

COUNCIL OF THE CHEROKEE NATION  
EXECUTIVE & FINANCE COMMITTEE REPORT

**Group:** Financial Resources      **Month/Year of Report:** March 2010

**Group Leader:** Callie Catcher      **Phone:** 207-3902      **E-mail:** [callie-catcher@cherokee.org](mailto:callie-catcher@cherokee.org)

**I. Budget Highlights – through February**

- a.) Financial Resources – 32% spent
- b.) Treasurer – 26% spent
- c.) IIM – 37% spent
- d.) Acquisition Management – 29% spent
- e.) Support Services – 27% spent

**II. Program Highlights**

**a.) Balanced Scorecard Measures**

- 1. Complete 09 Audit - 20% complete
- 2. Obtain Unqualified Audit Opinion – 0% complete
- 3. No Reportable Conditions on Single Audit –0% complete
- 4. Implementation of SAS 112 audit requirements – 45% complete
- 5. Obtain GFOA Award for FY08 CAFR – 100% complete
- 6. Reports Completed & Submitted by Due Dates – 98% Complete for reports due by 01/31/10.

**b.) Accomplishments**

- 1. Lawson GL/AC training in Osiyo Training Room 1:30-4:00 – February 10 & 16
- 2. Lawson Southwest User Group Conference, Houston, TX – February 19
- 3. 2,200 employees now activated on Kronos.
- 4. Pay Cards for employees are all activated.
- 5.

**c.) Future Plans/New Initiatives**

- 1. Begin Lawson 9.0 Applications Upgrade – March 1
- 2. 2009 CAFR to be issued March 31
- 3. 2011 Budget Cycle preparation to begin April 1 (Budgets Office)
- 4.

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<b>Cherokee Nation Acquisition Management Year-To-Date Report Over \$5,000 Transactions October 1, 2009 through January 31, 2010</b>		<b>% of sub-total - TERO vendor submitted Bid</b>
Award to TERO Vendor	\$ 6,823,452.46	87.59%
Award to non-TERO Vendor	\$ 966,578.87	12.41%
<b>Sub-total bids with a TERO vendor participating</b>	<b>\$ 7,790,031.33</b>	<b>100.0%</b>
Bid - no bids submitted by TERO Vendors	\$ 2,727,492.87	

**Group: CNE**

**Month/Year of Report: March 2010, based on January 2010 results**

**Group Leader: David Stewart    Phone: 384-7878    E-mail: david.stewart@cnent.com**

## **I. Budget Highlights**

- a. CNE January net income totaled \$6.5 million, compared to \$9.1 million in January FY09. Net income was 33.8% below CNE's budget of \$9.5 million.
- b. Total January revenue of \$35.8 Million was below the prior year by \$3.1 million, and was below budget due primarily to lower than forecasted eGames revenue. Revenue continues to be negatively impacted by economic conditions.
  - i. Sallisaw January revenue exceeded the prior year by 11.8% and continues to be favorably impacted by the closing of Blue Ribbon Downs.
  - ii. Total combined revenue at other properties, compared to prior year, declined 8.9%.
  - iii. Highway construction around the Catoosa facility has an ongoing negative impact on property revenue.
  - iv. Snow storm on January 28<sup>th</sup> had an estimated \$1.5 million negative impact to gaming revenue.
- c. Operating expense for the month of \$26.8 million was favorable to budget by \$3.9 million, or 12.7%. CNE continues to focus on reducing operating costs throughout the company in order to improve profitability.

## **II. Operating Highlights**

- a. Expansions
  - i. Catoosa – Construction continues on the Hard Rock event center. Steel work on the building is complete and the building façade is currently being constructed. CNE expects to have the event center in operation by September 2010.
  - ii. West Siloam Springs - The hotel is expected to be complete by June, 2010.
- b. Accomplishments

- i. 57.9% Cherokee employment
  - ii. 68.8% Native American employment
  - iii. Noticeable turnover reduction since increased minimum wage
- c. Future Plans/New Initiatives
  - i. Continue to manage expansion progress.
  - ii. Continue to enforce tighter hiring controls and expense reduction measures to gain efficiencies.

