

make money for the tribe, to make jobs for tribal members, Land Acquisition, and Economic Development. It is a Corporation and the Tribal Members are the only owner's.

Ralene Butler went over the charter and asked what the internal organization is for the board of commissioners, what the purpose of the non-Indian commissioners are, who selected them and what their ties and skills are?

Tim Viles stated that the board is composed of 5 tribal members and 4 non-tribal members that volunteer time to make business decisions for the tribe. There is an administrative staff, Executive Director, Secretary, and Accounting Staff. The

purpose is to provide ties and a local economic base as well as providing skills that could not be obtained with just tribal members. Commissioners are appointed by STEDCO. Non-tribal members are Bud Shoemaker-Harbor Master for the Port of Newport, Jack Retasket - Sheet Metal Business, Dan Van Otten- Social welfare services for the state of Oregon, and John Miller a Local community rancher.

Ralene then asked, When you talk about ties to the community, what do you mean and are the meetings open to the public?

Tim responded, The local community can be broader. Meetings are open to the public except for Executive Session for personnel reasons and when STEDCO is looking into business or confidentiality. When STEDCO goes into Executive Session it is to maintain a sense of business continuity and confidentiality.

Ralene asked Mike Dowsett to explain what the Economic enterprises currently are and why STEDCO invested in these businesses?

There are presently two major enterprises, there is a third that is basically integrated into the Forest Products Enterprise and that is the Box Company. The two major enterprises are the Siletz Tribal Smoke House and The Siletz Tribal Forest Products. Mike stated that the Box Company will probably be moved over to the site of the Siletz Tribal Forest Products. Operations have started at the mill, 18 people have been hired, ten being tribal members, 2 being Indian-non-tribal, and 6 being non-Indian. All applications were reviewed and all tribal members that applied were interviewed. There were 16 tribal members that applied and 10 were placed in positions.

Ralene asked, What type of mill was purchased, where do you plan on getting your logs?

It is a Saw Mill, set up for high grade, conifer. John Miller stated that at one time STEDCO was going to build a small log mill and it would have cost us just as much as this mill. This mill is capable of cutting, not only conifer logs, but it is capable of cutting any large diameter log. We are also going to make upgrades where we can saw small logs. We have identified around 17 million feet of timber in which all but 13 million of that is local timber that we have a chance to purchase. We have already purchased farmer logs (local, smaller logs) that are coming into the mill.

Ralene asked what the cost is to upgrade the mill for smaller logs?

John didn't know that figure.

STEDCO got 72 acres, the largest industrial site in Lincoln County.

Ralene asked, Why didn't you purchase the land?

John responded, there is an opportunity to receive a

federal grant for 1/2 the purchase price of the land. If the land is purchased first, the federal grant may not come through.

Mike Dowsett stated that they have been working on the grant for about a year, the only thing that is holding them up now is the administration, but when they talk with EDA they stated that STEDCO is still number 1 for financing and funding. The only issue left is determining if Lincoln County becomes one of the timber dependent areas.

Ralene stated that the tribe applied to EDA for a grant and they stated they were already funding STEDCO, so have you already received a grant from EDA?

STEDCO presently receives a grant, 1/2 of Mike Dowsett's salary is paid by the EDA grant and 1/2 of Jeff Valentines salary, and part of Kent and Mike's is paid by Annual grants received.

Ralene stated that we've been hearing about the long term process for a long time and that brings us to the tribal smokehouse and the five year process, so why don't you explain that. Begin by explaining why we invested in the tribal smokehouse, where it is located and why it is located there instead of the Newport area?

Dan Lundy explained that the main reason for locating the smokehouse in Depoe Bay instead of Siletz was that Highway 101 runs right through Depoe Bay and at that time we did not see an opportunity in the Newport area because there was nothing for sale under the high traffic retail area. There was one place, if we would of had \$450,000.00 we could have bought that. We bought the existing smokehouse for \$126,000.00 and we own it.

Ralene asked, What is the quality of the building, the location and what about expansion?

Dan Lundy responded that, it is just south of the bridge about 100 yards, the quality of the building is good as far as the structuring and the foundation. The tribe owns the land that it sits on. Tim stated that STEDCO wanted to take it in stages, to set a reasonable pace for growth. STEDCO has options to look at adjacent land for purchase also. There are no plans to move to a larger operation before business is profitable.

Ralene asked, Are we profitable and how many years has the smokehouse been in existence?

We have not hit the profitable level yet, but we are trying to turn things around.

Ralene asked, Could you tell us in general terms how much we are losing and how many years do you determine that it will take to start seeing a profit?

Tim stated, Over the last fiscal year approximately \$200,000.00, but Dan has done some wonderful things in packaging the products and marketing. We are looking at 2 - 2 1/2 years. There is a possibility of a joint venture with another tribe.

Lori Johnson asked, How much has it lost in five years?

Tim stated, Over \$500,00.00, but it is councils direction and also our direction to try to turn the thing around.

Laurie Brown-Godfrey stated that this last year she got to work with the royalty and the smokehouse has always been very supportive the girls and our luncheon and they may not be making us a lot of money, but this a hard task for our girls to represent the tribe and it is nice having that type of support. She commended them for what they do for our tribe.

Ralene stated that we have tribal members who are

going to the smokehouse requesting them to place their bead work in the showcases and trying to make a profit and they are paying a measly amount of money for their art work and then marking it way up to an extraordinary price and that is also how we treat our tribal members.

Dan Lundy stated that most businesses have to invest for a considerable amount of time before you see a profit and we are no different. This is not an unreasonable amount of time to go without making a profit.

Elouise Case stated that the other business's don't have the money with timber like we have go into their business's. STEDCO was able to buy all of the tribal timber. STEDCO hits me with a real sore spot. We have needy people and our money goes to STEDCO and all I can see is that we have nothing to show for it. You never see anything come up over there and these R.V. parks come up on 101. I think that we have done a lot of research for these business men, actually through STEDCO. I see the Evergreen, the one who profited was the man who bought the moss. I don't understand this.

Ralene asked if the smokehouse being remodeled is still an issue and if you do who is going to pay for it? We do have some plans that we have put together that would allow for remodeling. We would have to put bids out and that would range from \$100,000.00-\$150,000.00. That would happen sometime in the next year or two. A combination of Grant's, BIA Loan's and STEDCO money will pay for the remodeling.

Ralene asked, What is the purpose of the Box Factory and are we making a profit?

Tim stated that it was a purchase of an existing enterprise that showed the cutoffs that matched pretty well to the vertical extension of the timber resource. STEDCO saw there was a good barrage of taking raw materials and being able to produce gift boxes, a lot of promise of existing capitol equipment and trade staff and a business that was profitable. The previous owner and staff was not as motivated to make a profit for STEDCO as well as we would have liked. Once STEDCO moved Jay Christensen there things really turned around. This business is pretty darn close to making a profit, if it isn't

Ralene asked, Why out of 35 employees are there only 6 tribal members employed, why are they all in lower level positions and why are we still employing the previous owner's family?

STEDCO's goal was to find jobs to return funds to tribal operations, when we take over this business we must look at maintaining continuity, skilled labor and look at the liability of keeping those people on staff. Other personnel changes are as the opportunities come about and tribal members will be moved into those positions.

Loraine Metcalf asked how many work at the Box Factory now?

Jay stated that there are currently 6 construction workers and myself that works back and forth from Siletz on a part-time basis. I am the only tribal member. When I started there in August and the staff was already in place I advertised and I do have applications on file. I just hired a tribal member from Salem. As jobs come open it is top priority to hire tribal members.

