

**RESOLUTION NO. 9935**

**WHEREAS**, The Tribal Council has completed the annual budget development process including review of financial needs and revenue projections for the next calendar year and there has been considerable community involvement during this annual budget development process including 3 district meetings and 2 general council meetings; and,

**WHEREAS**, Pursuant to Resolution #7720 dated November 22, 1988, policies of the Revenue Reserve Fund, Article VI, Earnings of the Fund, states that "Provided, that in low revenue years, the Tribal Council may determine that additional revenues are needed in the General Fund and may direct that part or all earnings for that year be credited to the General Fund"; and,

**WHEREAS**, Tribal Enterprise dividends and revenues and timber stumpage and other Tribal revenues from the following sources are estimated for calendar year 2001:

Reservation Timber 2001	\$ 4,800,000
Forest Administration Fees (Not to exceed 10%)	<u>(384,000)</u>
<b>TOTAL TIMBER REVENUE</b>	<b>4,416,000</b>

Interest from Treasury	534,880
Other Interest	307,120
Interest from Revenue Reserve Fund	1,000,000
Interest-I.H.S./B.I.A. 638	<u>500,000</u>
<b>TOTAL INTEREST REVENUE</b>	<b>2,342,000</b>

Round Butte Dam	9,025,605
Pelton Dam	<u>1,974,395</u>
<b>TOTAL HYDRO LEASES</b>	<b>11,000,000</b>

Warm Springs Power Enterprise	5,290,029
Credit	150,000
Gaming	<u>500,000</u>
<b>TOTAL ENTERPRISE REVENUE</b>	<b>5,940,029</b>

Court Fines and Fees	250,000
Fishing and Business Permits	126,550
Other Leases and Rentals	20,000
Cigarette Tax and Gas Tax Refunds	237,000
Other Income	10,000
Enterprise Leases	250,000
Construction Off Reservation Projects	<u>150,000</u>
<b>TOTAL OTHER REVENUE</b>	<b>1,043,550</b>

Indirect Income	<u>2,000,000</u>
<b>TOTAL INDIRECT REVENUE</b>	<b>2,000,000</b>

Designated 1999 Timber Blowdown	1,500,000
Undesignated Fund Balance	<u>3,500,000</u>
<b>TOTAL OTHER SOURCES</b>	<b>5,000,000</b>

<b>GRAND TOTAL REVENUE</b>	<b><u>\$ 31,741,579; and,</u></b>
----------------------------	-----------------------------------

**WHEREAS**, Tribal member input during the budget emphasized concerns about employment, education, public safety, housing, natural resource protection, the need for program and employee accountability, the quality of service delivery, revenues and the overall size of the budget; and,

**WHEREAS**, The Tribal Council feels that Tribal program managers need to be more innovative, more efficient and more effective in operating Tribal government programs to deliver services to the community; and,

**WHEREAS**, The Tribal Council has evaluated this final budget action in view of the proposed 10-Year Financial Strategy and has determined that the amount reflected in the following appropriated budget will serve the needs of the Confederated Tribes of Warm Springs for Calendar year 2001:

**2001 Budget Expenditures**

	<b>2001 Proposed Budget</b>	<b>2001 Appropriated Budget</b>
<u>Operating Expenses:</u>		
Office of Secretary-Treasurer	\$ 377,927	\$ 377,927
Office of Governmental Affairs & Planning	452,409	452,409
Personnel	301,523	301,523
Compensation & Benefits/MCP	157,952	157,952
Finance	1,237,878	1,237,878
Office of Tribal Relations	449,752	449,752
Administrative Service Center	359,062	359,062
Office of Information Systems	662,759	662,759
Office of Internal Audit	157,967	157,967
Chief Operations Officer	116,482	116,482
Business/Economic Development	457,743	457,743
Education Services	2,662,148	2,662,148
Public Utilities	2,687,156	2,687,156
Human Services	1,739,732	1,739,732
Public Safety	2,695,697	2,695,697
Natural Resources	1,218,847	1,218,847
General & Administrative	2,142,385	2,142,385
Tribal Council	514,511	652,000
Committees	472,219	372,219
Tribal Court	429,569	429,569
Appeals Court	78,391	78,391
Tectonics International	0	0
Gaming Commission/Surveillance	0	0
Cost of Living	150,000	300,000
Unallocated Budget Reductions	0	(1,130,000)
Requested Program Additions	1,794,334	1,506,000
<b>TOTAL OPERATING BUDGET</b>	<b>\$ 21,316,443</b>	<b>\$20,085,598</b>