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**Group:** CNB

**Month/Year of Report:** February 2010 based on January 2010 results

**I. Budget Highlights**

- a. Consolidated Monthly Net Income for all entities of \$6.4M compared to budget of \$9.4M. Consolidated Net Income was above last month by \$1.2M or 22% increase.
- b. Utilizing \$59M of BOA Loan Facility for all entities as of January 31, 2010 and \$44M as of February 28, 2010.
- c. FY10 Year-to-date Consolidated Capex is \$35M for all entities.

**II. Operating Highlights**

a. Operating Subsidiaries

- i. CSG won two new contracts with the National Oceanic and Atmospheric Administration totaling \$6.5M. These contracts will commence in February 2010.
- ii. CCRC is currently estimating a new design-build contract for Dover AFB which has potential to generate \$12M-\$13M in revenue over a 2 yr performance period. This project is not included in CCRC's current budget.
- iii. APSE continues to await decision on the proposal for KC-135 which was submitted in October 2009.
- iv. APSE submitted the Boeing 4PL multi-site, multiyear proposal on January 29, 2010. APSE anticipates to be awarded for work beginning late 2011 with full contract execution in January 2012.
- v. APSE submitted a multiyear, \$7M parts procurement/sales proposal to Tect Aerospace on January 29, 2010 and continues to wait for the decision.
- vi. APSE submitted quote, as a subcontractor to Boeing (Aviall), as a pan stock/bin services provider for the Aniston & Red River Army Depots. Announcement of the award is expected late Spring 2010.

b. Future Plans/New Initiatives

- i. Ensuring that the Chief's Mandates are in place
- ii. Shared Service Delivery
- iii. Economic Development and Diversification ongoing

Group: Career Services-  
Employment Month/Year of Report: February, 2010

Group Leader: Diane Kelley Phone: 453-5628 Email: dkelley@cherokee.org

**I. Budget Highlights – Please refer to Monthly Financial Report**

None

**II. Program Highlights**

**a. Balanced Scorecard Measures**

Activity	January	YTD	Goal	% of Goal
Training Completions	68	197	650	30%
Employment Completions	76	276	400	69%
Unsubsidized Placement	65	128	400	32%
Retention	16	212	200	212%
WorkKey Credentialing	35	115	450	26%
Job Bank	81	411	2000	21%
Community Service	3	37	60	62%

Balanced Scorecard measures for the previous month will be available the 15<sup>th</sup> of each month.

**b. Accomplishments**

1. Five program participants entered unsubsidized employment.
2. Five Life & Social Skills classes were held with a total of 65 participants.
3. Two Job Fairs were held with a total of 225 attendees.
4. The roof repair on Jay Project has been completed.
5. Twenty-five applicants have been placed on a Work Experience program.
6. Employment Development received 35-40 TERO certification applications and two committee appeals which were tabled, resulting in one approval.
7. Kelly Forrest is now the Life & Social Skills teacher. Her main classroom is located in the new Tahlequah Career Learning Center. She will travel to all field locations on a rotating schedule.

8. Employment & Training Specialists began taking Summer Youth applications on March 1, 2010.

**Initiatives**

1. Employment Development is planning mandatory training for entities and vendors regarding TERO legislation.
2. Employment Development has begun work on developing policies to coincide with the new Executive Order. Meetings have been scheduled with programs in the Government and Business enterprises. The deadline for getting policies developed on Acquisition Management is March 12, 2010, and March 24, 2010, for getting the TERO policies developed. Training on the policies will follow in April 2010. Training for TERO vendors is scheduled in the latter part of April and will be offered in three locations; Southern, Central, and Northern. Training for all new businesses will be offered in the fall.
3. Employment Programs are in the process of placing program applicants in field offices to assist in the daily processes of the Day Work Program.

