



# SQUAXIN ISLAND TRIBE

## RESOLUTION NO. 04- 62

of the

### SQUAXIN ISLAND TRIBAL COUNCIL

**WHEREAS**, the Squaxin Island Tribal Council is the Governing Body of the Squaxin Island Tribe, its members, its lands, its enterprises and its agencies by the authority of the Constitution and Bylaws of the Squaxin Island Tribe, as approved and adopted by the General Body and the Secretary of the Interior on July 8, 1965; and

**WHEREAS**, under the Constitution, Bylaws and inherent sovereignty of the Tribe, the Squaxin Island Tribal Council is charged with the duty of protecting the health, security, education and general welfare of tribal members, and of protecting and managing the lands and treaty resources and rights of the Tribe; and

**WHEREAS**, the Tribe is a federally-recognized Indian Tribe possessing reserved powers, including the powers of self-government; and

**WHEREAS**, the Squaxin Island Tribal Council has been entrusted with the creation of ordinances and resolutions in order to fulfill their duty of protecting the health, security, education and general welfare of tribal members, and of protecting and managing the lands and treaty resources of the Tribe; and

**WHEREAS**, Island Enterprises, Inc. is a wholly owned corporation of the Squaxin Island Tribe; and

**WHEREAS**, Island Enterprises, Inc. has presented to the Squaxin Island Tribal Council its Annual Operations Plan for Fiscal Year 2005 wherein it states that it is dedicated to the development, acquisition and/or attraction of economic ventures that will enable the Squaxin Island Tribe to realize its dream of self-sufficiency and self-governance; and


**WHEREAS**, Island Enterprises, Inc. has set goals to: operate existing businesses, develop or acquire new businesses, assist Tribal members, and assist other tribally-owned businesses, and has set out its staffing plan and budget;





**NOW THEREFORE BE IT RESOLVED**, that the Squaxin Island Tribal Council hereby adopts the Island Enterprises, Inc. Annual Operations Plan for Fiscal Year 2005 (copy attached hereto).

**CERTIFICATION**

The Squaxin Island Tribal Council hereby certifies that the foregoing Resolution was adopted at the regular meeting of the Squaxin Island Tribal Council, held on this 30<sup>th</sup> day of September, 2004, at which time a quorum was present and was passed by a vote of 4 for and 0 against, with 0 abstentions.

  
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**David Lopeman, Chairman**

Attested by:   
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**Vincent Henry, Sr., Secretary**

  
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**Andy Whitener, Vice Chairman**

# **Island Enterprises Inc. Annual Operations Plan For Fiscal Year 2005**

The purpose of this Annual Operations Plan is to provide to the Squaxin Island Tribal Council a document which outlines the activities of their wholly owned corporation Island Enterprises Incorporated (IEI).

**IEI Mission Statement:** IEI is dedicated to the development, acquisition, and/or attraction of economic ventures that will enable the Squaxin Island Tribe to realize its dream of self sufficiency and self governance.

**Goal 1--Operate Existing Businesses:** IEI will operate established businesses with an aggressive strategy to maximize potential profits while maintaining proper accountability to the Tribe and its people.

*Objective 1--Kamilche Trading Post:* IEI will continue to improve KTP into an efficient, clean, and safe convenient store. The business plan is to maximize revenues to the tribe through a combination of profit, tax collection, and synergistic business practices with the Harstine Oyster Company and the Little Creek Casino. Specific work includes:

- Development of fuel blending.
- Creation of Tribal Member artist selling spaces.
- Installation of a seafood counter to promote Harstine Oyster Company and Tribal Member seafood products.
- Consider the creation of an open-air market area for seafood, produce, fruit, and crafts.
- Utilization of KTP as a training facility for future retail operations.
- Maximization of cigar retail opportunities.

