



Chief Administrative Officer Report October 2024

It has been 7 and a half years since I took the role as your Chief Administrative Officer. It still remains the best job I've had, and I consider it an honour and a privilege to be working for our Nations.

When I accepted this job in 2017, it was for 2 reasons 1) to be closer to family (unfortunately my mother passed before we moved home), and 2) for the love of our Nations. It is important to me to do my part in the growth of ourselves as self-governing Nations. And I believe that to continue moving our Nations and our people forward we need to get the right person in the right role. We have come a long way in reaching this goal, as you will hear in the Directors reports.

Back in 2001, I held this job for a short period, and it was my goal then to get our people working and become so proficient in their jobs, that KCFN could then help other Nations succeed. That is still something we strive for. In fact, there are Nations that turn to KCFN to see how we are doing things in family services, lands and resources, safety and emergency management, and human resources. This is something you can be proud of. We are constantly working on improving systems, processes, and building capacity for KCFN citizens.

My first year into the role as CAO, it became clear that the 3 top administrative concerns were 1) lack of funding to operate, 2) aging infrastructure, and 3) insufficient staff (likely due to lack of funding).

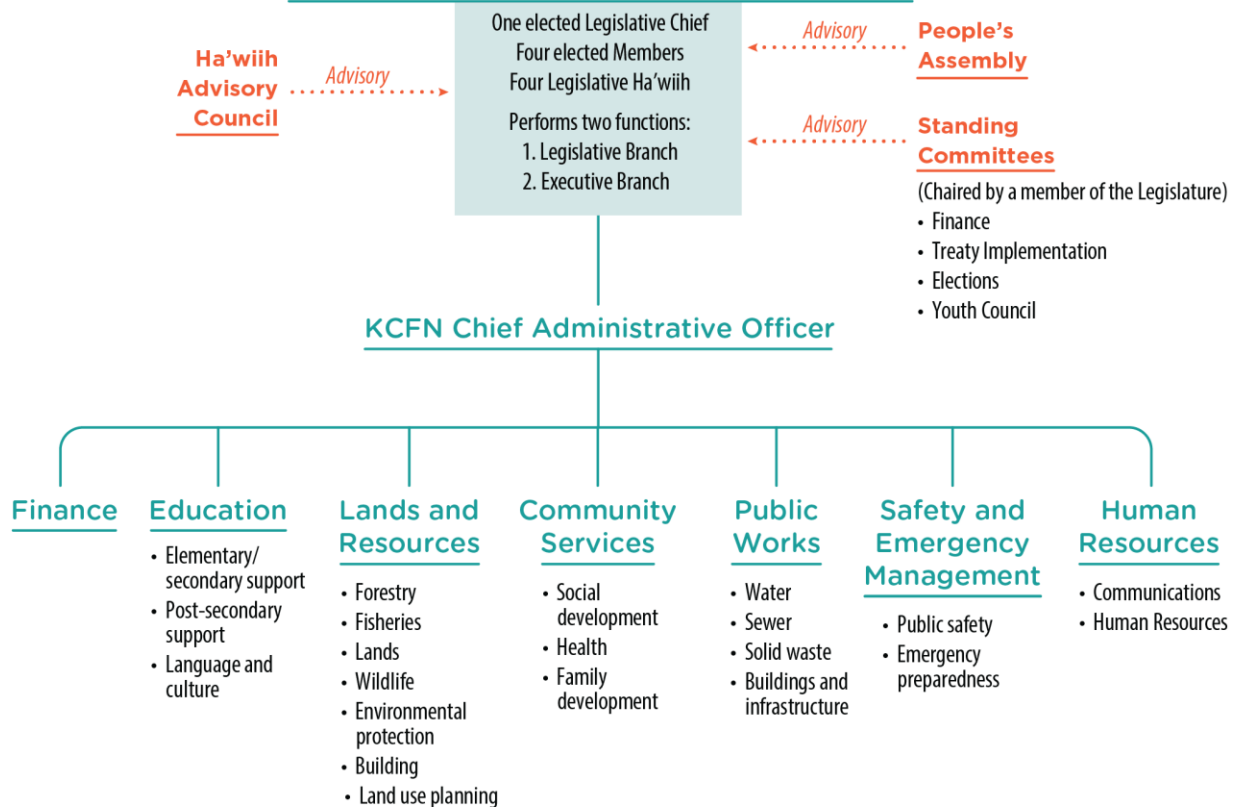
Since then, we went from an annual budget of \$13.8 million on March 31, 2017, to \$33.7 million on March 31, 2024. This growth helped address all three of these needs, especially for the much needed housing and Infrastructure improvements that keep our community going – with a new water system and reservoir that came online March 2024, powerline repairs, new backup generators and solar systems, carving shed, perimeter drainage around homes, home renovations, new septic tanks, improved lighting in the community, road improvements, community building renovations, etc.