**Group: Certified Indian Owned Businesses (Career and Commerce Services)**

**Month/Year of Report: March 2009**

**Program Highlights**

**a. Balanced Scorecard Measures**

<b>Objective</b>	<b>Metric</b>	<b>2010 Goal</b>	<b>Year to Date Achievement Notes/Comments</b>
Effective Business Workshop Training	# Certified Indian-Owned Business Attendees and % indicating usefulness	500/100%	265/100%
Increase Certified Indian-Owned Business Procurement Awards	% Certified Indian-Owned Business Procurement Awards	75%	63.61% Business Entities eligible procurement \$'s awarded to Certified Indian Owned vendors <ul style="list-style-type: none"> <li>• CNE 66.37%</li> <li>• CN Government 64.88%</li> <li>• Health Entities 79.57%</li> <li>• CNI 18.21%</li> </ul>
Increase Cherokee Citizens employed	% Cherokee Citizens (verified)	Entity CNE - CN – 82.9% Health - CNI -	Business Entities <ul style="list-style-type: none"> <li>• CNE 44.69%</li> <li>• CN Government 79.86% (does not include IPA/MOA)</li> <li>• Health Entities 51.28%</li> <li>• CNI 72.24% (does not include service contract employees)</li> </ul>
Increase Indian-Owned Business Certifications	# Newly Certified Indian-Owned Businesses	80	50
Effective One on One Training for Certified Indian Owned-Businesses	# of businesses receiving assistance/% finding useful	300/95%	92/100%
Certified Indian-Owned Business Receiving Financial Assistance	% Certified Indian-Owned Business Loans in Portfolio	75%	0%
Effective Usage of Fees Collected	# Trained	100	23
Effective Monitor of Work Sites – Construction and Housing	# Monitoring Visits	90%	100% - 1,221 sites monitored
Effective Monitor of Bid Openings	# and % Bid Openings Attended	100%	64 bid openings attended
Effective Resolution of Complaints – TERO and EEOC	% Complaints Resolved	100%	6 complaints filed, 1 resolved (17%)

**b. Notable accomplishments:**

1. Created **Certified Indian-owned Business website**, to provide exposure for CIOB on the internet and to maintain an up to date listing of certified businesses. Website will be unveiled in April 2010.
2. Cherokee Nation Tribal Employment Rights Office has been nominated for the **Tulsa Metro Chamber Small Business Award**.
3. Met with **Procurement CN and CNE procurement departments** regarding **policy and procedure changes** in order to conform to Executive Order 12-10-CS.



c. Future plans/new initiatives:

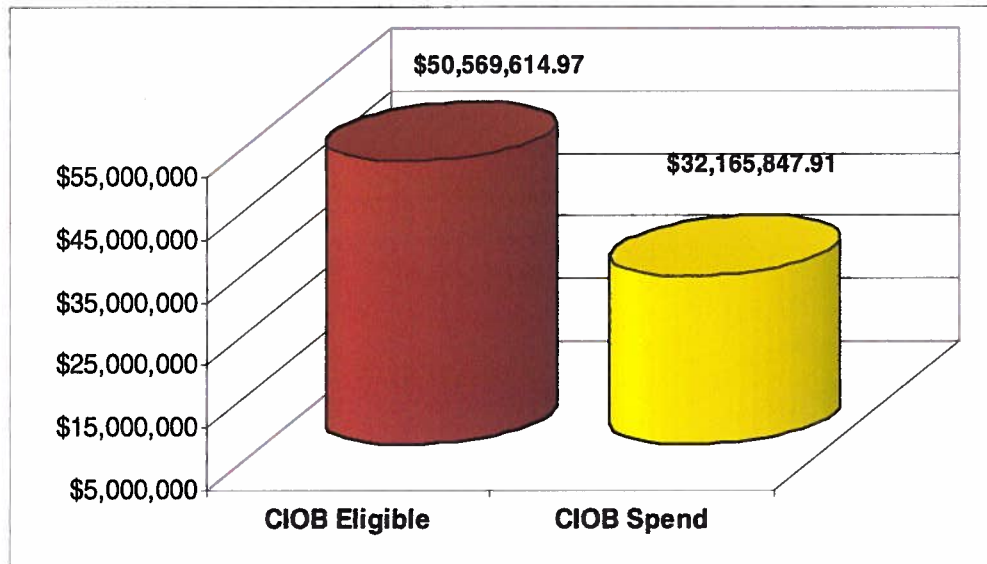
1. **Electronic notification to all CIOB when a procurement opportunity they qualify for posts from CN Government.** Notification will be through email and text messaging.
2. Comprehensive certification program to aid Certified Indian Owned Businesses with **other city, state, and federal minority certifications.**
3. Identification and **training referrals if CIOB not meeting program expectations or bidding expectations.**
4. **CIOB benefits brochure** highlighting the benefits of becoming a certified Indian-owned business, including a listing of all other area governments and purchasers that accept CN certification without the business applying for additional minority certifications.
5. **TERO compliance, Executive Order 12-10-CS, and [www.cherokeebids.org](http://www.cherokeebids.org) training** for all CN and entities purchasing groups and program decision makers.

