

**COLUMBIA BASIN TRUST
BOARD OF DIRECTORS MEETING NO. 169
November 28/29, 2014
MINUTES**

Confidential information such as business negotiations, personnel issues and legal advice may have been severed from these minutes.

Meeting No. 169 was held at the Creston Ramada in Creston, BC.

Directors in attendance:

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| G. Deck, Chair | A. Naqvi – Saturday, Nov 29 only |
| L. Page | G. DeRosa |
| K. Deane | W. Booth – Saturday, Nov 29 only |
| P. Peterson | D. Raven |
| R. Jensen | A. McCracken - phone |
| D. Birdstone | C. Gallinger |

Staff and guests in attendance:

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| N. Muth | J. Strilaeff |
| T. Hicks | A. Ambrosone |
| W. Lundeberg – phone | J. Medlar, Recording Secretary |
| D. Hoodicoff - phone | |

The meeting was called to order at 1:00 pm (MST).

1. ADOPTION OF AGENDA

Attachments:

- Minutes: Board Meeting No. 167 and AGM No. 168
- Report from the CEO
- Minutes: Executive Committee Meeting No. 109
- CBBC Responsibilities and Board Composition
- CBBC Update
- CBBC Budget
- Delivery of Benefits Update
- Delivery of Benefits Budget Request 2015/16
- Minutes: Community Initiatives Committee Meeting No. 6
- Minutes: Community Initiatives Committee Meeting No. 7
- Community Directed Funds
- Minutes: Sector Initiatives Committee Meeting No. 5
- Youth Action Summit Overview
- Water and Environment Initiatives Update
- Kootenay Conservation Program
- Columbia Basin Water Smart Initiative
- Economic Advisory Committee Re-appointment
- Special Initiatives Department Update
- Special Initiatives Update on 2014 Transboundary Forum
- Minutes: Finance and Audit Committee Meeting No. 64
- Internal Audit Report on CBT Financial Management
- Treasury Board Five Year Forecasts
- 2014/15 – Q2 Consolidated Financial Statements

- Cash Forecast – material to be tabled at the meeting
- 2015/16 Proposed Corporate Budget
- Draft Service Plan 2015/16 – 2017/18
- Board and Committee Evaluations
- 2015 Board Meeting Schedule & Delegation of Authority
- 2016 Board Meeting Schedule
- Investment Issues
- Election of Chair, Vice Chair and Committee Chairs
- Quarterly Investment Report
- YHL Aviation Group Inc.
- Read File

60/14 Moved, seconded and resolved that:
Agenda No.169 be approved and hereby is adopted.

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| 2. ADOPTION OF MINUTES |
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61/14 Moved, seconded and resolved that:
The Minutes of Meeting No. 167 held September 19/20, 2014 be approved and hereby are adopted.

62/14 Moved, seconded and resolved that:
The Minutes of AGM Meeting No. 168 held September 19, 2014 be approved and hereby are adopted.

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| 3. REPORTS FROM OFFICERS AND EXECUTIVE COMMITTEE |
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Report from the Chair

The Chair provided a verbal report to the Board of Directors including a summation of the Trust Board - Ktunaxa Nation Council Joint Meeting held October 30, 2014 in Cranbrook, BC.

There were no resolutions arising.

Report from the CEO

The CEO provided a written report to the Board of Directors.

There were no resolutions arising.

Report from the Executive Committee

The Minutes from Meeting No. 109 held on September 19, 2014 were provided for informational purposes only.

There were no resolutions arising.

CBBC Responsibilities and Board Composition

A memorandum was provided to the Board of Directors which outlined the key responsibilities of the Columbia Basin Broadband Corporation (CBBC) Board of Directors, as compared to the Trust Board, and discussed CBBC Board composition. Directors discussed the skills and attributes required for the CBBC Board.

There were no resolutions arising.

