

Number of monthly visits per client decrease

GENERAL COUNCIL
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Manager Roy Rhode delivered to the Tribal membership during the Sept. 7 General Council meeting held in the Community Center in Grand Ronde.

Rhode said that as gas prices increase, the negative view of the economy by Americans also goes up. Likewise, when gas prices decrease, the number of Americans with a negative view of the economy goes down.

And those gas prices, which hit an all-time high earlier this summer, are affecting the casino, which has seen the number of monthly visits per client decrease from 3.79 trips in 2007 to 2.33 trips in 2008.

In addition, gas prices are affecting the cost of casino goods and services, leading to an increase in casino operating expenses.

Despite that, however, Rhode said that net revenue at the casino is slightly higher in 2008 than in 2007 year to date as of July, and he expects stronger growth to return in the third quarter of 2009 "barring any catastrophe."

To deal with increasing expenses and static revenue numbers, Rhode said the casino is adopting several expense strategies, including a labor analysis, holding staffing numbers in check, limiting capital purchases and restructuring casino debt from a five-year note to a 10-year note, which will lower the interest rate paid by the Tribe by 1 percent and make more money available to the

Tribal dividend.

On the revenue side, Rhode listed a series of initiatives to combat current economic conditions, including:

- ◆ Increased advertising and marketing efforts in the Interstate 5 corridor near Corvallis and Eugene;
- ◆ Reducing the age limit for poker to 18, matching what Chinook Winds does in Lincoln City;
- ◆ Having larger progressive jackpots to combat the Oregon Lottery;
- ◆ Offering gaming and alcohol in the new sports bar, set to open in December;
- ◆ Installing an interactive plasma marquee sign in front of the casino to pull in more customers traveling on Highway 18;
- ◆ Increased group sales;
- ◆ Continued big-name stars at the 1,800-seat Entertainment Center, such as upcoming shows by Smokey Robinson, Rita Coolidge, Cheech & Chong, Styx and Joe Cocker;
- ◆ Increasing the number of bingo days;
- ◆ And host a monthly Tribal marketplace in the Convention Center hallway, allowing Tribal vendors to sell their arts and crafts.

Rhode said the new sports bar, which will be located in the old buffet area, will have a positive effect on the casino's 2009 revenue.

Regarding the Entertainment Center, Rhode said the casino will install bleachers in the back to make those seats more enviable, as well as seek more Portland-area

performers to lure guests from the Portland area.

"Sixty percent of our guests come from Portland," Rhode said. "We want to create an atmosphere where Portland guests want to come out on weekdays, too."

Along those lines, the casino has booked a Share Concert, featuring several Portland musical artists, for Nov. 8.

Tribal Council member Steve Bobb Sr. asked if Spirit Mountain Lodge occupancy rates have been affected by higher gas prices.

Rhode said the overall occupancy rate has dipped from 87 percent in 2007 to 83 percent this year.

"Road construction has hurt us in a way that is hard to measure," Rhode said, referring to work on Highway 18 between Valley Junction and the casino.

Tribal Council member Valorie Sheker suggested holding off on installation of a new marquee outside Spirit Mountain Casino because of its cost while Tribal Council members Jack Giffen Jr., Bobb, Wink Soderberg and Reyn Leno supported it.

Giffen said the casino used to pull in 33 percent of those driving by and that number had declined to about 26 percent. "There is room for improvement," he said.

Leno said the Tribe will have a five-year return on its investment in a new marquee if only seven more cars a day are prompted to visit the casino by the new sign. If 17 to 18 cars are attracted daily, the investment return drops to 18 months,

he said.

Tribal Elder Les McKnight questioned allowing 18 year olds to play poker in light of recent concerns about Tribal young adults wisely spending their trust fund monies. He also questioned the number of vehicles the casino has given away recently in promotions.

Rhode said the casino business requires Spirit Mountain to "keep up with the Joneses" and it "takes money to make money."

"We need to have something exciting for our guests and it is needed to maintain our revenue streams," Rhode said.

Tribal member Maxine Rock suggested the casino rethink its current Simon and Buck marketing campaign, which she said was drawing people away from the casino.

Rhode said the campaign is a flexible branding effort which he supports.

Tribal member Charlotte Gray suggested the casino have more handicapped parking and waiters and waitresses on the gaming floor while Tauni McCammon suggested an effort be made to "make guests feel like we're glad they're here."

After Rhode's presentation, Tribal Elder Jolanda Catabay won the \$100 door prize and Rock, 8-year-old Kiona Campbell and Tribal Elder Janet Giddings won the three \$50 door prizes.

The next General Council meeting will be held at 11 a.m. Sunday, Oct. 5, at the Tribal Community Center in Grand Ronde. ■

Cultural Corner

**Grand Ronde:
Hemp basket weaving class
Sept. 20
9 A.M. to 3 P.M.**

Education Room 126

**Participants need to bring scissors
and a sack lunch.**

\$25.00 to take the class

Cost is for materials

**For more information, contact Misty Thorsgard
1-800-422-0232, ext. 2320, or
misty.thorsgard@grandronde.org**

