

Casino income down, but not as bad as other places

Ferguson briefs General Council on Tribe's main moneymaker

By Dean Rhodes

Smoke Signals editor

Spirit Mountain Casino Chief Executive Officer Rodney Ferguson acknowledged the dark economic cloud that still lingers over the entire nation while accentuating some silver linings during the Sept. 12 General Council meeting held in the Tribal Community Center.

"For those who think the recession is over, more power to you," Ferguson said early in his hour-long presentation. "It is still lingering on in my mind."

Ferguson said Spirit Mountain Casino, the largest employer in Yamhill and Polk counties, survived the worst part of the nationwide recession in 2009 and was seeing improvement in 2010 until May and June turned into bad revenue months.

"We're still waiting for the economy to turn around," Ferguson said, pointing to Oregon's stagnant unemployment rate of 10.6 percent, high foreclosure rates statewide and a prediction that Salem might experience a double-dip recession.

And it's not just Spirit Mountain Casino that is being affected, he said.

"Our biggest competitor, the Oregon Lottery, was down 9.1 percent for the first five months of the year," Ferguson said, adding that in the aggregate from 2008 to 2010 that gaming venues in Nevada are down 20 percent, in New Jersey they are down 30 percent and Mississippi has seen a 24 percent decline.

So, where's the silver lining?

Ferguson reported that Spirit Mountain Casino revenues for the same period were only down 10.9 percent, less bad than the rest of the country. Ferguson also reported that casino profits for the first eight months of 2010 were only down 7.8 percent.

"The major decline in 2010 is in



Photo by Michelle Alaimo

Rodney Ferguson, Spirit Mountain Casino's chief executive officer, gives Tribal Council and the membership an update on the casino during the General Council meeting held in the Tribal Community Center on Sunday, Sept. 12.

volume," Ferguson said. "People are still coming to the casino, just not as often and not spending as much money."

To combat declining revenues, the casino has controlled labor costs — its largest expense — by taking a "hard look" when a position opens about whether it must be replaced, Ferguson said.

Of major concern to Tribal members is the dividend the casino transfers to the Tribe to fund governmental services, health care and per capita payments, among many other programs.

Ferguson said that comparing the first eight months of 2010 with 2009, the dividend declined by 9.6 percent.

However, he pointed to yet another silver lining.

"September so far has seen a good turnaround. Revenues are flat (when compared to 2009) and we're close to budget," Ferguson said.

As of July 31, the casino employed 1,440 people with 155 — 11 percent — being Tribal members. Out of a 218-member management team at the casino, 36 — 14 percent — are Tribal members.

Between August 2009 and August 2010, the casino saw a 23 percent employee turnover rate, Ferguson said, citing absenteeism as a major reason for involuntary terminations.

Ferguson said the renovation of 149 rooms at Spirit Mountain Lodge is almost complete with 23 rooms left to be finished by Oct. 15. He defended the renovation, saying the more than 12-year-old rooms were starting to show their age. In order for the casino and Lodge to attract high rollers, they have to offer amenities that match those found in other gaming meccas, like Las Vegas.

"The longer we keep them there (at the Lodge), the more money they spend," he said about offering rooms that are refurbished and first-class.

Ferguson added that the casino will start offering alcoholic drinks in the Peak and Summit areas on Sept. 27.

Looking into 2011, Ferguson said he envisions a flat revenue scenario if the economy does not rebound.

"It's going to take a lot locally and nationally for the economy to turn around," he added.

Tribal Council member Wink Soderberg commended Ferguson and the casino staff for "keeping us in the ballgame. It could have been much worse."

In response to a question by Tribal member Les McKnight, Ferguson said the Tribe did not lose much money this summer as Lodge guest rooms were renovated.

Ferguson said the renovation was done in stages and no more than 44 rooms were down at any one time, and that was mostly in the middle of the week. "Year-to-date, we're close on Lodge revenues," he said.

Ferguson added that the renovation is under its projected \$5.35 million budget.

Tribal Elder Pasty Pullin asked why Raindrops nightclub is only open two nights a week. Ferguson said the nightclub, opened in May 2009, is designed for weekend crowds and as a place for guests to visit after a show. He added Raindrops has met its budget projections.

Other Tribal members suggested the casino market more to women, investigate stocking works by local Tribal artisans in the gift shops and advertise the convention center so that it is used more often.

Following lunch, Tribal Health Services Executive Director Mark Johnston briefed the membership on the effort to make the Tribal Health Plan — Skookum — a secondary payer whenever possible.

A letter explaining the effort has been appearing in Smoke Signals.

Essentially, to combat escalating health costs that are eating up Tribal revenues, the Skookum health plan will become a secondary payer whenever another potential payer is possible for a Tribal member, such as Medicare, Medicaid or a spouse's health plan.

Currently, Skookum consumes \$22 million in Tribal funds annually, reducing the amount available for other Tribal services and programs, such as education, Elder pensions and per capita.

The plan is for Skookum to be the secondary payer whenever possible starting Jan. 1, 2011.

The next General Council meeting will be held 11 a.m. Sunday, Oct. 3, in the Tribal Community Center in Grand Ronde.

Tribal members Kelly Nelson and Barbara Steere and Tribal Elder Kathy Provost won the \$50 door prizes and Tribal Elder Linda Brandon took home the \$100 door prize. ■



Menu
Salmon
Coleslaw
Fry Bread
Caviar the Cob
Watermelon

Adults - \$10
Children 11+ under - \$5
TRADITIONAL SALMON BAKE ON CEDAR PLANK
Community Center
Elder Fundraiser
Oct. 4, 2010
11:30a.m. - 2p.m.

Ad created by George Valdez

EPA holding Native youth artwork contest

The Environmental Protection Agency is holding a poster contest for Native American students aimed at protecting the environment by encouraging the reporting of possible environmental crimes through the agency's tips and complaints Web site.

The contest is open to middle and high school students who are members of a federally recognized Tribe. The agency will use the winning artwork on its Web site and on posters encouraging the reporting of environmental violations.

The artwork will be judged on creativity, originality and how well it depicts the message of environmental violations. Entries must be received or postmarked by Oct. 8 to be eligible.

Students should submit artwork to U.S. Environmental Protection Agency, Criminal Enforcement — "Help Fight Environmental Crime" Contest, Denver Federal Center, Building 25, Ent. E-2, P.O. Box 25227, Denver, CO 80225.

For more information on the contest, visit www.epa.gov/compliance/criminal/contest/tribal.html. ■