

Tribe needs a financial blueprint for the future



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DIRECTOR, UNIT II**

We've gotten a lot of work done since I came on board in July 2010. Now, the field is beginning to clear, so that we can focus our efforts on strategic planning: a financial blueprint for the future.

Our various funding sources—IHS, BIA and other federal revenue along with our own tribal corporate tax contribution—dictates that we utilize three separate budget schedules: January to January, July to July and October to October. We are currently reviewing the third and final budget schedule for 2012. By and large, we should not see any major budgetary cuts in 2012.

It is within this financial framework that improvements—in both service to our tribal citizens and our workforce—have to be made. The truth is, we have a lot of challenges to face and solutions will have to be found within the realities of the resources available to us.

Commitment to debt reduction: Fiscal discipline to our debt reduction plan must remain a priority. I am happy to report that we retired our debt on the tribal health center one year ahead of schedule, realizing a savings of \$55,000.

Efficiencies: Preserving or increasing services across the board will require partnering with our employees to identify savings. For example, the retrofitting of energy efficient lighting throughout all tribal facilities is beginning

to realize a significant cost savings in utility expenditures.

Savings and investment: Disciplined savings and investment is a cornerstone to our future prosperity. Regardless of current revenue, budget expenditures and long term debt, we must remain committed to a disciplined plan of savings and investment. Our investment in Indian Energy LLC was a decision I thoroughly supported because the projected return on investment (ROI) will contribute a significant source of revenue with annual dividends of \$8.5 million—almost half of our current out-of-pocket (corporate tax) operating expenses. It's a long term investment, with returns projected to be realized in seven to 10 years. But this investment decision was made with thorough due diligence, transparency, and most importantly the support of our tribal citizens via a referendum election.

Indian Energy LLC submits a comprehensive monthly report to the tribe as well as a bi-annual in-person presentation to ensure contractual benchmarks are being met. I'm happy to report that two significant accomplishments have been achieved: A Power Purchase Agreement (PPA) with a major west cost power utility provider; and a major 8(a) partnership with a federally recognized tribe in order to take advantage of sole source government contracts. I will be able to provide more detailed information in my next unit report. But, I will say that the Sault Tribe needs to get serious about achieving our own 8(a) certification in order to partner and develop opportunities that will translate into jobs for our own tribal citizens.

As we go to press, you may be hearing rumors about gaming efforts downstate. Chairman Eitrem has said it best: "We will explore any and all business and development opportunities that offer the potential to help us

achieve our goals." I support that sentiment but will remain vigilant that we respect our fiduciary obligation as trustees.

We've had a beautiful autumn season. Blue skies, warm weather, spectacular fall foliage. The Newberry (Honoring the Waters)

powwow was an especially good time for all. Thank you to all the drums, dancers, vendors and community who volunteered their time to make it so special. The elders in the Naubinway area have been out gathering cranberries and everyone seems busy with harvesting, can-

ning and setting in for winter—a good time for feasts of thanksgiving for our blessings from Mother Earth.

As always, please contact me with your questions, concerns and assistance:

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