

Tribe facing both obstacles and opportunities



DJ HOFFMAN
DIRECTOR, UNIT I

The tribe has many obstacles facing it in the near future, as well as many opportunities for growth and improvement

We need to make sure that we continue address our deficiencies and ignore our personal disagreements to move our tribe forward.

CASINOS

Kewadin Casinos current debt total is \$14,666,666.66 with a maturity date of 2017.

In an effort to ensure the financial stability of the tribe, the board will be considering extending the current note for a total of five years. This will allow the tribe to maintain its current funding levels for services and operation, while increasing the available cap ex for casino improvements.

It is important to note that if

the tribe does not refinance and extend out its current debt it will be forced to cut nearly \$3 million (annually) from governmental programming and services.

For those who continue to display fancy charts or state that our casino properties are performing well, the true measure of performance lays in the amount of actual revenues for tribal services.

If performance is as great as it is being portrayed, the tribe would not need to refinance to prevent cuts.

ECONOMIC DEVELOPMENT

The board of directors approved resolution 2015-129, FY2015 *Economic Development Assistance Grant*, on June 9, 2015. This grant, if approved, will ensure stable and consistent funding for a period of three years for the economic development director position, as well as support staffing.

I am hopeful that this grant will be approved to shore up the economic development director position, currently posted.

As I have stated, it is my hope that the economic development director will be able to move our businesses in a more profitable manner, as well as lead the charge towards new business development and diversification.

I am also hopeful that our corporate charter, approved by

the BIA, will one day be utilized. This would afford our tribe with the opportunity to develop and maintain businesses free from the meddling of politics, thus ensuring they have a chance to be successful and provide revenues to tribal services.

JKL BAHWETING SCHOOL

The new school gymnasium project is underway. The tribal board of directors approved the loan funding, which will be paid for from the lease revenues of the current JKL facility lease, and selected the contractor for the project.

The new gymnasium facility will feature new opportunities for all of our children's academic and fitness needs. Soon, the 490-plus students will have an area for indoor activities in the winter months, space for athletic practices and a home venue for Christmas concerts and award ceremonies. The children will no longer need to be bussed back and forth to Big Bear for gym class and athletics and the school will no longer need to rent space at outside venues for its concerts and events.

I look forward to seeing the finished project and would like to say "thank you" to all that have made this possibility a reality.

TAXATION

In the past, I have referred to

the tax the tribe has added to its hotel rooms for the local chambers of commerce and CVBs. I have also mentioned the concept of a development tax to provide our tribe with the revenues to diversify our economic base. In the next month I drafted two proposed amendments to the tribe's tax code, development tax and sin tax, for consideration.

The development tax will levy a tax of 5 percent on the customer sales of hotel rooms at all Kewadin Casinos Gaming Authority casinos. The proceeds of such tax shall be allocated in support of economic development and diversification projects for the tribe.

The sin tax will levy a tax of .05 cents on the sale of cigarettes and alcohol at all Midjim stores and at all Kewadin Casinos Gaming Authority casinos. The proceeds of such tax shall be allocated equally in support of substance abuse and cultural programming.

The tribe, as a government, has the ability to tax and does so on its enterprises as well as hotels. Collectively, these taxes have the ability to generate hundreds of thousands of dollars annually for economic diversification, cultural programming and substance abuse. This will be on the next tribal board workshop to commence the process of consid-

eration.

In the following months, I will be asking for board support for the following:

- Revisiting the processes and procedures for the issuance of tribal license plates.
- Commence working on the provisions for a "right of recall."
- Working towards the enactment of the adopted tribal corporate charter, which can afford our tribe the ability to incorporate businesses and effectively separate governance from business operations.
- Push forward with a code of ethics.
- Work on legislation to allow the tribal membership to challenge the constitutionality of actions taken by the tribal board.

I will continue to push forward with members of the board who wish to be progressive.

I will also continue to work with members of the board to ensure we become innovative in our approach to economic diversification, membership services and stepping out of the non-progressive box to which we appear to be confined.

Sincerely,
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