

Jay stated that this is what we are getting at today.

Mike stated that what is driving this today is that we are applying for grants with EDA and the BIA.

John stated that before we would actually make a decision we will know if there is a market, we will know if there is a supply, and we will know the true cost.

Mike stated you are not being asked to spend the money today, you are being asked to approve the concept so that we can pursue the grants.

Jay stated this would be a letter of commitment from the Commission that he can send to the granting agencies, which would show we are interesting in getting something going for this tribe.

Joe asked how many people will this employ.

Jay stated around 21 people.

Dan Rilatos stated his question would be that in your hiring procedures who would Jay hire to run this mill.

Jay related to Dan that he has spoke with JTPA, and told them that he really wants them to participate in this, if at all possible, because his goal is to put tribal members in there. Jay stated this is a tribal enterprise, and he wants tribal people running it. Jay stated that JTPA related to him that there is a lot of misplaced tribal people working in our service areas, and feels he will get more qualified people than he feels he can get.

Mike stated that what you are asking is on the upper management level, and the reality is you may have to hire outside the tribe.

Mike stated that out of the 21 there looks to be 7 or 8 skilled positions that you would have to hire at the skilled level, you could not take an entry level person, put them on a training program and let them go solo.

Bud stated he feels this is what we should be doing, we would provide good paying jobs.

Lillie stated she would like to see a good plan because STEDCO has always operated on jobs, and we are finding out that the plans have not been good, and we have started our people working with no guarantee that they are going to keep working. Lillie stated she does not like to see this.

Bud stated he agrees, and feels there is nobody in this room, with the experience to know if the business plan we are going to get is really real. Bud related to Jay that he ought to be thinking about some people who are in the industry who own and operate mills.

Tim stated he would like to put a little input in, and this is that the business plan be a phased time. Tim stated we all wanted to see it start out small, we didn't want to see this large step, regardless of whether we are just going to go for funding or not, he wants this to be as a best shot, and as accurate as when we are going to do it.

Ed stated he don't think you are quite getting the picture yet, that this basically looks just like the

previous plan.

Mike related to Ed that this is 1/10 of the production of the previous plan.

Ed stated that when we originally started we were talking about a pallet manufacturing thing, and then if that went, we could employ people and build up, and not go \$2 million or \$3 million. Ed stated he feels this is another show like the previous one they have seen.

Mike related to Ed that this has a maximum efficiency of 20,000 board feet a day.

Ed stated that you have 21 people that you are employing, what are we getting in return out of this \$2 million invested.

Bud stated those are questions that will be answered with the business plan. Bud stated he does not want to see them create a business plan just to please us, but we would like to see it phased, if it is possible. Bud stated he would encourage all of the Commission, as the month goes along, that if they have questions or concerns to call Jay, so he has a chance to answer a lot of these questions, and get them put into the business plan.

Jay reviewed with the Commission the timber harvest schedule of the tribe.

John stated he feels Jay should not rely on the tribal timber in the business plan, and feels we should look at what we can get from someone else.

Jack asked Jay if he has any idea how much timber there is on the 12,000 acres. Jay stated that Mike Kennedy has the figures on that and related to Jack he can get him a copy of this.

Jack asked Jay how many acres of this can you harvest.

Jay stated that originally 2/3 of it was tied up in the spotted owl habitat, but now they talked about negotiations for whether there might be land swapping or something.

Ed asked Jay what else can you handle besides alder in this mill.

Jay stated we can run small conifer or deciduous trees.

MOTION #2 Dan Van Otten moved that STEDCO provide a letter of commitment for a maximum contribution of \$415,000 towards this project, contingent on our acceptance of the business plan, and contingent on the securing of the guaranteed loan of \$1.6 million. Seconded by Joe Lane. Discussion: John Miller stated he would like to make sure that everyone here realizes that we are not spending \$400,000 today. Bud related to Jay that he would like for him to work with the timber subcommittee, so that a lot of these concerns might be able to be worked out prior to the next meeting. Dan Van Otten asked Jay if the business plan is going to address only the alder market or is it also going to be looking at the possible use of the mill for other. Jay stated we are definitely going to be looking at conifer in the business plan. Tim stated he feels the demand is going to exceed the supply real

shortly, and they are going to be looking for alternatives. Motion approved 9 - yes, 0 - no, 0 - abstain.

* Jay Christensen has been requested to set up a tour of the North Douglas Plant for the Timber Advisory Committee.

Hidden Valley Pallet Operation:

Jay reviewed with the Commission the letter submitted from Carl Batten of ECO Northwest in regards to the value of the Hidden Valley Pallet Operation.

Bud stated he feels that if we have this small mill going, then adding the pallet mill would be adding complications. John stated he feels we should forget the pallet mill.

Bud stated the next item on the agenda is the Accounting Manager's report.

Audit Report:

Jeff reported to the Commission we have moved the date for the auditors to May 4th.

Jeff reported we are finally starting to get the records built.

Tim asked why Jeff moved the date up for the auditors again.

Jeff stated basically, because he did not want to pay them \$50.00 an hour for them to do bookkeeping work. Jeff stated we are starting to pull it together now.

Financial Records:

Jeff reported Peggy and he are still working on getting the financial records for the 1st quarter of 1992 entered into Solomon. The financial summary for Evergreen is the first result of this work. We are implementing new procedures as we go that will keep our accounting database current in the future. This process will remain our top priority.

Jeff reported he has begun a systems analysis and design project on the Smokehouse. He is working with the staff to build a system that will produce both accounting and management data. The main problem is to gain control of the inventory without overburdening the staff with accounting procedures.

Jeff reported that on Timber, we have a gentleman coming from Office Equipment Supplies out of Eugene that sells computers and accounting software for timber, this would take it from standing in the forest to going out, sold, on the truck. Peggy, Jeff, and Jay will sit in on the presentation.

Ed asked Jeff if he has contacted any other logging outfits that may have this software on hand, to find out what they have.

Jeff stated he has not.

Ed stated this might be the way to go.