4.0 REPORTS FROM SUBSIDIARIES AND SPECIAL COMMITTEES

CBBC Update

A presentation was provided to the Board of Directors by A. Ambrosone, CBBC Chief Operating Officer, which gave an overview and update of CBBC activities to date. The presentation was for informational purposes only.

There were no resolutions arising.

CBBC Budget

A memorandum was provided to the Board of Directors which sought approval for an additional funding commitment of \$3.5 million through 2015/16 – 2017/18 for CBBC, which is in addition to the \$6.5 million in aggregate funding over five years that the Trust previously approved in September 2013.

63/14 Moved, seconded and resolved that:

The Board of Directors hereby approves additional funding of \$3.5 million to Columbia Basin Broadband Corporation to be provided over the fiscal period of 2015/16 – 2017/18.

5. DELIVERY OF BENEFITS

Delivery of Benefits Update

A memorandum was provided to the Board of Directors which gave an update on the Delivery of Benefit (DOB) programs since the last Board meeting.

There were no resolutions arising.

Delivery of Benefits Budget Request 2015/16

A memorandum was provided to the Board of Directors which sought approval of the DOB budget for 2015/16. Staff recommended a \$25.5 million DOB budget which included a \$6 million budget for unallocated spending.

64/14 Moved, seconded and resolved that:

The Board of Directors hereby approves the Delivery of Benefits Budget for 2015/16 as presented.

And further resolves that:

The Board of Directors hereby authorizes the Chief Executive Officer to:

- i. approve commitments from the unallocated portion of the 2015/16 Delivery of Benefits budget to a cumulative maximum of \$500,000; and
- ii. approve transfers from one program to another program in the 2015/16 Delivery of Benefits budget to a cumulative maximum of \$250,000.

Report from the Community Initiatives Committee

The Minutes from the Community Initiatives Committee (CIC) Meeting No. 6 held on September 16, 2014 and the CIC Meeting No. 7 held on October 20, 2014 were provided for informational purposes only.

There were no resolutions arising.

CIC – Community Directed Funds

A memorandum was provided to the Board of Directors which gave an update on the Community Directed Funds (CDF) program and which sought a decision on the future of this program. Staff advised that there has been value in working on regional priorities with existing CDF committees. However, it was identified that trying to implement the program basin wide as originally intended was found to be problematic and that these concerns, in all likelihood, would become more pronounced if we continue to try and implement the program basin wide.

Staff will continue to work with the six currently funded regions to fulfill existing CDF contracts. Staff advised they are willing to continue working with the existing committees past the term of the present CDF contracts, if desired, and use their input into adjudication of requests coming from their regions. Staff can also assist in renewing priority planning and work plans which could be funded through other Trust programs. This decision does not impact the Community Directed Youth Funds.

65/14 Moved, seconded and resolved that:

As recommended by the Community Initiatives Committee, the Board of Directors hereby approves the phased termination of the Community Directed Funds initiative with no new funding regions being established and existing funding regions not being renewed.

Report from the Sector Initiatives Committee

The Minutes from the Sector Initiatives Committee (SIC) Meeting No. 5 held on September 19, 2014 were provided for informational purposes only.

There were no resolutions arising.

SIC - Youth Action Summit Overview

A memorandum was provided to the Board of Directors which gave an overview of the Youth Action Summit held in Nelson on October 24-26, 2014.

There were no resolutions arising.

SIC - Water and Environment Initiatives Update

A memorandum was provided to the Board of Directors which gave an update on current and upcoming Water and Environment sector activities.

There were no resolutions arising.

SIC – Kootenay Conservation Program

A memorandum was provided to the Board of Directors which offered context to the Kootenay Conservation Program (KCP) within the Trust's Land Conservation Initiative. A presentation to the Board of Directors was provided by Mr. David Hillary, KCP Program Manager, which outlined their land conservation activities with respect to securement, stewardship and capacity building.

There were no resolutions arising.

