

Jeff related to Ed that this is going to be Peggy's and his first education, and this is going to be our starting point, and then we will start looking. Jeff reported the Warm Springs Tribe has invited them up to take a look at what they are doing in accounting and such not.

Jeff reported we are still working on the 1990-91 year. Seven months of data was lost when the database was corrupted and "repaired" in the fall of 1991. Peggy and he are working to identify the missing batches of data and re-enter them by summary journal entry. This process takes time and diligence.

Computer Acquisition:

Jeff reported on the status of the computer acquisition. He met with Skip Harrison, of On-Line Computers, on April 9th, and ordered the new systems for Timber, Accounting, and the Smokehouse. He also worked out with Skip how we planned to upgrade and relocate the existing hardware. None of the existing hardware will become surplus at this time. The new systems should be delivered within 2-3 weeks. Jeff reported we are going to upgrade Jay from the current level of Windows he is using to the next level that just came out.

Copier Acquisition:

Jeff discussed the proposal for the copier acquisition. He sent out, to the Commission, a proposal for consideration from Xerox for a combined purchase of a copier and a plain paper fax. This proposal includes the financed buyout of the old copier by Xerox so the \$1400 cost is spread out over 48 months at approximately \$30/month. This is the cost difference between what we are now paying in monthly costs and what Xerox is proposing to bill us. So the new machines combined would be a push with the cost of the Harris/3M.

Excess Assets of STEDCO:

Jeff discussed with the Commission the excess assets list. All of this equipment is located at the STEDCO building, except for the Christmas tree balers and the clothes lockers. We have removed the Kaypro XT computer from the list, as this is planned to be recycled.

MOTION #3 - Dan Van Otten moved to approve that the excess assets on the list be declared surplus. Seconded by John Miller. Motion approved 9 - yes, 0 - no, 0 - abstain.

SAIF:

Jeff reported we have been presented with two invoices for additional billings for worker's compensation costs for the period 7/1/90 to 6/30/91.

Jeff reported the first is an additional amount due resulting from SAIF's annual audit of our records and the resulting audit adjustments which cost us \$9,922.78. A reclass of \$36,000 of wages for Christmas tree harvest cost us \$6,420 of the \$9,922.

Jeff reported the second is a retro billing based on actual experience for the same period for \$22,414.19.

Jeff reported our account manager, Dick Connet, is coming on April 15th to explain how this was computed and work with us on loss prevention measures for both our office and production workers. Jeff related to the Commission he has invited both Sharon Edenfield, the Tribe's Business Manager, and Larry Moody, the Tribe's Personnel Manager, to attend.

Discussion was held on self-insurance.

Bud stated he would like to see a Risk Management Policy.

- * Have Mike or Jeff develop and implement a Risk Management Policy.

Group Purchasing:

Jeff reported he is still working at a low priority on the use of group purchasing arrangements by STEDCO by itself or through the Tribe. Jeff reported Sharon Edenfield furnished him with the information needed to make use of the Tribe's State of Oregon purchasing arrangement. Sharon also said the Tribe was in the process of finalizing the position of Property and Procurement Manager for the Tribe, who would be an ideal person to get these matters in order for the Tribe and STEDCO, and maintain them on an ongoing basis. Lillie stated the Property and Procurement Manager will be discussed at the next Council meeting.

Tim asked Jeff if he was going to give them more information on the Group Purchasing.

Jeff stated yes, and he would like to have this as an action item.

- * Jeff will send the Commission information on this prior to the next Commission meeting.

Bud stated the next item on the agenda is the Smokehouse report.

Smokehouse:

Mike reported that Dan Lundy has been on vacation for the last two weeks, and asked Mike to give a report on information which might be of interest to the Commission.

Mike reported that on 4/13 there will be a tour bus of the American Society of Foresters stopping by the Smokehouse for a tour.

Mike reported that on 4/22, in Salem, we will be meeting with the Japanese Sister City to Salem and other buyers.

Mike stated another item is that we are still planning, for June or July, a trip to Alaska to meet with the Metlakatla Tribe to investigate some sources of salmon, which they want to see if we can do a joint venture with them. Mike stated we talked about this last year. Mike stated they also have an egg processing department for the Japanese, and that part of it may work into something, possibly at the Ore-Aqua site. Mike stated this will be mostly to look at the processing, and meet with the people, and see what the opportunities are. Mike asked the Commission if there was anyone interested in going, and if so let him know. Mike stated Manuel Rilatos has related to him that he would

like to go, and related to Mike that he would like to have Mike look at a small log mill and a fish plant up in Wrangell.

Bud stated the only thing he can say is that we have to make sure that what we are getting out of it is what we are putting into it. Bud stated he don't mind sending one or two people.

Mike stated the Council would pay for their own.

Jack asked if Dan Lundy has ever checked in with other tribes up in Washington.

Mike stated he has.

Bud stated the next item on the agenda is the Evergreen report.
Evergreen Report:

Mike stated we have with us, who wasn't able to attend last time, John Baker who has been working with Wayne on a business plan. Mike stated he would like to turn this over to John and Wayne, and let them give their presentation.

John Baker stated he has looked at this project as somebody from the outside, and feels he can make this presentation fairly short. John related to the Commission he thinks this is an exciting project, and will give them some of his generalizations about looking at it both from the production side of it as he saw it from looking around out there, and from the market side of it, which he has had some chance to look at, and will give some other observations, just comparing it to other businesses.

John Baker discussed with the Commission the business plan he submitted to them in March.

John stated that Wayne and everybody on his staff were very conservative projecting what they could do with the products, and they said that if their markets stay about the same as they are now, then they could continue this year at a \$20,000 loss. John stated that last year's loss was approximately \$100,000 for the project, so if you follow just as it is going now, with the same crew that is on right now, you could project that probably, realistically, you could reduce that to a \$20,000 loss over the coming year rather than \$80,000.

Tim asked what the total revenue is.

John Baker stated the total revenue is \$416,000, projected for next year, and the total revenue for this year was \$250,00, so you would have to do twice the sales that you are doing this year to get that, but in looking at the markets that projection is realistic. John stated he would say one other thing about the production out in the Evergreen, every time he has walked into the place he has seen that it is very industrious, it is very well organized, and thinks the crew works well. John stated he thinks the product, compared to what he saw in wholesale markets, is superior, but he also has to say that if you stay in the same market he can't see how you can make money. John stated you would probably have to change the production and have dried products, and you would have raise gourmet vegetables. John stated you would have to diversify a great deal to make money, given the current structure. John stated the current structure is such that the wholesalers