



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

**(Approving Interim Cost Containment Measures for Fiscal Year 2006-2007 and Authorizing Budget and Finance Committee to Develop Operating and Capital Plan)**

**WHEREAS**, pursuant to Article IV, Sections 1(a) and 1(k) of the Constitution of the White Mountain Apache Tribe, *inter alia*, the Tribal Council has the authority to represent the Tribe and act in all matters that concern the welfare of the Tribe, and to expend funds according to a budget; and

**WHEREAS**, the Tribal Council understands that the Tribe is experiencing severe cash flow shortfalls due to expenditures exceeding the Fiscal Year 2006-2007 approved budget, caused in part by: (i) the seasonal startup costs required by the Sunrise Park Resort, (ii) costs related to the Fort Apache Timber Company building up its winter log deck; (iii) the approval of various capital expenditures; (iv) the cost reimbursement basis of drawing down grant funds; and (v) the absence of fiscal controls, compounded by the expansion of Tribal Council operating and capital budgets, and expenditures during the first quarter; and

**WHEREAS**, the Budget and Finance Committee has advised the Tribal Council of the FY 2006-2007 projected revenues and expenditures prior to the final approval of the Tribal Council Budget where projections of revenues over expenses were approximately \$2.0 million before capital expenditure allowances such that it was recommended that no capital expenditures would be allowed prior to the end of the 2<sup>nd</sup> quarter of the operating year; and

**WHEREAS**, the Tribal Council enacted certain resolutions that impacted the total budget for FY 2006-2007, including the following (See Exhibit A, as attached and incorporated by this reference):

- An operating budget, including raises for the Chairman and Vice-Chairwoman and raises for each individual member of the Tribal Council;
- Operating budgets that greatly exceeded prior year operations for each member of the Council; the Chairman's Office, and for the Vice-Chairwoman's Office;
- Daily meeting pay for each Council Member in addition to salary increases;
- Increases in executive travel allowances;
- Purchases of new vehicles for each Council Member;
- Contribution of existing vehicles of outgoing Council Members, which required paying off financing;
- Reorganization of the tribal government, including the creation of new Divisions and the position of General Manager (no budget approved to date);
- Various capital expenditures not included in the fiscal year budget;
- Various indemnification claims and back pay for certain employees; and

**WHEREAS**, the Tribal Council finds that many of the Tribe's enterprises have failed to

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generate projected revenues while over expending operating costs, thus creating a potential budgetary crisis further complicated by the Tribal Council approval of new tribal governmental Divisions and positions; and

**WHEREAS**, the Tribe's Controller has briefed the Tribal Council on the Tribe's outstanding unpaid financial obligations, including accounts payable, upcoming lease payments, and bi-weekly payrolls and associated payroll taxes indicating a trend toward exceeding the existing line of credit and increased overdraft status with the bank; and

**WHEREAS**, the Tribal Council has been further advised that the estimated consolidated operating costs results from the fact that the Tribe's Enterprises have fallen below their projected net revenues of \$3.6 million for Fiscal Year 2006-2007; and

**WHEREAS**, the Tribal Council has discussed measures intended to restore the Tribe's financial integrity and prepare for future financial obligations which the Tribe must meet; and

**WHEREAS**, the Budget and Finance Committee has this day recommended certain measures that include a range of options allowing departments and enterprise managers to reduce expenses in order to best serve the interests of the White Mountain Apache Tribe; and

**WHEREAS**, the recommendations of the Budget and Finance Committee, as attached and incorporated by this reference (see Exhibit B), have been discussed and reviewed by the Tribal Council; and

**WHEREAS**, once these measures are in place, Wells Fargo Bank has agreed to amend its agreement for the purposes of increasing the line of credit, for which amendment Resolution No. 12-2006-409 has provided approval; and

**WHEREAS**, in lieu of the increased line of credit and current revenue short-falls, previous recommendations and approvals for secured short-term loans and convenience store improvements, as authorized by the Tribal Council, are either unnecessary or unaffordable, (see Resolution Nos. 07-2006-237 and 10-2006-353), and should be rescinded; and

**WHEREAS**, the Tribal Council finds that the measures recommended herein by the Budget and Finance Committee are in the best interests of sound fiscal management and the overall financial interests of the Tribe and should be developed into an operating and capital plan for all divisions, departments, programs, and enterprises, showing expected savings and improvements to the cash flow, and that said plan should be submitted for review and approval by the Tribal Council no later than January 31, 2006; and

**WHEREAS**, the Tribal Council finds that certain of the measures recommended should be implemented in the interim immediately.

**BE IT RESOLVED** by the Tribal Council of the White Mountain Apache Tribe that:

1. The Budget and Finance Committee is hereby authorized to prepare an operating and capital

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plan for immediate implementation which shall include the cost cutting or cost-containment measures for all divisions, departments, programs, and enterprises, attached as Exhibit B and incorporated by this reference.