SIC – Columbia Basin Water Smart Initiative

A memorandum was provided to the Board of Directors which presented background information on the Columbia Basin Water Smart Initiative (Water Smart). A presentation to the Board of Directors was provided by Ms. Meredith Hamstead, Water Smart Coordinator.

There were no resolutions arising.

SIC – Economic Advisory Committee Appointment

A memorandum was provided to the Board of Directors which sought approval of a reappointment to the Economic Advisory Committee.

66/14 Moved, seconded and resolved that:

As recommended by the Sector Initiatives Committee, the Board of Directors hereby approves that Mike Cattle be reappointed to the Economic Advisory Committee for a two year term expiring September 30, 2016.

Special Initiatives Department Update

A memorandum was provided to the Board of Directors which provided an update on the activities of the Special Initiatives department.

There were no resolutions arising.

Special Initiatives Update on 2014 Transboundary Forum

A memorandum was provided to the Board of Directors which gave an update on the 2014 Columbia River Transboundary Forum held on October 21-23, 2014 in Spokane Washington.

There were no resolutions arising.

6. REPORTS FROM FINANCE AND AUDIT COMMITTEE

Report from the Finance and Audit Committee

The Minutes of Meeting No. 64 held on October 17, 2014 were provided for informational purposes only.

Internal Audit Report on CBT Financial Management Policy

A memorandum was provided to the Board of Directors which presented the internal audit Final Report for the Financial Management Policy Review completed by Ernst & Young. The report provided assurances that good controls and processes are in place for Trust financial operations. This memorandum was provided for informational purposes only.

There were no resolution arising.

Treasury Board Five Year Forecasts

A memorandum was provided to the Board of Directors which sought approval of the Treasury Board Five Year Forecast for the 2nd Quarter submission.

67/14 Moved, seconded and resolved that:

As recommended by the Finance and Audit Committee, the Board of Directors hereby approves the 2nd Quarter Treasury Board Five Year Forecasts.

2014/15 – Q2 Consolidated Financial Statements

A memorandum was provided to the Board of Directors which discussed the consolidated financial statements for the period ended September 30, 2014 and any material changes from the consolidated financial statements for the period ended September 30, 2013. The memorandum also sought approval of the consolidated financial statements.

68/14 Moved, seconded and resolved that:

As recommended by the Finance and Audit Committee, the Board of Directors hereby approves the Q2 Consolidated Financial Statements for the period ended September 30, 2014, substantially in the form presented.

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| 7. CORPORATE MATTERS |
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Cash Forecast

A memorandum was tabled to the Board of Directors which described the impact on the Trust's cash position over the next two years in the event the Trust's revenue, expenditure, and investment forecasts for that period are realized. The memorandum was provided for informational purposes only.

There were no resolutions arising.

2015/16 Proposed Consolidated Corporate Budget

A memorandum was provided to the Board of Directors which sought approval of the proposed 2015/16 Consolidated Corporate Budget.

69/14 Moved, seconded, and resolved that:

As recommended by the Finance and Audit and Executive Committees, the Board of Directors hereby approves the 2015/16 Consolidated Budget, substantially as presented.

And further resolved that:

The Board hereby delegates authority to the Executive Committee to approve any proposed changes to the approved 2015/16 Consolidated Budget.

Draft Service Plan 2015/16 – 2017/18

A memorandum was provided to the Board of Directors which sought approval of the Draft Service Plan 2015/16 – 2017/18 (Service Plan) and to delegate authority to the Executive Committee to approve any subsequent changes. Staff advised that there have been additional new instructions from the Province within the last week that will result in material changes to the Service Plan as presented.

70/14 Moved, seconded, and resolved that:

The Board hereby delegates authority to the Executive Committee to approve the Service Plan 2015/16 - 2017/18.

Board and Committee Evaluations

A memorandum was provided to the Board of Directors which sought direction on the Board of Directors' performance evaluations process. Staff is directed to follow the existing evaluation process. Staff will circulate Board and Committee questionnaires in December and results will be reported back at the January 2015 meeting.