*Objective 2--Harstine Oyster Company:* The Oyster Company will be aggressively managed to maximize its profitability. The business plan will include:

- Better accountability to control costs and reduce the time lag for receivables and payables.
- Documentation for standardization of operations.
- Investigation of value-added product development.
- Increased production of single oysters.
- Buying and marketing of Tribal fishery products.
- Investigation of opportunities for cooperative agreements with Tribal Members.

**Goal 2--Develop or Acquire New Businesses:** IEI will work to develop or acquire businesses that achieve positive cash flows, reduce the dependence on gaming, and provide specific employment opportunities for Tribal Members.

*Objective 1--Develop New Businesses:* IEI will work to develop businesses that are not available through acquisition. This work will be done with an understanding that start-up of enterprises should be recognized as inherently risky and proper business planning must be done comprehensively and conservatively.

Task 1--Skookum Creek Tobacco: IEI will complete the implementation of the business plan. The business plan includes elements of retail, wholesale, and contract packaging.

Task 3--Tobacco Retail Outlets: IEI will investigate the start-up and operation of other tobacco retail outlets on and off reservation if the Skookum Creek Tobacco factory begins operation.

Task 4--Investigation of Other Enterprises: IEI will constantly think about the potential for other start-up businesses. Ideas for economic ventures will be brought up routinely at Board meetings and then be investigated by IEI staff. This work will be limited in FY2005 due to the Start-up of SCT, however planning will be continued with the potential of an additional gas station (branded), Burger King restaurant, and a specialty seafood restaurant chain. Additional work will continue on businesses that may be managed by IEI but funded through Little Creek Casino resort development activities. These include Golf Course, Golf Training Center, Retail Stores, RV Park, Upscale Go-Cart Track, etc...

*Objective 2--Acquire Enterprises:* IEI will, as funding allows, investigate and acquire businesses. The IEI staff will, by conduct or contract, do standard valuations before making offers to buy. This work will be limited in FY2005 due to the start-up of SCT operations.

**Goal 3--Assist Tribal Members:** IEI will work with Tribal Members who request assistance in business planning. IEI staff will either work directly with the requestor or direct them to an appropriate public agency such as the Economic Development Councils of Mason or Thurston County.

**Goal 4--Assist Other Tribally Owned Businesses:** IEI will assist other tribally owned businesses to be successful. This assistance can include business planning, accounting, and marketing.

**Staffing Plan:** IEI will be staffed by an executive management team consisting of the President/Corporate Executive Officer (CEO), Corporate Financial Officer (CFO), General Manager of Tobacco Operations/Deputy CEO, and General Manager Seafood Operations. The management team will be assisted by the Executive Assistant. In addition to the management team IEI will employ four accountants to fill out the accounting requirements for the central office and subsidiaries.

**Budget:** The IEI will rely on three primary sources of funds. These include cigarette excise tax, casino distributions, and profits. Besides IEI, cigarette excise taxes are used to

fund the child care center. Additionally, dividends (per capita) from these funds are provided to Tribal Members per the Budget Ordinance enacted by the Tribal Council.

The expected revenues and expenditures for FY 2004 are: 1,450,000 from the Little Creek Casino and 1,800,000 from cigarette excise taxes. From this will be deducted approximately \$250,000 from cigarette excise taxes for dividends. This will be distributed 75% to seniors (approximately \$200/month) and 25% to non seniors (approximately \$100/year). The same formula will apply to profits, although this is not estimated to be significant in FY2005 year of IEI operation. This leaves \$3,250,000. From this (from cigarette excise taxes specifically) \$250,000 is estimated to be transferred to the child care center. This leaves a balance of \$3,000,000. This will be reduced by the IEI estimated operating costs of \$780,000 leaving \$2,220,000 for start-up, redevelopment, and/or acquisition of businesses and/or purchase of land for economic activities. Specific costs for this category will be reported to the Tribal Council as a normal course of business planning, however in FY2005 most of these have either been set aside for start-up of SCT and/or to maintain a conservative cash reserve balance.