<b>CIOB Development Opportunities</b>			
<b>Date</b>	<b>Location</b>	<b>Time</b>	<b>Workshop</b>
2-Mar-10	Tahlequah, SBAC Bid Center	6:00 – 7:30pm	Home Based Business - Marketing
3-Mar-10	Claremore	6:00 -7:30	Marketing (REI)
9-Mar-10	Claremore	5:30 -7:00	How to do Business w/CN (Procurement)
16-Mar-10	Tahlequah	5:30 – 7:00	How to do Business w/CN (Procurement)
23-Mar-10	Claremore	6:00 - 7:30	Building High a Performance Business (REI)
1-Apr-10	Claremore SBAC/RSU	1:00 – 3:00	Section 8(a)/HUBZone Certification (SBA)
2-Apr-10	Tahlequah	9 - noon	Business Taxes (OTC)
6-Apr-10	Tahlequah, SBAC Bid Center	6:00 – 7:30pm	Home Based Business - Branding
8-Apr-10	Claremore	6:00-7:30	Are You Ready for Gov. Contracting? (REI)
21-Apr-10	Claremore	6:00 p.m.	Understand and Using Bonds (Brown & Brown)
27-Apr-10	Tahlequah	6:00 p.m.	Understand and Using Bonds (Bardell & Bardell)
3-May-10	Claremore	5:30 p.m.	CORE Four – Session 1
10-May-10	Claremore	5:30 p.m.	CORE Four – Session 2
17-May-10	Claremore	5:30 p.m.	CORE Four – Session 3
14-May-10	Muskogee	6:00 p.m.	Oklahoma Tax Commission
24-May-10	Claremore	5:30 p.m.	CORE Four – Session 4
3-Jun-10	Tahlequah	5:30 p.m.	CORE Four – Session 1
4-Jun-10	Tahlequah	9 - noon	Business Taxes (OTC)
8-Jun-10	Claremore	6:00 – 7:30	How to do Business w/CN (Procurement)
10-Jun-10	Tahlequah	5:30 p.m.	CORE Four – Session 2
12-Jun-10	Tahlequah	ALL DAY	Art of Living
15-Jun-10	Tahlequah	6:00 – 7:30	How to do Business w/CN (Procurement)
17-Jun-10	Tahlequah	5:30 p.m.	CORE Four – Session 3

24-Jun-10	Tahlequah	5:30 p.m.	CORE Four – Session 4
July (TBD)	Muskogee	4-Oct-10	TERO Vendor Fair
18-Aug-10	Broken Arrow		Minority Business Summit (REI)

<b>CIOB Development Opportunities, cont.</b>			
<b>Date</b>	<b>Location</b>	<b>Time</b>	<b>Workshop</b>
14-Sep-10	Claremore	6:00 – 7:30	How to do Business w/CN (Procurement)
21-Sep-10	Tahlequah	6:00 – 7:30	How to do Business w/CN (Procurement)
5-Oct-10	Claremore	TBD	CORE Four – Session 1
12-Oct-10	Claremore	TBD	CORE Four – Session 2
19-Oct-10	Claremore	TBD	CORE Four – Session 3
19-Oct-10	Tahlequah	TBD	Oklahoma Tax Commission
26-Oct-10	Claremore	5:30 p.m.	CORE Four – Session 4
November	Hard Rock - Catoosa	10:00-4:00	Certified Indian-Owned Business Fair

**63.61% of CIOB Eligible Procurement Opportunities were Awarded to CIOB**



**\*\*Includes CN Government, CNE, CNI, and Health Entities**

\*\*\*Previous CNI Reports including calendar year to date totals, reports are now fiscal year to date totals. This change decreases the CIOB eligible amount by \$8,094,151.55 from last month and decreases the CIOB spend by \$3,383,728.52 from last month.