**RESOLUTION NO.9935**  
**PAGE THREE OF FOUR**

	<b>2001 Proposed Budget</b>	<b>2001 Appropriated Budget</b>
<u>Community Assistance:</u>		
Funeral Grants	85,375	85,375
Tribal Access Roads	40,000	40,000
Miss Warm Springs	21,400	21,400
Emergency Relief	11,250	11,250
Portland Rose Garden Skybox	<u>147,859</u>	<u>147,859</u>
<b>TOTAL COMMUNITY ASSISTANCE</b>	<b>\$ 305,884</b>	<b>\$ 305,884</b>
<u>Debt Service:</u>		
Other Notes (EDA, USDA, OEDD)	\$ 485,905	\$ 485,905
Early Childhood Educ. Bldg. Bonds	448,223	448,223
Health & Wellness Bldg. Note	<u>479,872</u>	<u>479,872</u>
<b>TOTAL DEBT SERVICE</b>	<b>\$ 1,414,000</b>	<b>\$ 1,414,000</b>
<u>Economic Development:</u>		
The Museum At Warm Springs	259,392	259,392
New Revenues/Job Investments	<u>2,500,000</u>	<u>2,000,000</u>
<b>TOTAL ECONOMIC DEVELOPMENT</b>	<b>\$ 2,759,392</b>	<b>\$ 2,259,392</b>
<u>Capital Projects:</u>		
Vehicles	\$ 150,000	\$ 150,000
Land Purchases	400,000	400,000
Equipment Acquisitions	100,000	100,000
Housing Initiative	250,000	250,000
Infrastructure	1,000,000	448,000
Seekseequa Fire Hall	0	250,000
Simnasho Arena	0	52,000
Building/Remodel	200,000	200,000
Building Maintenance	100,000	100,000
Artifacts	50,000	50,000
Utilities New/Replacement	<u>100,000</u>	<u>100,000</u>
<b>TOTAL CAPITAL PROJECTS</b>	<b>2,350,000</b>	<b>2,100,000</b>
 <b>GRAND TOTAL - EXPENDITURES</b>	 <b><u>\$28,145,719</u></b>	 <b><u>\$26,164,874</u></b>
 Available for Per Capita	 4,896,000	 4,896,000
Budget Surplus		680,705

now, therefore

**BE IT RESOLVED**, By the (21st) Tribal Council of the Confederated Tribes of the Warm Springs Reservation of Oregon, pursuant to Article V, Section 1 (t), as amended, of the Tribal Constitution and By-Laws, that the foregoing budget is approved with an effective date of January 1, 2001; and,

**BE IT FURTHER RESOLVED**, That the sum of \$ 26,164,874 is hereby appropriated for expenditure pursuant to the foregoing annual budget for the twelve month period January 1, 2001 through December 31, 2001 and the Secretary of Interior or his/her authorized representative is hereby requested to approve such budget; and,

**BE IT FURTHER RESOLVED**, That it is the direction of the 21<sup>st</sup> Tribal Council that the Tribal Government organization improve efficiency and begin to permanently downsize operations to better match anticipated revenues with expenditures during the fiscal year 2001 and the Secretary-Treasurer is directed to coordinate with the Chief Operations Officer to achieve an overall permanent base budget reduction of \$ 1,230,000, including a reduction in the number of Tribal Council committees and a reduction of Tribal Government programs and services, provided that Tribal Council Committee members travel at federal per diem rates beginning in year 2001; and,

**BE IT FURTHER RESOLVED**, That the appropriated funds for non-capitalized programs shall be eligible for expenditure for a period not to exceed 2 calendar years and that the appropriated funds for capitalized items and projects shall be eligible for expenditure until the projects are completed; and,

**BE IT FURTHER RESOLVED**, That the Secretary-Treasurer of the Confederated Tribes of the Warm Springs Reservation of Oregon is hereby authorized to proceed with the expenditure of funds for the purpose and amounts indicated in the budget, provided that all constitutional provisions are met; and,


**BE IT FURTHER RESOLVED**, That the Secretary-Treasurer and the Chief Operations Officer have been delegated sufficient authority under the Management Plan and are directed to proceed with the implementation of this 2001 Tribal budget.

