

Finance Officer Makes Presentation at General Council Meeting

■ Larry Kovach introduces PaineWebber Vice President Mark Barnum to the membership, outlines changes in Tribal investment strategies.

By Brent Merrill

The April General Council meeting was held on Sunday, April 7 at the Tribal Community Center in Grand Ronde. Here are the highlights:

Tribal Chair Cheryl Kennedy called the meeting to order just after 11 a.m. Tribal Council member Jan D. Reibach gave the invocation.



Finance Officer Presentation — Tribal Investment Process

Chief Financial Officer Larry Kovach gave a run-down on the Tribe's investment practices and the outcome of the relationship between the Tribe and our past investment managers Strategic Wealth. Kovach explained the way investments were handled prior to 2001 when Tribal Council decided to look into the investment practices of Strategic Wealth.

Kovach explained how things would change now that the Tribe has changed investment policies, strategies and the management of those assets. He introduced Mark Barnum, Senior Vice President of UBS PaineWebber. Barnum is the lead consultant for Prime Asset Consulting Group who will now be advising the council on investment strategies. Prime Asset is based out of Seattle.

Kovach detailed how Strategic Wealth Management was the consultant, as well as the investment managers, master custodians and trust record keepers for the Tribes investments at a cost of approximately \$2.1 million.

He outlined how the Tribe will now use independent parties to handle each separate function of the investments strategies and practices. Prime Asset will serve as the investment consultant. Security

Trust Company of Phoenix will serve as the master custodian and REDW a Certified Public Accountant firm in Albuquerque, New Mexico will serve as the trust record keeper.

The Independent Investment managers have not been selected yet. Interviews to choose the investment managers will be held in May.

Kovach said PricewaterhouseCoopers, LLP through their Portland and Las Vegas offices, would do the external audit process. Their Las Vegas office will handle the Tribe's gaming operations and their Portland office will handle everything else.

The Internal Auditor position within the Tribe is currently being recruited.

According to the information provided by Kovach, the overall cost of the new investment process is a million dollars cheaper at \$1.1 million.

Kovach said PaineWebber gets a flat fee for its services to the Tribe and has no personal stake in the investments.

During Barnum's presentation, he went over what the Tribe has done so far to make changes and what some of the changes will be in the future. The Tribe sent out a request for proposals and engaged a new investment consultant (PaineWebber) in October of 2001. A new trust record keeper was engaged in November of 2001 and new external auditor was engaged in December of last year. A new master custodian was engaged in January of 2002.

According to Barnum, the Tribe will have a new investment policy and a new asset allocation policy in place by the end of this month (April).

In response to the investment situation with Strategic Wealth Management, the Tribal Council has put in place an Investment Committee made up of Tribal Council members, Kovach, Barnum and Tribal Attorney Rob Greene. Their goal is to make sure the Tribe does not end up in the same type of wealth management situation now that the new process is being put into place.

In response to a question from a Tribal member, Kovach said that losses that had previously been reported in the children's trust accounts had been absorbed into other areas and the losses were now covered. He said that when the new trust account statements were delivered to membership later this month, they would reflect three to four percent gains

rather than the average 12 percent losses that had been previously reported.

Kovach also responded to a question about when the Tribe started to realize that something had gone wrong with the relationship with Strategic Wealth Management. Kovach outlined that the Tribe authorized him to start looking into the relationship in March of 2001. PaineWebber was asked to look at the Tribe's portfolio in July of 2001 and it was discovered that there were problems. In August, PaineWebber detailed these problems in a presentation to Tribal Council. In September, Tribal Council issued a notice of termination to Strategic Wealth thus ending the relationship.



Elder Marce Norwest and Tribal Council Members Reyn Leno (right) and June Sell-Sherer (not pictured) presented the volunteer drivers for Steve Bobb's Walk from Table Rock with certificates for dinner for two at Legends.

Photos by Brent Merrill



Tribal Attorney Rob Greene is now part of a Tribal Council-appointed Investment Committee that will oversee the Tribe's future investment policies and strategies.



PaineWebber's Mark Barnum

Health & Wellness Center's Annual Report

Dr. Tom Austin, Executive Director of the Tribe's Health & Wellness Center, made copies of the department's 2001 Annual Report available to the General membership and informed the membership that Dr. Wilbert James of the Swinomish Tribe in Washington has been hired a new family practitioner. Austin said that Dr. James started working for the Tribe on Monday, April 1 and started seeing patients on Friday, April 5.

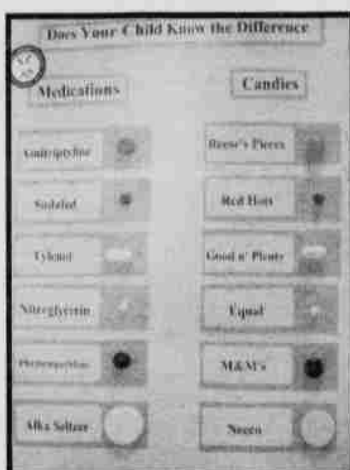
Door Prizes

Nancy Coleman, Albert Peters and David Nelson won \$50. Nelson donated his winnings to the Veterans' Memorial Fund. Lorry McKnight won \$100.

Next Meeting

The Next General Council meeting will be held on Sunday, May 5 at the Tribal Community Center at 11 a.m. This will be the meeting at which Tribal members can make their nominations for Tribal Council and it will also be the last General Council Meeting for the summer months. General Council meetings will begin again Sunday, September 8 following Tribal Council elections on Saturday, September 7.

Tribal Safety Day 2002 "Hazard Awareness"



Matt Bucknell

103 participants showed up for the Tribes 5th annual Safety Day. Jimmy Brandon was awarded the safety leadership award, and the Dental department in the Health & Wellness Center received the most improved department award based upon the reduction of accidents or incidents from 2000 to 2001. Multiple guest speakers were on hand. Food and beverages were provided and games of skill and knowledge were used to award prizes to those that showed their familiarity with safety practices.



Pearl Mekemson (L) and Kathleen Marquart

Photos by Willie Mercier