The increased funding also helped to increase the staff, and for KCFN to begin doing much needed work as self-governing Nations. Part of growth often comes with some growing pains, and KCFN is no exception. But we are working on them.

As I mentioned in my report last year, planning for the future of KCFN is more important now than ever. We hope many of our citizens and leaders get involved in the upcoming plans, economic development plan, comprehensive community plan, land use plan.



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Fiscal Negotiations

Fiscal negotiations are on-going. KCFN is part of the 29 self-governing indigenous groups across Canada negotiation for a better fiscal relationship with Canada. For each “bucket” we negotiate on a needs base, specific to our Nations. The following are the priority ‘buckets’ currently being negotiated or have negotiates with Canada:

- **Infrastructure** – Previously negotiated \$2.7 million annually for Operations & Maintenance and Capital Reserves for KCFN Infrastructure. Phase 2 is still being negotiated. Canada is working with self-governing Nations across Canada to build a model for Infrastructure funding, which may provide an increase of almost \$1 million.
- **Lands and Resource** – KCFN negotiated additional funding of almost \$1 million from BC for Lands & Resource, for the first time ever! Previously funding was only from Canada.
- **Language** – KCFN is still negotiating funding for language. Based on the model designed with Heritage Canada, KCFN requires \$1.5 million annually for language revitalization. Ben and Frankie are heading to Ottawa next week to advocate for this funding.



- **Toxic Drug Crisis** - if successful, KCFN may receive \$1.6 million spread over 5 years for prevention and treatment to address the toxic drug crisis that affects our citizens.
- **Urban, Rural, and Northern Indigenous Housing Strategy (URN)** - \$105 million over 7 years for 29 Self Governing Indigenous Governments (SGIG) in BC, Yukon, NWT, Saskatchewan, Manitoba, and Quebec. These funds are to address housing for urban citizens. Of these funds, KCFN was allocated \$2 million over 7 years, and we are in the early stages of developing a workplan for these funds.
- **Indigenous Health Equity Fund (IHEF)** – \$69 million over 10 years for 29 Self Governing Indigenous Governments (SGIG) in BC, Yukon, NWT, Saskatchewan, Manitoba, and Quebec. Funding for health programming for members and citizens. KCFN was allocated \$1 million spread equally over 10 years. KCFN is developing a workplan for these funds.
- **Finance Agreement (FFA):** we negotiated a 10-year extension of the Fiscal Finance Agreement. This is a huge win, as it secures the core funding for the Nations’ programs and departments for another 10 years. Especially with the upcoming provincial and federal elections, we have some certainty with our funding.

Qacca Trust

Since the inception of Qacca Trust in April 2011 I’ve been the Trustee representing KCFN. Nicole Nicolaye is KCFN’s second trustee. The funds in the Trust were from the funding received out of our Treaty. Qacca Trust was formed by KCFN, Toquaht, and Uchucklesaht who have pooled out funds to save on investment management fees. Qacca was chosen as the name of the trust because it means three.

We have seen annual returns on investment of 7% and currently have a portfolio of \$32 million plus \$801,000 in loans to Tiičma Hospitality to fund the Fair Harbour development.

Implementation Fund Committee

Since April 2011 I have been KCFN’s committee member for Implementation Funds. The funds are invested in perpetuity and the annual returns are used to grow the portfolio and to fund some of the costs of being a self-governing Nation. The Funds have seen annual return on investment of 6.3% and has grown to a portfolio of \$14 million.

BC Utilities Commission

In 2020, KCFN issued a complaint against Kyuquot Power Ltd to the BC Utilities Commission, WorkSafe BC and Technical Safety BC for various violations and negligence and it is still going through the process with the BCUC.



KCFN remains concerned that there are power limitations, and this is affecting community expansion, housing renovations, new buildings, economic growth, and our neighbors on the surrounding islands.

We continue to approach BC to get BC Hydro into Kyuquot. October last year, Ben and Matt spoke about our concerns to the Minister of Energy, Mines and Low Carbon Initiatives, and the need for BC Hydro to be the main power source for Kyuquot. We have not received any commitments from BC to date.

Conclusion

KCFN is a self-governing Nation that no longer operates under the Indian act. As such we have taken on a wide range of responsibilities which requires us to expand our staff considerably. We continue to negotiate new funding to help with this expansion. To function as a government, we need people with the knowledge and expertise that keep our Nations moving forward. The creation of these jobs is a pathway for our people, and now our people need to get training and education to take on these jobs.

We have begun the major repairs and upgrades to our community infrastructure, and maintenance will be ongoing. This too is going to require our people to get training and education to maintain and operate this infrastructure.

Planning for the future of KCFN is a constant that needs the input of our citizens and leaders. When you see an event seeking your input, whether it is a meeting, a survey, or a meet & greet, please come and participate. We value your thoughts and ideas.

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Cynthia Blackstone

Chief Administrative Officer