There were no resolutions arising.

2015 Board Meeting Schedule and Delegation of Authority

A memorandum was provided to the Board of Directors which presented the meeting schedule for 2015 in light of proposed agenda amendments to include Board directed sessions. In addition, the memorandum sought approval for the delegation of approval

authority to the Finance and Audit Committee for quarterly financial statements and Treasury Board forecasts in order to facilitate the amended Board meeting schedule.

Whereas:

- the quarterly financial statements and Treasury Board forecasts will be provided to the Board for informational purposes; and
- the annual financial statements will remain subject to the approval of the Board of Directors.

71/14 Moved, seconded and resolved that:

As recommended by the Executive Committee, the Board of Directors hereby delegates authority to the Finance and Audit Committee to approve quarterly financial statements and Treasury Board forecasts.

And further resolves that:

The Board further directs that the Terms of Reference for the Finance and Audit Committee be amended to reflect this approval authority.

2016 Board Meeting Schedule

A memorandum was provided to the Board of Directors which sought approval for the proposed 2016 Board of Directors Meeting schedule.

72/14 Motion, seconded and resolved that:

The Board of Directors hereby approves the proposed 2016 Board Meeting dates and locations as follows:

| 2016 Board Meeting Date: | Location: |
|----------------------------------|------------------|
| Friday/Saturday, February 12/13 | Nelson |
| Friday/Saturday, April 8/9 | Sparwood |
| Friday/Saturday, May 27/28 | Valemount |
| Friday, July 22 | Vidcon |
| Friday/Saturday, September 23/24 | Kaslo |
| Friday/Saturday, November 25/26 | Trail |

INVESTMENT ISSUES

The Committee was provided with a memorandum which outlined two distinct investment issues that have been raised in the context of the Our Trust, Our Future engagement discussions:

- Should the Trust move toward making major investments where financial return is not the primary objective?
- Should the Trust pursue further large investment opportunities where financial return is the primary objective?

Discussions ensued.

There were no resolutions arising.

ELECTION OF 2015 BOARD CHAIR, VICE CHAIR AND COMMITTEE CHAIRS

A memorandum was provided to the Board of Directors which outlined the Board approved process for electing the Board Chair, Vice Chair and Committee Chairs.

Current candidates as declared by November 25, 2014:

- Board Chair: Greg Deck
- Vice Chair: Rick Jensen
- Executive Committee Chair: Greg Deck
- Community Initiatives Committee Chair: Laurie Page
- Sector Initiatives Committee Chair: Kim Deane
- Finance & Audit Committee Chair: Am Naqvi
- Investment Committee Chair: Rick Jensen

There were no resolutions arising.

8. INVESTMENT PROGRAMS

Report from the Investment Committee

The Committee Chair provided the Board of Directors with a verbal report on recent Investment Committee activities for informational purposes only.

There were no resolutions arising.

Quarterly Investment Report

The Board of Directors was provided with a written and verbal review of the Trust's investment portfolio for the period ending September 30, 2014. The report was provided for informational purposes only.

There were no resolutions arising.

YHL Aviation Group Inc.

A memorandum was provided to the Board of Directors which sought approval of an increase in an existing debt investment in YHL Aviation Group Inc. to assist in the purchase of an AS350B3e helicopter, which is currently under lease.

73/14 Motion, seconded and resolved that:

As approved by the Investment Committee, the Board of Directors hereby approves an increase of [REDACTED] in the debt investment in YHL Aviation Group Inc. to a new maximum of [REDACTED] for the purchase of an AS350B3e helicopter.

9. CORRESPONDENCE

The Read File was distributed to the Board of Directors.

There were no resolutions arising.

10. OTHER BUSINESS

Verbal Reports from Directors on Community Activities

There were no resolutions arising.

11. IN CAMERA

Board Round Table

There were no resolutions arising.

The meeting concluded at 12:00 pm.

Certified Correct:

G. Deck, Chair

J. Medlar, Recording Secretary