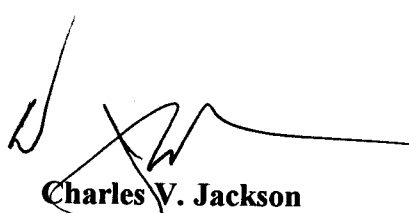
#### **CERTIFICATION**

The undersigned as Secretary-Treasurer of the Confederated Tribes of the Warm Springs Reservation of Oregon, hereby certifies that the Tribal Council is composed of 11 members, of whom 8 constituting a quorum were present at a meeting thereof, duly and regularly called, noticed, and convened and held this 22<sup>nd</sup> day of November 2000, and that the foregoing resolution was passed by the affirmative vote of 6 members, 1 member abstaining, the chairman not voting, and that the said resolution has not been rescinded or amended in any way.

**NOTED:**

NOV 30

  
**Gordon E. Cannon**  
Superintendent

  
**Charles V. Jackson**  
Secretary- Treasurer

cc: Secretary-Treasurer  
Superintendent  
Administrative Service Center  
Finance

## EXHIBIT "A"

1. That the Tribal Court and the Warm Springs Police Department are expected to cooperatively implement the Tribes' new "Traffic Team" effort to reduce highway speeds on reservation roads to a safe level; and
2. That, during the first quarter of 2001, the Secretary-Treasurer and the Chief Operations Officer shall present to the Tribal Council for approval an enterprise "Plan of Operations" for Tribal Construction to include authorizing bidding, negotiating, contracting and actual constructing of off-reservation construction projects and to designate a sufficient "Construction Working Capital" account in accordance with an enterprise business plan; and
3. That the Tribal Council directs the Secretary-Treasurer to negotiate a reimbursement arrangement from the Tribal Credit Enterprise, by January 31, 2001, in an amount consistent with this budget and to prepare and submit to the Tribal Council for approval any necessary changes to Credit's Enterprise Charter; and
4. That the Tribes' Tax Commission shall convene and, with the assistance of the Secretary-Treasurer and legal counsel, shall cause to be levied a "Lodging Receipts Tax" on all commercial lodging businesses throughout the reservation by March 31, 2001 at a rate sufficient to generate tax revenues no less than the amount within this budget; and
5. That the Secretary-Treasurer and the Chief Operations Officer are directed to explore the feasibility and desirability of contracting, under P.L. 93-638, to operate additional BIA and/or I.H.S. programs and to report back to the Tribal Council with recommendations by the second quarter, 2001; and
6. That the additional COLA funds appropriated in 2001 shall be utilized to, after the Tribes' Salary Chart is adjusted, bring any "Green Circle" employees up to the minimum pay level for their positions plus provide for a 3% COLA to all Tribal employees, provided sufficient funds are available; and
7. That the Secretary-Treasurer is authorized to work with the Spilyay Tymoo manager and implement, if appropriate, an advertising service and program to raise additional revenues; and
8. That the Secretary-Treasurer shall establish a policy to allocate all or a portion of new revenues generated by Tribal Departments and programs to their respective budgets to be used for the purpose of reducing Tribal departmental or program expenditures or to add services; and
9. That the Secretary-Treasurer and the Chief Financial Officer shall establish fee schedules to allocate the expense of providing administrative services and/or conducting financial oversight for the various Tribal enterprises and collect such fees provided such fee schedules are published; and
10. That the Tribal Council shall, within the next 60 days, establish a Tribal "Economic Development Corporation" and an enterprise Board of Directors as recommended by Tribal Management and further authorize the Secretary-Treasurer to coordinate with legal counsel to ensure the orderly start-up of enterprise operations; and
11. That the Secretary-Treasurer is directed to prepare, in consultation with the Pension Committee, and submit for review and approval to the Tribal Council an "Early Retirement Plan" by January 31, 2001; and

