



HFN GROUP OF BUSINESSES

2014 - 2015 Annual Report

Building Skills for a Better Future



Table of Contents

Our Vision	3
Introduction	4
Message from the Chair	5
Message from the Chief Executive Officer	6
About the HFN Group of Businesses	7
Business Highlights and Achievements	9
Training Programs Lead to Jobs: A Spotlight on Capacity Building	14
Future Opportunities	16



Our Vision

Together, the Huu-ay-aht Economic Development Committee and group of businesses strive to achieve a flourishing Huu-ay-aht economy through initiatives that provide sustainable benefits for all.



Introduction

Welcome to the fourth annual report issued by the HUU-AY-AHT group of businesses to HUU-AY-AHT citizens, stakeholders, government, and the public. This report summarizes our business activities from April 1, 2014 to March 31, 2015 and shares the highlights from a group of businesses designed to achieve the economic vision of HUU-AY-AHT citizens and leaders.

During the past year, the HFN group of businesses worked hard to expand opportunities for citizens and family members and build solid foundations for successful business management.



Highlights for 2014-15

- Provided jobs for 82 people, including 60 HUU-AY-AHT citizens and family members.
- Provided training and mentorship programs for more than a dozen HUU-AY-AHT citizens.
- Improved efficiency and service at all HFN-owned businesses.
- Secured \$250,000 in funding for the final stages of feasibility and design for the Sarita River Clean Energy Project.
- Increased profits resulting in more financial contributions to the HUU-AY-AHT community.

Message from the Chair

The HUU-ay-aht economy continued to grow over the last year, building on the solid foundation of our first three years as your group of businesses. On behalf of the Operating Boards, I'm pleased to present our fourth annual report summarizing activities, achievements and highlights.

This year we are particularly excited to share the results of our partnerships, which provided opportunities for citizens to learn new skills on the job and build their capacity to embrace opportunities in the HUU-ay-aht economy. I'm proud to report that almost 73% of our employees are now HUU-ay-aht citizens or family members.

Improving existing businesses has always been a focus, and this year we continued upgrading the Pachena Bay campground and The Market in Bamfield. Both these businesses continue to expand and improve, capitalizing on the demand for local services. Similarly, a stellar timber harvest enabled us to both contribute over \$1 million to the nation and reinvest in our forestry operations. Maintaining and building business health while increasing our assets has long been a priority for your group of businesses. In 2014-15, we increased these assets by more than \$800,000.

Of course, none of these achievements would have been possible without the people who work in HUU-ay-aht businesses. Our staff are second-to-none. Each time they demonstrate enthusiasm and strive to excel in their jobs, they contribute to the success of the HUU-ay-aht economy. Across the businesses, our staff are enthusiastic, thoughtful and professional: they are the reason for our success.

Now three years into operations, we are on solid footing with a promising future. We will continue to build and expand businesses and review new opportunities as they arise, all the while making our organization as efficient as possible. If you have any suggestions or ideas to share, please contact us by email (info@huyuayaht.com) or by phone (778-421-3577 or 250-728-3080). We look forward to hearing from you.



A handwritten signature in black ink, appearing to read 'A. Wesley'.

Sincerely,

Angela Wesley, Chair
Operating Boards, HFN group of businesses

Message from the Chief Executive Officer

Welcome to the 2014-15 Annual Report from the HFN group of businesses. As you read through this report, you will likely notice a focus on the training and mentorship programs taking place across the HFN group. That focus is deliberate: we want you to know about the incredible work that Huu-ay-aht citizens are doing and how they are embracing opportunities available in all fields. We also want you to know that opportunities exist for you.

Improving the skills of employees helps businesses function more successfully, but providing training and mentorship for Huu-ay-aht citizens also has far-reaching effects on community health and productivity. During the past year, the HFN group of businesses forged partnerships to ensure that citizens and workers get the training they need to excel in their jobs. But we didn't stop there.

We also focused on moving employees ahead as they demonstrated their readiness to embrace new challenges. This practice enabled workers to advance from seasonal or entry level jobs into full-time, year round work with greater responsibilities. In the same way, we continued apprenticeships and skill-building already underway, supporting those individuals who have made a long-term commitment to their future.

