

# Hoffman updates Unit I constituents on board activities



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DIRECTOR, UNIT I

Over the past month the tribe has been extremely busy. It is budget season, as well as the advent of the holidays. The past month has been a time of frustration. However, while there are many items that I disagree with some positive changes have still occurred.

## CASINOS

In August 2014, an RFP (Request for Proposals) was distributed externally with the following as its premise: *Temporary overall management of gaming/hospitality operations with the ultimate goal of assisting with selection of a permanent Chief Executive Officer of Kewadin Casinos.*

At the last meeting of the board of directors, a resolution was adopted to post the position of Chief Executive Officer of Kewadin Casinos. The resolution to post the position not only complies with the policies and procedures of the tribe, it adheres to the intent of the original RFP. The language within the resolution was derived from these policies.

The position is a key employment position, approved in the 2015 Casino Budgets. Hiring of this "key employee" requires seven votes of the board of directors. Under the tribe's adopted personnel policies, all positions must be posted.

Some members of the board have argued that the resolution would send the wrong message to the temporary Casino Executive Officer. My concern continues to be the message of not following policy, adopted by tribal resolution, and what it conveys to the membership and our employees as a whole. In addition, **policy also dictates that temporary positions shall not exceed six months; it has been over 12 months** since the temporary position was hired.

One year ago this month I drafted the following regarding the structure of our casino Management:

*By the time this unit report arrives within your homes our tribal casinos will have commenced the transition from its current COO to a temporary structure. While I would prefer to state that this process was planned out efficiently and effectively, it was not. Prior to the execution of this decision a transitional plan should have been implemented. There are consequences when actions are taken without planning.*

The consequences mentioned still resonate to this date. Our

casinos are the driving force behind the majority of our non-grant Tribal Operations revenues. Currently, the revenues generated from our casinos are in a state of decline. Some are quick to attribute this decline to market saturation, as well as the economy to account for this decrease in revenues. It is time that we move forward and fill this position with a qualified individual and move our largest enterprise progressively forward.

According to Human Resources, the CEO position will be posted on: ExactHire, HireCentric, Indeed.com, SimplyHired.com and Oodle.com. It will not be posted within any trade magazines or recruiting services at this time.

## CASINO BUDGETS

The casino budgets have not been seen at the time this article was drafted (Dec. 7, 2015). **There is no acceptable reason that the budgets have not been received and reviewed prior to Dec. 7, 2015, for the FY2016 year.**

I will be proposing that the tribe adopt a continuing funding resolution, not to exceed 60 days, to ensure that there are no disruptions within our operations and that hopefully an efficient and detailed review of these budgets will take place within the next few weeks to ensure.

## TRIBAL BUDGETS

Over the past few months, the tribal board has been meeting in to review the various FY2016 governmental budgets. These budgets primarily are generated from historical department's financial operational needs. I must state that I have several concerns on areas within several of these budgets including items such as: new jobs, wage increases for "specific" positions and some extensive capital purchases. These items, for the most part, are budgetary "pork." They are non-essential operations of the Tribal Operations or services. I am hopefully that much of this "pork" can be trimmed from within the budgets, as without that trimming and planning I cannot be supportive of the documents as they currently collectively stand.

As I have stated in previous reports, the primary element missing from a majority of these budgetary discussions is the individual plans involved for each budget has been a detailed program plan. The tribe needs to require planning as a part of the budgetary process and it is my intent to continue work on legislation ensuring this requirement.

As I have also stated, it is not responsible to simply hurry up and adopt annual budgets without detailed plans, and goals. Our tribe needs to develop, and adopt, both short-term and long-term plans within our governmental structure, as well as our enterprise structure. Without proper planning, there is no reasonable manner with which to gauge our tribe's needs, successes, failures, goals and objectives. These plans also need to include areas such as COLA to ensure that as we move forward our employees are no

longer left behind.

## TRIBAL LABOR LAW

The tribal board, several months ago, authorized the administration (without objection) to bring forward a proposal regarding the implementation of tribal labor law. I strongly support implementing tribal labor laws to ensure that employees are protected from unfair practices that are occurring within our tribe. In addition, and tribal labor laws adopted should include the proper "teeth" to ensure tribal board adherence to policies and procedures of the tribe for the betterment of all involved.

## EMPLOYEES

The tribal board of directors recently amended (October) the existing northern casino debt financing by extending out the current notes by 27 months. This was to allow our casinos to operate more efficiently with their reduced revenues and cash flows, ensure that tribal services are sustainable for the near future, and to allow the tribe to reinvest in our facilities and operations. Another key area that drive our revenues, but that has often been overlooked, is our employees. We must also take this opportunity to invest in our employees to ensure the success of operations within the casinos, enterprises, and governmental operations of the tribe.