12. That the Secretary-Treasurer and the Chief Operations Officer are authorized and directed to seek out and secure additional non-Tribal funds to support existing Tribal programs and services or to support new programs and services as appropriate and, at a minimum, in such amounts anticipated in this budget document; provided that Tribal Council concurrence is secured prior to acceptance; and

13. That the Superintendent is requested to conduct an appraisal of the lands heretofore designated for use by the major enterprises and to recommend lease rates to be paid to the Tribe for the use of those lands, provided that the Secretary-Treasurer shall incorporate such appraisal information into a recommendation to the Tribal Council for their approval to establish lease arrangements between the Tribe and these major enterprises, such recommendation to be made by March 31, 2001.

**DECISION ELEMENT**

**Comments**

**Group**

**Pkg #2**

**Pkg #3**

**New Initiatives**

401 K Plan	\$ 200	\$ 200	\$ 200	Per Pension Comm
Pension Increase	\$ 150	\$ 150	\$ 150	Per Pension Comm
COLA @ 3%	\$ 150	\$ 200	\$ 200	Per Comp & Ben
Merit Pay	\$ 200	\$ 150	\$ 150	Per GMs & Dirs
Branch Requests	\$ 420	\$ 446	\$ 586	Per GMs & Dirs
Severance Pay/Training	\$ -	\$ 360	\$ 480	Per Personnel Pol
<b>Totals</b>	\$ 1,120	\$ 1,506	\$ 1,766	

**Notes:**

Group package: Maintains all current T/Govt employees; Includes funds for the following GM/Dir initiatives: Insurance (25k); Fish Biologist & Technician (\$95.8); Waste Water Plant Operator (\$55k); Spilyay Tymo Development (\$30k); New CPS Staff & Foster Care (\$134.9k); Enterprise Controller (\$80k). Except the System Analyst, all other initiatives are included and costs are absorbed in Branch budgets.

Package #2 summary: Includes "Group" and provides Severance Pay/Training for 20 affected employees; Early Retirement Incentive Program funds to be added or reallocated from Yr 2000 savings. Initiatives reallocated somewhat.

**Policy Decisions:**

Appropriating funds; Authorizing changes to the Tribes' Pension Program; Authorizing new programs/svcs to be funded by Tribal funds; Combine unspent CY '00 \$150k COLA with CY '01 \$150k; Authorizing charges to Enterprises for the Enterprise Controller;

**Management Decisions:**

Expending appropriated funds to operate programs and determining program service delivery methods; Implementing Tribal benefit programs; Distributing COLA; Developing and implementing a new Merit Pay program and adjusting pay appropriately; Selling Ads in Spilyay Tymo; Allocating charges for the Enterprise Controller

**Tribal Govt Downsizing**

	<b><u>Group</u></b>	<b><u>Pkg #2</u></b>	<b><u>Pkg #3</u></b>	<b><u>NOTES</u></b>
Elim Vacancies, Other Wages	\$ -	\$ (100)	\$ (100)	Per Sept '00 Rpt
Early Retirement Incentive	\$ -			Proposal Pending
Consolidate Committees	\$ (100)	\$ (100)	\$ (100)	Cut to 4 (6 person) committees
T/C Travel Reductions	\$ (70)	\$ (45)	\$ (45)	
T/Govt Travel Reduction	\$ (30)	\$ (30)	\$ (25)	
New Grants and Contracts	\$ -	\$ (250)	\$ (500)	
Reduce/Eliminate Duplication	\$ (250)	\$ (750)	\$ (1,000)	Permanent T/Org Reductions
<b><u>Totals</u></b>	\$ (450)	\$ (1,275)	\$ (1,770)	

**Notes:**

"Group" package summary: Maintains most vacant positions and 'Other Wages' \$; Does not address "Early Retirement Plan"; Some cuts to T/C & T/Gov't Operations travel; New Grant \$ offset by new grant program costs;

Pkg #2 summary: Includes "Group" reductions; New Grant \$ replace existing T/Dept funds; Eliminates 20 jobs and transfers/terminates employees to non-T/Govt jobs (Kahneeta, Gaming, etc);

Pkg #3 summary: Aggressive; Eliminates 30 jobs and transfers/terminates employees to non-T/Govt jobs;

**Policy Decisions:**

T/C adopts a permanent budget reduction target (\$ ) and directs the S/T and COO to allocate permanent budget reductions; Approving a change in subordinate boards or officials reporting to T/C; Approving an Early Retirement Incentive Program; Committees to travel at Federal per diem rates and reimbursements over per diem with receipt.