As we move ahead, we will continue to support training programs and strategically align your group of businesses with partner companies and contractors. We will also capitalize on the unique relationship between the Huu-ay-aht government and the group of businesses, a relationship that enables us to access HFN land and resources to grow the Huu-ay-aht economy.

Working together, we can accomplish so much. Let's continue to move ahead together, for the benefit of all Huu-ay-aht.

Sincerely,



Stan Coleman, CEO, HFN group of businesses



About the HFN Group of Businesses

Huu-ay-aht First Nations sets the vision and strategic direction for economic development for the Nation. Using that vision as guidance, the HFN group of businesses implements the strategic direction of all businesses owned by Huu-ay-aht First Nations. The following diagram summarizes the main businesses operating in the HFN group of businesses.



About the HFN Group of Businesses

Board of Directors

Angela Wesley, Chair
Val Bellwood
John Mass
Cory McIntosh, CFP, CAFM, CGA
Bob Brough

Staff and Management Consultants

Stan Coleman, RPF, Chief Executive Officer
Denise Hollinger, Financial Controller
Paul Dagg, RPF, Planning Forester
Sarah Johnson, Anacla Business Manager-in-Training
Martha Johnson, Accounting Assistant
Mark Goddard, Safety and Environment
Trudy Warner, MA, CEC, Communications and Human Resources
Peter Herbig, Business Manager, The Market

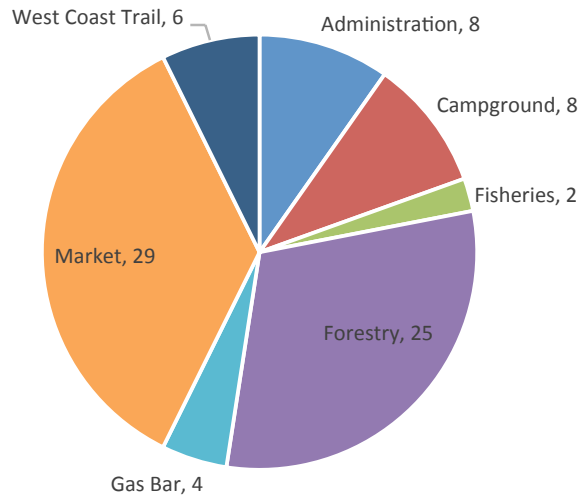


“Working with the HFN group of businesses has been a great experience that has built both my confidence and my professional skills to get the job done.”

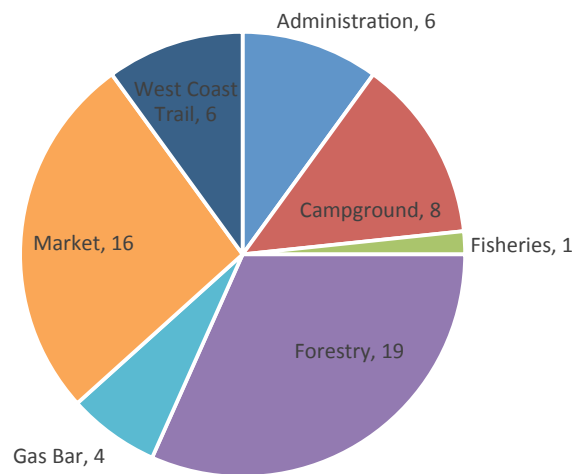
–Martha Johnson, Accounting Assistant

Business Highlights and Achievements

Employees By Location/Company
Total of 82 for 2014/15



Citizens and Family Members
Employed By Location/Company -
Total of 60 for 2014/2015



"The HFN group of businesses always makes sure that we are well taken care of."

—Duane Nookemis, Supervisor, West Coast Trail crew

Business Highlights and Achievements

This year our businesses achieved the following between April 1, 2014 and March 31, 2015:

The Market

The Market is a central part of the Bamfield and Anacla community and includes a café, general store, and liquor outlet open year round.

- Employed 29 people, including 16 HUU-ay-aht citizens and family members.
- Provided formal training programs for three employees.
- Installed new inventory and purchase systems.
- Operated a successful school lunch program.
- Hired and trained a new Market Manager.
- Managed the dock and float house.