Group: Commerce

Month/Year of Report: March 2010

Group Leader: Anna Knight

Phone: 453-5532

Email: aknight@cherokee.org

**Budget Highlights**

None

**Program Highlights**

a. Balanced Scorecard Measures

Objective	Metric	2010 Goal	Year to Date Achievement Notes/Comments
Investment in Economy	Loan Dollars	\$1,000,000	<b>Commercial: \$909,986</b> <i>Approved Loans Pending Closing</i> <ul style="list-style-type: none"><li>Retail, Stilwell \$25,000 2 ft</li><li>Ag Operation, Hulbert \$25,000 2ft</li></ul> <i>Pending approval</i> <b>Consumer: \$176,405.05</b>
Investment in Economy	Tourism Dollars		
	a) Community Tourism	a) \$50,000	a) \$9,960 (income to artists/communities through tourism activities)
	b) Tourism Business Development	b) \$100,000	b) \$120,000 (financing tourism related businesses)
Job Creation	# Small Business Jobs Created/Maintained	100	56
	Percentage Cherokee (or Cherokee Family) Employed	90%	71%
Effective Business Training	# Attendees and % Indicating usefulness	500/95%	340/100%
CN Holiday	1. % Increase Sponsorships	a) 5%	Report Due in Summer/Fall 2010
	2. % Increase in Community Games Participation/Holiday Cultural Events	b) 5%	

b. Notable accomplishments

1. **Commercial Loans Closed –YTD – Tahlequah** - Outdoor Gear Retail (1 job), Flower Shop (4 jobs), Tanning Salon (6 jobs), Ag Operation (2 jobs), Artist (1 job), Artist (1 job); Oologah – Retail (1 job); Muldrow – Diner (3 jobs); Collinsville – Manufacturing (5 jobs); Claremore – Lawn Care (4 jobs), Landscape/nursery (20 jobs); Stilwell – Ag Operation (2 jobs); Briggs – Salvage (6 jobs);
2. **Charged Off Loans** – Commercial: Monthly Total – 0/\$0, Year to Date Total – 0/\$0 Consumer: Monthly Total – 4/\$1,822.69, Year to Date Total –4/\$1,822.69
3. Planning for the **Cherokee Hills Byway Organization** began with 21 community representatives attending the first meeting.
4. Planning has begun for this year’s “**Tahlequah - The Art of Living**” event. This year’s event will be held on June 12.
5. Planning has begun for the **2010 Northeast Oklahoma Regional Summit** to be held in Tahlequah October 26 and 27. The summit region has been expanded to include all rural counties in the Cherokee Nation and Okmulgee County.
6. Collaborating with local partners to complete an ODOC Work Ready Community certification process for CN rural counties – anticipated completion date 2011.
7. Provided training for 16 daycare providers, in conjunction with the Child Development Center.



c. Future plans/new initiatives

1. **Market Place Entrepreneur Program** to increase competitiveness of Cherokee owned market place businesses and create strategy to increase market place opportunities (including e-commerce)
2. System design for internally generated, automated **Economic Impact Analysis** (2010).
3. **Youth Entrepreneurship Day in Adair County** in spring 2010.
4. Community Tourism is bringing the **Oklahoma Arts Council Leadership Arts Session** to Tahlequah, March 24 – 25.

**Lending \$'s Available** (pending and approved/pending applications not considered)

▪ IRP:	\$509,185.61	▪ ICDBG Adult:	\$667,243.30
▪ Commercial:	\$43,359.67	▪ ICDBG Youth:	\$206,311.00
▪ CDFI:	\$773,318.33	▪ Consumer Lending:	\$198,552.63

<b>Business/Entrepreneur Workshops</b>			
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