

RESOLUTION OF THE
WHITE MOUNTAIN APACHE TRIBE OF THE
FORT APACHE INDIAN RESERVATION

- WHEREAS, the Tribal Council is advised by the Tribal Treasurer, Director of Planning and Tribal Controller that the Fort Apache Timber Company (FATCO) has only approximately \$3.3 million in total funds on deposit and that of said amount \$2.0 million is required to be held in reserve pursuant to the FATCO Plan of Operations; and
- WHEREAS, during the entire history of FATCO, the Tribe has never had to use these reserve funds; and
- WHEREAS, an additional \$1 million is required to be held to offset FATCO's financial obligations e.g. accounts payable, leases, and the like, also required by FATCO's Plan of Operation; and
- WHEREAS, after deducting reserves and offsets required by FATCO's Plan of Operation, there only remains approximately \$300,000.00 to cover the Tribe's expenditures which currently amounts to \$260,000.00 per day while revenues are only about \$210,000.00 per day; and
- WHEREAS, the present trend of expenditures exceeding revenues must be reversed in order to restore financial integrity to the Tribe; and
- WHEREAS, the Tribal Council is further advised that if it continues to operate at the same ratio of spending to revenue that the Tribe will be out of cash to cover tribal checks within six (6) days or less and that the First Interstate Bank of Arizona will not cash tribal checks under those circumstances and will charge the Tribe \$12.00 for each returned check; and
- WHEREAS, the Tribal Council concludes that unless it reduces tribal spending immediately FATCO's required reserves will be drained and the Tribe's financial reputation will be irretrievably and irreparably harmed; and

WHEREAS, after considerable discussion, the Tribal Council has considered the following proposed solutions to the present cash crisis including, but not limited to:

1. Drawing Roads Suspense funds from the BIA in the amount of \$200,000;
2. Placing an immediate order to liquidate funds at Security Pacific;
3. Suspending all credit except groceries and Doxol until further review within two (2) weeks;
4. Requiring all purchases or orders to have a purchase order or requisition approved by the Controller's office;
5. Closing down immediately, and for at least a two (2) week review period, the following Programs or portions of Programs and Enterprises that are dependent on tribal funds (non-federal or state funding contracts or grants):

Development Enterprise	Education Grants (Tribal)
Tribal Herd	Labor Relations
Agriculture	Safety Director
Apache Manufacturing	Planning Office (Tribal)
Sunrise	Maintenance
Land Operations	Engineering (Tribal)
Land Office	Purchasing
Farm Co-op	Administration Office
Vocational Skill Center	Director of Programs
Rainbow Center (Tribal)	McNary Administration
Weatherization (Tribal)	Summer Camps
Headstart (Tribal)	Custodial Services
Cibecue Complex	Cibecue Library
Whiteriver Athletic	Whiteriver Library
Cibecue Athletic	Apache Museum/Culture
Tribal Hauling	Center
Revolving Credit	Community Services
Day Care Center (Tribal)	NCOA - Elderly Services

6. Reducing essential personnel, generally not to exceed 50% of existing employees unless justified by current cash flow or services, at the following Programs/Enterprises:

Council	Chairman
Vice Chairman	Treasurer
Attorney	Secretary
Controller	Computer Operations
Police	Courts
Forestry	Fire and Rescue
Utility	Apache Enterprise
Recreation Enterprise	Grants/Contracts
Personnel	Apache Scout
FATCO	Apache Radio
Whiteriver Commercial (Close Variety/Theatre)	
Cibecue Commercial (Close Variety/Theatre)	
; and	

WHEREAS, the Tribal Council concludes that following a two (2) week Program review which will include a review of the Tribe's financial situation, the cost effectiveness of each Program, and a possible reorganization of the operational structure; the Programs/Enterprises identified herein may be reactivated as deemed necessary by the Tribal Council; and

WHEREAS, the Tribal Council further concludes that Programs funded by a grant or contract must have a positive cash flow and that if a Program does not have a positive cash flow, then Program expenses, including that Program's payroll, will not be paid until the Program funds from the funding agency are received by the Tribe; and

WHEREAS, the Tribal Council further concludes that all Tribal Programs or Enterprises not included above should be referred to the Tribal Treasurer for clarification as to their status in respect to whether they will abide by a reduction in force or be subject to a two (2) week closure; and

WHEREAS, Enterprise Managers and Program Directors should also be directed to insure that daily deposits are made of any and all revenues received by their Enterprises or Programs; and

WHEREAS, after due consideration of the foregoing, the Tribal Council concludes that the foregoing proposed solutions and plan to reduce and manage the present cash flow crisis should be adopted.

BE IT RESOLVED by the Tribal Council of the White Mountain Apache Tribe that it hereby orders and directs the Tribal Treasurer and Tribal Controller to initiate and implement the following:

1. Draw Roads Suspense funds from the BIA in the amount of \$200,000;
2. Place an immediate order to liquidate funds at Security Pacific;
3. Suspend all credit except groceries and Doxol until further review within two (2) weeks;
4. Require all purchases or orders to have a purchase order or requisition approved by the Controller's office;
5. Close down immediately, for at least a two (2) week review period, the following Programs or portions of Programs and Enterprises that are dependent on tribal funds (non-federal or state funding contracts or grants):

Development Enterprise	Education Grants (Tribal)
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6. Reduction of essential personnel, generally not to exceed 50% of existing employees unless justified by current cash flow or services, at the following Programs/Enterprises:

Council	Chairman
Vice Chairman	Treasurer
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Controller	Computer Operations
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Forestry	Fire and Rescue
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Personnel	Apache Scout
FATCO	Apache Radio
Whiteriver Commercial (Close Variety/Theatre)	
Cibecue Commercial (Close Variety/Theatre)	

BE IT FURTHER RESOLVED by the Tribal Council that after a two (2) week Program review including, but not limited to a review of the Tribe's financial situation, the cost effectiveness of each Program, and possible reorganized operational structure; it may reactivate as it deems necessary some or all of the foregoing Programs and Enterprises.

BE IT FURTHER RESOLVED by the Tribal Council that any Program funded by grant or contract must have a positive cash flow and that if any Program does not have a positive cash flow, then Program expenses including payroll for said Program will not be paid until Program funds are received by the Tribe from the funding agency.

BE IT FURTHER RESOLVED by the Tribal Council that if any Program or Enterprise of the Tribe is not included or named in this resolution, then the status of that Program or Enterprise should be referred to the Tribal Treasurer for clarification.

BE IT FURTHER RESOLVED by the Tribal Council that all Enterprise Managers and Program Directors are hereby directed to insure that daily deposits are made of any and all revenues received by their respective Enterprises or Programs.

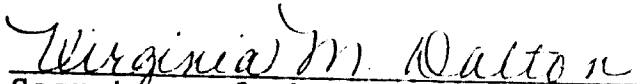
Resolution No. 06-90-128

BE IT FURTHER RESOLVED by the Tribal Council that the Chairman and in his absence, the Vice Chairman, the Controller and Treasurer are hereby authorized and empowered to carry out and initiate any action necessary to carry out this resolution.

The foregoing resolution was on June 19, 1990, duly adopted by a vote of nine for and one against by the Tribal Council of the White Mountain Apache Tribe, pursuant to authority vested in it by Article V, Section 1 (i) of the Amended Constitution and Bylaws of the Tribe, ratified by the Tribe June 27, 1958, and approved by the Secretary of the Interior on May 29, 1958, pursuant to Section 16 of the Act of June 18, 1934 (48 Stat.984).



Chairman of the Tribal Council



Secretary of the Tribal Council