"I like to keep busy, so I asked how I could help. Now I'm working in the kitchen."

–Marie Newfield, café employee

Gravel Pit

The HFN group operates a gravel pit and rock quarry by special permit. Currently the gravel pit has approximately 140,000 tonnes of material.

- Created new product through both the quarry and gravel pit for use at the Pachena Bay Campground.
- Produced enough product for local sales in Bamfield / Anacla.



Business Highlights and Achievements

Forestry

HFN Forestry manages two long-term forestry tenures with an annual timber harvest of 87,000 m³ and harvests timber from HFN's Treaty Settlement Lands.

- Employed 25 people, including 19 Huu-ay-aht citizens and family members.
- Provided training programs and mentorships for nine employees.
- Provided off-season work for employees of the West Coast Trail and campground.
- Generated more than \$1 million in stumpage payable to the Nation.
- Planted more than 25,000 seedlings.
- Processed more than 93,000 m³ of timber through the Spencer dry land sort.
- Secured \$11,500 worth of funding for mapping non-timber forest products.



"The HFN forestry business has evolved well over a decade from small silviculture contracts and salvage harvesting into a full-fledged forestry company with our own tenures and sorting capacity."

–Stan Coleman, CEO, HFN group of businesses

Fisheries

The fisheries business consists of eight commercial fishing licenses, a contract for managing the Bamfield East Dock, and several inactive aquaculture tenures.

- Partnered with Aquatrust Research and Education Society to successfully manage fishing licences and leases generating over \$100,000 in revenue.
- Provided employment for two citizens during oyster harvest, kelp harvest, and general cleanup of assets.



"I hope to see more citizens become fishermen...so we can benefit fairly from all communal licences and quota."

–Francis Mickey, fisherman

Business Highlights and Achievements

Management

Our management team provides administrative, financial, record keeping, accounting, communications, human resources, health and safety, and advisory services to the businesses and projects within the HFN group.

- Employed eight people to provide these services, including six HUU-ay-aht citizens and family members.
- Created on-the-job training programs to improve the skills and opportunities for citizens, including a new Manager-in-Training responsible for all Anacla businesses.
- Restructured employment services to improve efficiencies between the gas bar, woodlot, and campground.



"It has been very positive working with the HFN group. They are courteous, professional and respectful in their approach...understanding each other's interests has been important to partnership."

-Sarah Ozog, Coordinator of Strategic Partnerships, Western Forest Products

Campground

The Pachena Bay Campground operates seasonally from May to September. In 2014, we prepared a multi-phase business plan for the campground and began implementing Phase One.

- Provided employment for eight citizens and family members.
- Raised and levelled the campground road using HFN gravel.



"In the 20 years that I've lived here, the campground has never looked so good."

-John Mass, Operating Board Member

Business Highlights and Achievements

West Coast Trail

Since 2011, the HFN group has managed a contract with Parks Canada to maintain a portion of the West Coast Trail.

- Successfully maintained 25 km of the West Coast Trail.
- Renewed our partnership with Parks Canada to continue trail services.
- Worked with Parks Canada to coordinate training for crew-members.
- Provided employment for six citizens, including one summer student.



"Parks Canada and First Nations have the same vision for preserving the area around the West Coast Trail...that's what our crew members do out there, talking about their territory and taking pride in following in our traditions for protecting and preserving the land."

–Sheila Charles, HFN Elected Councillor

Gas Bar

The Pachena Bay Gas Bar provides gas for general sale and diesel for internal business purposes.

- Provided gas services to Anacla and surrounding area.
- Provided employment for four citizens who worked on-call while helping at other Anacla businesses.



"It's great to have gas available in Anacla. Because of that, we don't have to worry about filling up jerry cans in Port Alberni or driving around with a quarter of a tank."

–Kristen Young

Training Programs Lead to Jobs: A Spotlight on Capacity Building

Building a prosperous economy takes time, but a major step in the journey is establishing a strong workforce to support local businesses. Developing that workforce has been a focus of the HFN group since its inception, but 2014-15 saw a major increase in this area.

