we could do soon. We need to look at the FMA to do some regulations, but you can work with FMB separately to prepare.</p>
<p>Bryan Titus, Chief Operating Officer, FNFMB</p>	<p>We are working with the Institute on Governance to do some research on First Nations governance. This is one of the things we are working on too for FN's who want to aggregate or reconstitute as Nations. Some recognize that they were separated not by their choice and want to work together as a Nation for shared purposes.</p>
<p>Catherine Lappe, Regional Director General, ISC BC Region</p>	<p>There is also further work with Canada -Indigenous Relations and Northern Affairs ("CIRNA") and there is work on the bigger picture to allow communities to self-organize for different purposes. They sometimes just take a little bit longer.</p>

7. Closing Comments, Dillon Johnson, Temixw Planning
8. Closing Prayer, Elder Jo-Anne Gottfriedson
9. Meeting adjourned 1:00pm



## Appendix A:

**Participants List**

<i>First Name</i>	<i>Last Name</i>	<i>Position</i>	<i>Nation</i>
Jackie	McAbee	Finance Officer	Canim Lake Band
Barclay	Smith	Finance Coordinator	Coldwater Indian Band
Rose	Peters		Chawathil First Nation
Jean Ky-No	Kay-Moreno	Councillor	Chawathil First Nation
Dale	Hall	Collections Officer	TTES
Doug	Brown	Band Administrator	Little Shuwswap Lake
Keri	Reilander	Exec. Director	Lower Nicola
Martin	Gerttmar	Finance	ALIB
Joanne	Ovenden	Finance Manager	LSIB
Ramona A.	Joseph	Elected Councillor	Nak'azdli Whut'en
Tom	Moody		Neskonlith
Tim	Isaac	Elected Councillor	Okanagan Indian Band
Victor	Rumbotl	Exec. Director	Okanagan Indian Band
Shelley	Frank		Simpcw
Merika	Sam	Band Administrator	Siska Nation
Sukhi	Chouhan		Skeetchestn
Vivian	Simon	Director	Skeetchestn
Lisa	Hall	Finance Director	Skowkale
Wendy	Phair	GM	Sumas First nation
Wendy	Ham	Finance Mgr. & Tax Administrator	Sumas First nation
Louise	Gordon	Spokesperson	Taku River Tlingit
John	Rankin		Taku River Tlingit
Travis	Anderson		Tk'emlups (Kamloops)
Beverly	Bull		Tk'emlups (Kamloops)
Theona	Lewis	Finance Manager	Tskwaylaxw
Sharon	Turner	Accounts Payable/Payroll Clerk	Wet'suwet'en
Dianne	Bastedo	CFO	Upper Nicola Indian Band
Lori	BillyBoy		Williams Lake Indian Band
Clay	Harmon	Advisory Council	AFOA BC
Patrick	Yakura		
Savanna	McGregor		Kitigan Zibi