1. The Plan shall include a review of all spending by Tribal Divisions and Enterprises, itemized cost cutting or cost-containment measures for all divisions, departments, programs, and enterprises for approval by the Tribal Council that includes projected savings and improvements to the cash flow, and that said plan should be submitted for review and approval by the Tribal Council no later than January 31, 2006; and
2. Tribal departments that generate revenue/income are hereby directed to prepare and submit a plan to bring them back in line with their approved budgets for the remainder of the Fiscal Year to the Budget and Finance Committee no later than January 19, 2006.
3. The Enterprise Manager is hereby directed to review all enterprise budgets and provide the Budget and Finance Committee with a financial analysis and revised projections for each enterprise as to the necessary corrective fiscal actions that can be taken to improve their budgets for the projected revenues/income and any such controllable expenditures/expenses, and in the event that such budgets remain in deficit, said enterprises shall prepare and submit a plan to indicate new financial projections with their budgets to the Budget and Finance Committee no later than January 26, 2007 for the remainder of the year.

**BE IT RESOLVED** by the Tribal Council of the White Mountain Apache Tribe that the following interim budgetary goals and objectives shall be immediately implemented by the programs, departments, divisions, by and through the Budget and Finance Committee:


1. Annual leave payments/usage to pay tribal debts, as approved by Resolution No. 09-2006-317 shall be put on hold until further notice.
2. No emergency assistance shall be provided.
3. No payroll advances shall be made for any purpose. Similarly, withholding payroll deductions shall not be allowed for any reason or for any purpose.
4. No early release of payroll checks shall be allowed for any reason or for any purpose.
5. All travel, conferences, workshops and training are placed on a restricted status, such that only that travel deemed absolutely necessary or justified by the Department Head, as reviewed and approved by the Division Director and the Chairman of the Tribal Council, will be allowed, including federally funded accounts.
6. No further hires of part-time or temporary employees shall be allowed, except for those positions pre-approved and advance funded by a grant. Cost-reimbursement positions shall not be allowed until further notice. Those existing temporary or part-time employees hired for a specific, limited time period shall complete their service, but their employment status shall not be extended, renewed or otherwise changed to permanent status.
7. No Committee or Board meeting payments shall be allowed until further notice.
8. Paid administrative leave for Doreen Gatewood as set forth under Resolution No. 10-2006-350 is hereby rescinded and Ms. Gatewood shall be immediately transferred to Community Development Planning at a rate to be determined by the Director and provided notice accordingly.
9. No overtime shall be allowed, except for Police Department, EMS and Fire Department personnel, and such overtime must be reasonable and prudent.
10. All division directors shall complete an analysis of and reduce the number of cellular phones assigned to their departments and programs.

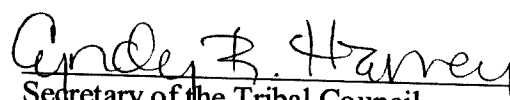
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11. All division, department and program directors and managers are hereby directed to monitor their budgets and stay within the limits of controllable accounts as set by levels originally approved by Resolution No. 06-2006-219 for Fiscal Year 2006-2007.
12. All individual Tribal gas/fuel cards are hereby limited to a maximum of \$200.00 per month.
13. All credit cards shall be capped at a maximum credit limit of no more than \$500.00 per month until further notice.
14. No donations to students for summer athletic programs and academic conferences shall be made, unless reviewed and approved by the Budget and Finance Committee, and subject to individual fundraising efforts.
15. If the Tribe's Controller determines that an improvement has occurred in the Tribe's cash flow, then the Controller is hereby authorized to prioritize certain expenditures for payment.
16. Any proposed resolutions for capital and non-capital expenditures and allocation of funds shall not be reviewed or approved by the Tribal Council without first being reviewed and approved by the Budget and Finance Committee.
17. All capital projects and equipment purchases approved by prior Resolutions shall hereby be put on hold until the Tribe's financial situation improves as determined by the Budget and Finance Committee.
18. No further creating, hiring or appointing any new positions shall be made by the Tribal Council without first being reviewed and approved by the Budget and Finance Committee.
19. No salary increases or adjustments shall be reviewed or approved by the Tribal Council without first being reviewed and approved by the Budget and Finance Committee.
20. No new capital expenditures for Tribal Fiscal Year 2006/2007 shall be made until further notice as determined by the Budget and Finance Committee.
21. The Tribal Council shall not consider or approve any new consultant agreements for technical assistance or studies for any division, department or program without the review and approval of the Budget and Finance Committee.
22. No bonuses shall be approved for any employee until further notice as determined by the Budget and Finance Committee.

**BE IT FINALL RESOLVED** by the Tribal Council of the White Mountain Apache Tribe that the Chairman, or in his absence the Vice-Chairwoman, is hereby authorized to execute any and all documents necessary to effectuate the intent of this Resolution.

The foregoing resolution was on December 27, 2006, duly adopted by a vote of NINE for and ZERO against by the Tribal Council of the White Mountain Apache Tribe, pursuant to the authority vested in it by Article IV, Section 1 (a), (b), (i), (k), (s), (t) and (u) of the Constitution of the Tribe, ratified by the Tribe September 30, 1993, and approved by the Secretary of the Interior on November 12, 1993, pursuant to Section 16 of the Act of June 18, 1934 (48 Stat. 984).

  
Chairman of the Tribal Council

  
Secretary of the Tribal Council