Beginning with the largest business in the HFN group—HFN Forestry—management staff forged training partnerships with other forest companies to build the skills of citizens and link training to jobs. “This year we have had nine people go through training programs...it has been phenomenal,” says Denise Hollinger, financial controller for the HFN group.

“I am being provided the tools necessary to help me reach my career goals.”

—Martha Johnson, Advanced Accounting Clerk

These training partnerships have included placements for HFN citizens in bucking, scaling, log truck driving, and more. Duane Nookemis Jr., George Johnson and Crystal Clappis are just a few of the citizens who have taken part. Patrick Nookemus also participated, beginning as a buckler with Western Forest Products and moving into a more advanced position after demonstrating his aptitude for learning.

“Once someone proves themselves successful, we train them beyond the position they’re in and fill that entry level position with a new mentee,” says Sarah Ozog of Western Forest Products. “If they’re successful at the training, they’ll be hired.”

This link to a real job is an important consideration for the HFN group when forging partnerships with industry. And while the current partnerships are focused

on building skills that lead to employment with other companies, participants like Patrick Nookemus often work on HUU-ay-aht lands, bringing their unique perspective to the operations.

“This partnership is exemplary of the mutual benefits that can take place between First Nations and industry,” Sarah says. “We get the incremental volume from HUU-ay-aht First Nations, and in return, there are increased opportunities for training and employment.”

In the future, Western Forest Products hopes to expand these training partnerships to their manufacturing sector to offer broader opportunities to HUU-ay-aht and other First Nations. “We have two sawmills in Port Alberni, so it’s important for us to keep employment in the valley,” says Jim Muress, Operations Manager for Western Forest Products.



In addition to pursuing training partnerships with industry, the HFN group also provided on-the-job mentorships for people already employed in our businesses. The goal of these mentorships was to help

employees develop higher-level job skills and advance into positions requiring more responsibility.

Early in the fall, Sarah Johnson advanced into her new position managing four businesses in the Anacla area. She took on this challenge after attending a series of supervisory training workshops delivered by the City of Port Alberni and working for the HFN group for three years. More recently, Martha Johnson moved into her position as advanced accounting clerk. Martha originally started as a contractor in the finance department. She worked her way up from part-time data entry to managing payroll and administering employee benefits.



“Being provided with on the job training and workshops during work hours has been essential for me, because it doesn’t take time away from being a mom to my three young daughters,” Martha says. “I am being provided the tools necessary to help me reach my career goals.”

Other employees of the HFN group are also working towards achieving their career goals. This year, Jacquie Mack trained in various computer programs and expanded her administrative skills while working at the Pachena Bay campground. At The Market, Craig Charleson continued apprenticing as a cook under Operating Board Member, John Mass, himself a Red Seal chef.

Duane Nookemis and other crewmembers on the West Coast Trail took part in training with Parks Canada to improve and expand skills for their work on the trail and beyond. “One of our crew members was able to use the training he received while working for the HFN group to gain employment with our HFN government fisheries program. Now he has full-time employment and is able to spend more time with his young children,” Duane says.

Across all HUU-ay-aht businesses, employees, interns, and contractors are finding out about the exciting opportunities available for citizens and family members. If you are interested in contributing to the growing HUU-ay-aht economy while watching your own skills and confidence thrive, contact the HFN group of businesses for more information at info@huyuayaht.com (email), 778-421-3577 (Port Alberni office), or 250-728-3080 (Anacla office).

Future Opportunities

The HFN group of businesses is dedicated to pursuing activities that align with the economic, environmental, and cultural vision and values of Huu-ay-aht First Nations. Our focus for next year includes:

1. Capitalizing on the unique relationship between the Huu-ay-aht group of businesses and the Huu-ay-aht government. This strategic partnership creates wealth and employment opportunities for Huu-ay-aht citizens, family members, associates and contractors.
2. Working with the Huu-ay-aht government to access land and water resources to grow the economic development arm of our nation.
3. Support training programs within the current workforce, strategically aligning the Huu-ay-aht group of businesses with partner companies and contractors.





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