Recently the topic of employee bonuses has been politicized. While it is accurate to state that budgets for FY15 included additional funds for the board to consider employee incentives such as raises, re-implemented 401k with matching, as well as potential bonuses, no detailed fiscally responsible plan has been developed to ensure that short-term benefits do not lead to longer term detriments as they did the last time a December employee bonus was distributed to the employees in 2007.

I am proposing a more fiscally responsible approach based upon planning and budgeting to ensure that employees are ensured incremental wage increases, instead of just prior to election season. At the next tribal board meeting a resolution has been submitted stating the following:

## FY 2016 COLA INCREASE

*WHEREAS, the Sault Ste. Marie Tribe of Chippewa Indians and its wholly owned governmental instrumentalities have not given cost of living allowance increases to team members; and WHEREAS, this has resulted in a significant number of team members income being worth less today than when they were hired, has contributed to the loss of valuable team members and has contributed to an overall decrease in team member morale; and*

*WHEREAS, in order to retain valuable team members and help increase team member morale it is in the tribe's best interest to establish a cost of living allowance increase.*

*NOW, THEREFORE, BE IT RESOLVED, that there shall be a 3 percent Cost of Living Allowance to the base wage for all employees of the Government, the Kewadin Casinos Gaming*

*Authority, and the Enterprises for FY 16. The board recognizes that there are health positions that are covered by a separate resolution, 2015-230 that will not be eligible for this FY 16 cost of living.*

*BE IT FINALLY RESOLVED, that for the FY17 and prospective budgets, a cost of living allowance (COLA) based upon the Consumer Price Index (CPI) shall be included and implemented in all annual budgets of the Government, the Kewadin Casinos Gaming Authority and the Enterprises.*

If approved, this will ensure that all employees receive a cost of living increase (raise) in 2016, and beyond. The 3 percent for FY16 is projected into the current budgets, however, it is not self-enacting. Without the adoption of this COLA resolution, or a similar type of proposal, the funds may be budgeted but will not be allocated where they have long been deserved, within the wages of our employees. If approved, this resolution will also force the tribal governing body to ensure that annual COLA is built into future annual budgets.

There is one very important thing to note when it comes to these types of changes. It takes the majority of the board of directors, working together, to ensure that these types of changes can be implemented or even considered. I am hopeful that the board, as a whole, will consider and adopt this proposal for the betterment of our employees, operations and overall services for our membership.

## JKL BAHWETING SCHOOL

The exterior of the gymnasium has been completed. At this time, the contractors are installing the interior walls, electrical and completing the mechanical. This project is nearing completion, with a tentative date for installation of the new gymnasium floor within the next two weeks. This project is an excellent example of positive and productive collaboration on the part of the tribal board of directors for the benefit of our tribal and community children within the school. The entire board should be proud of their efforts in making this a reality.

## ECONOMIC DEVELOPMENT

In each and every report that I write, I will continue to list economic development as a major emphasis. I have, and will continue to stress, the need to diversify economically. To ensure that we are able to diversify, we must adopt plans and embrace opportunities outside of the realm of casinos. In addition, the tribe needs to ensure that its business approaches are separated from its tribal politics.

Resolution 2015-43, Developing an Economic Director position, and a subsequent budget modification funded it for FY 2015, was a positive move towards our tribe actually diversifying and enhancing our current and future business enterprises. Unfortunately, the position has not been filled for over seven months. We have multiple appli-

cants and have yet to schedule interviews for the position. It is my opinion that this position is being delayed to ensure that the funds budgeted for the position are retained for reprogramming within the remainder of this fiscal year as part of the "fund balance."

While not filling this position may have created an on-book savings, the lost opportunity costs and additional benefits to our enterprises over this time period surely offset the savings. We are in dire need of structure within our enterprises, and an individual to lead the charge into diversification. Currently, we do not have this type of structure. The tribe's existing businesses fall under the Chief Financial Officer. I am hopeful that the tribe will move forward in finally filling this position so that a qualified economic (development) director can move us forward.

## PRIORITIES

We must "get our house in order." The tribal board must work together to restore a sense of respectability to our tribe. Fear and intimidation must be replaced with respect and consideration! The days of tabloid-style unit reporting in our paper must cease.

As a board member, it is my goal to move our tribe forward. It is not my goal to get involved in petty squabbles because of personal likes and dislikes. The common theme should always be to approach each topic, each vote, based on the betterment of the tribe as a whole. I prefer documentation and research to assertion and opinion. I am not always right however I believe we as board members have a responsibility to do more than just show up.

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

## PERSONAL

I prefer to keep personal statements and issues outside of unit reports; however, life is precious and short. Make the most of it while you can and cherish those that you call friends and family.

I feel it is also important to recognize that in the past few months we have lost several of our tribal elders. We owe all of these individuals a debt of gratitude for our existence today. Please let our elders know that you appreciate them and take the time to talk and learn from them and with them while you can.

Finally, I would like to personally wish all of you a happy holiday and ask that if you have any issues or concerns, please feel free to contact me anytime.

Sincerely,

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