

TSAWWASSEN TREATY INFORMATION ITEM – April 23, 2007

INTRODUCTION

The purpose of this Information Item is to provide the public, and Council, with information on the contents of the recently initialed Tsawwassen Treaty. In the Information Item, at the beginning of each Regular Council Meeting, we will look at the contents in small, comprehensible bites, in a Question and Answer format, so that the public may better understand what the Treaty contains.

The Items will then be posted on the Delta website to make them readily available to the public.

Today's Information Item addresses the Financial Components of the Tsawwassen Treaty. Financial Components are described in Chapters 18 and 19 of the Tsawwassen Final Agreement as well as two side agreements titled *TFN Fiscal Financing Agreement* and *TFN Own Source Revenue Agreement*.

Chapter 18 – Capital Transfer and Negotiation Loan Repayment, states the Tsawwassen First Nation (TFN) will receive a capital transfer of approximately \$13.9 million (2006 dollars) over 10 years from the government of Canada. This includes a number of specific funds, some of which have been noted in previous Information Items:

- Economic Development Capital Fund (\$1,055,000)
- Forest Resources Fund (\$106,000)
- Commercial Fish Fund (\$1,155,000)
- Commercial Crab Fund (\$450,000)
- Wildlife Fund (\$50,000)
- Reconciliation Fund (\$440,000)

These funds are all payable on the effective date along with a capital transfer of \$3.4 million. The remaining funds are to be paid annually at \$1 million per year for nine years after the effective date of the Treaty. TFN was provided negotiation loans from Canada totaling approximately \$5 million during treaty negotiations that will be paid back through annual deductions in the capital transfer payments.

In addition to these funds, Canada will provide TFN \$2 million in consideration of the release by TFN of the rights to the mines and minerals under the existing reserve lands on English Bluff.

Chapter 19 - Fiscal Relations states that a side agreement called the *TFN Fiscal Financing Agreement* will be negotiated every five years. The agreement to come into effect at the effective date of the Treaty was initialed at the same time as the Treaty. This agreement describes the federally and provincially supported programs and services to be provided by TFN and the corresponding funding to be paid to TFN by the federal and provincial governments. \$2.8 million per year will be provided to TFN in ongoing funding for programs and services as well as incremental implementation and governance activities. This includes education, social, health, local services, capital works, fisheries and self-government programs. This annual funding also includes \$100,000 of provincial funding specifically designated for a Local Government Programs and Services Liaison Officer to help facilitate partnerships with GVRD and Delta with respect to local government programs and services.

The *TFN Fiscal Financing Agreement* also includes federal one time funding for Treaty implementation activities that consists of \$13.5 million for TFN Government one-time and ongoing activities relating to implementation of the Treaty and \$1 million for Fisheries programs. In addition to the federal one-time funding, there is an additional \$1 million one-time funding from BC for the protection and preservation of TFN culture, heritage and language.

An additional side agreement initialed at the same time as the Treaty was the *TFN Own Source Revenue Agreement*. In this agreement, there are provisions for the \$2.8 million in annual funding described in the *TFN Fiscal Financing Agreement* to be reduced based on a formula that relates to the amount of revenue that TFN generates. Eligible TFN revenue includes taxes collected by TFN, taxes that are returned to TFN from BC and Canada through other side agreements, TFN business and property income, and TFN fees and charges. This is subject to some specific sources not to be included in the calculations. The percent of revenue eligible to be included in TFN's own source revenue calculation will be zero for the first five years and then incrementally increases in the remaining 15 years of agreement. The annual federal funding will not be reduced below \$265,000 per year. Provincial funding of \$100,000 per year will not be reduced through this agreement.

Conclusion

That is an overview of the Financial Components of the Tsawwassen Treaty. At the next Regular Meeting of Council, we will look at what the Treaty has to say about Natural Resources.