**Management Decisions:**

How to implement program/svc reductions (eg. Selecting Branches/Depts/Programs to consolidate, Selecting functions to reduce/eliminate, Reducing program budgets, jobs and employee transfers);  
Developing and implementing a strategy to secure non-Tribal funding for programs & projects;



<u>New Revenues</u>	<u>Group</u>	<u>Pkg #2</u>	<u>Pkg #3</u>	<u>NOTES</u>
Traffic Team	\$ 120	\$ 180	\$ 180	First full year
Off-Res Construction Projs	\$ 100	\$ 150	\$ 200	10% Profit Margin on projects
Enterprise Leases	\$ -	\$ 250	\$ 500	Non-Div Enterprises
Credit Dividend/Reimbursement	\$ 100	\$ 150	\$ 200	Legal Counsel Opinion
KNT Room Tax	\$ 120			In lieu of Lease or Div
Other Fees/Fish Permit/User Fees	\$ 25	\$ 25	\$ 25	Per N/Resc
<b>Totals</b>	\$ 465	\$ 755	\$ 1,105	

**Notes:**

Group pkg: Conservative but requires additional delegations and policy changes;

Package #2: Tribe leases land to Enterprises that do not dividend (eg WSFPI, KNT)

Package #3: Aggressive new revenue proposals

**Policy Decisions:**

Changes to the Tribal Law & Order Code; Authorizing Dept/Program revenues to go to the Tribes General Fund or to the Dept/program; Formalizing enterprise status and W/C \$ for Construction; Decision to contract additional BIA and I.H.S. programs/svcs; Auth. Land leases and other charges to Tribal enterprises; Delegate authority to set fishing, camping permit fees;

**Management Decisions:**

Specific details for implementing Traffic team; Organizing, hiring & directing construction staff; Determining which off-res projects to bid/negotiate and build; Securing non-Tribal funds; Negotiating & executing PL 93-638 Contracts; Negotiating w/ Credit to fund a small bus grant program;

<u>New Investments</u>	<u>Group</u>	<u>Pkg.#2</u>	<u>Pkg.#3</u>	<u>NOTES</u>
'Infrastructure	\$ 1,000	\$ 750	\$ 1,000	Plan is Pending Approval
Enterprise Investments (New Revenues/Job Investments)	\$ 1,500	\$ 2,000	\$ 2,500	New Job Target in 2001? ROI Target of 20% Div Target of 10% in 2003
<b>Totals:</b>	\$ 2,500	\$ 2,750	\$ 3,500	

**Notes:**

All pkgs: Leverages Tribal \$ with add'l grant/loan funds for projects; Combines new investment funds with unspent eco devo funds from yr 2000; Tribal eco deco investment funds are leveraged at 50%

**Policy Decisions:**

Authorizing, structuring & capitalizing new "Economic Development Corp; Appropriating funds to invest in new revenue and new job projects; Approving Tribes Infrastructure Dev Plan and projects that require an on-going commitment of Tribal operating funds;

**Management Decisions:**

Organizing a team(s) to identify opportunities, determine feasibility, prepare business plans and financing proposals, make investment decisions below a \$ threshold (eg \$1mil), refer project proposals to T/C and/or T/Ref as appropriate; Secure non-Tribal funds to "leverage" Tribal \$ to complete authorized infrastructure projects;

**NOTE:**

Policy and legislative decisions defined by T/Constitution, Management Plan, Budget Ordinance, etc

Management and implementation decisions defined by T/Constitution, Management Plan, Budget Ordinance, other relevant policies (Procurement, Personnel, Salary Admin, etc);

**10-Yr Financial Impact:**

We need to calculate the future financial impact of these decision packages. For example, postponing the implementation of the full \$1.25 mil reductions by only 1 year and with funding only \$750k of new initiatives. in 2001 will cost an additional \$5.5 mil from the Rev Reserve over 10 years.