



Aaron A. Payment, MPA
Tribal Chairperson
“Representing All Members
Everywhere”

LAND IN TRUST
REQUESTS MOVING

Shortly after I was elected this time around, my administration reported the costs of our languishing ‘land in trust requests’ that were costing us approximately \$330,000 a year in taxes (we pay taxes on such property until trust status is achieved) and for both environmental assessments and land title work (which are only good for 6 months). The total annual cost approaches 1/2 million a year. During my first administration, the Bureau of Indian Affairs and Secretary of Interior put a hold on all land in trust requests given a Supreme Court case and national politics. Nonetheless, with the case now resolved and the hold lifted, our requests have not moved forward for the last few years.

Since returning as your Chair, I asked the Tribal Board for authorization to travel to try to resolve our land in trust requests. A few Board Members wanted to litigate but I believe diplomacy deserves an opportunity first. However, two of our long standing trust requests have been granted trust status and land put into trust and two more were given the green light on October 30, 2012. I am proud to say one of these properties is our Tribal Administration building in Sault Ste. Marie. The savings in taxes alone for properties that have been place into trust, exceeds my annual salary. This cooperative approach will undoubtedly be more successful than threatening to sue as we have other trust land request pending which will ultimately save approximately \$500,000 a year. With our Lansing project on the horizon, we need the BIA and Secretary of Interior’s cooperation, not their ire.

LANSING CASINO
LAND ACQUIRED!

As Members realize, I introduced the petition to hold a referendum on the Lansing project. I had two main reasons to do so. First, I was concerned

that ‘due diligence’ was not done on the developers; equity shares not assigned based on what each brought to the deal; a market study was not done; and land acquisition incomplete. Secondly, I was also concerned that NO revenue allocation plan was established to ensure a *Sault Tribe Promise* along with the *Lansing Promise*. Though I had misgivings about the deal, it was approved by a majority of voters which obligated 15% of the projected net revenue for Elder and Education services.

As your Chairperson, it is my job to support what the Members voted in place. This, however, does not mean that we move forward with our eyes shut. To the contrary, we’ll move affirmatively to make sure the deal is one in which we ALL benefit; not at all like the exploitative relationship Greentown Casino represented. I am pleased to report that though I remain cautious, I do believe our Lansing project is now viable with a projected net revenue of over \$40,000,000 annually to start. I and other Board members will remain diligent in making sure we are never exploited again and that the Lansing project and any other casino developments away from the service area fol-

lowing a stringent path of due diligence.

BALANCED BUDGET

If you believe some of the hype in a few board articles last month, you’d believe the sky is falling. Though I have to admit, the projected budget when I returned did include a deficit spending plan of nearly \$7 million. Let me be clear, however, this is not a budget I prepared. WE also face a \$2.99 million dollar cost overrun for the Board’s decision to switch team member (employee) health insurance based on false information presented to the Board. Also, with the gift that keeps on giving, the Board of Directors negotiated a \$2.77 million payment to the Greeks and former secured creditors. Note that all of these additional costs were projected or incurred in my absence as Chair. Also, note that while some Board Members have bragged in their Unit reports to balancing the budget in my absence as Chair, a \$5 million loan proves otherwise.

Nonetheless, we are moving forward in a positive direction. This means balancing the budget. I led a series of sessions to go though the budget and review recommended sav-

ings from division directors and program managers. I want to offer my appreciate to the team members for their cooperation and ideas and to the Board for their involvement. I am happy to report that we balanced the budget without cutting jobs or services. The Greek \$2.77 million liability still looms but I am confident we can absorb these expenses through refinancing.

ELDER \$ INCREASE?

One item the Board has not addressed is the \$1.3 million overpayment we are budgeted to pay our executive staff and a select few lower paid team members. If the wage and salary market study is accurate, we could set these salaries at the maximum and save \$1.3 million. If we hold harmless those under \$25,000 we will still save over \$1 million. Thus, I will be introducing legislation to put these savings toward increasing our annual Elder dividend by at least \$100.

2% CONFLICT

Next month, I will detail a 2% expense that had a direct benefit back to a Tribal Board Member which appears to violate the Tribal Constitution.

Sault Ste Marie Tribe of Chippewa Indians Constitution Implementation * Projected Expenditures* (Prepared by Anderson Tackman, CPA's) 10/10/2008															
			A	B	C	D	E	F							
Description	Location	Assumptions	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	
7 Generation Fund - 2 years after enactment of Constitution	Art. VII, Sec. 6a	2% of profit from enterprises put into permanent interest bearing fund at the beginning of year 3			542,563	830,121	1,126,064	2,015,202							
Dept of Treasury - new dept	Art. VIII, Sec. 1a	2 employees, wage, fringe, space, etc.	151,750	154,785	157,881	161,028	164,259	167,544							
Dept of Labor - new dept	Art. VIII, Sec. 1a	1 employee, wage, fringe, space, etc.	75,875	77,393	78,940	80,519	82,129	83,772							
Dept of Compliance - new dept	Art. VIII, Sec. 1a	2 employees, wage, fringe, space, etc.	154,170	157,253	160,390	163,606	166,879	170,216							
Dept of Records - new dept	Art. VIII, Sec. 1a	3 employees & costs, over and above current functions	199,109	203,091	207,153	211,296	215,522	219,832							
Sergeant of Arms -	Art. VII, Sec. 6f	12 sessions @ \$500 each & fringe, other costs	7,425	7,727	7,881	8,039	8,200	8,364							
Judicial Commission	Art. VI, Sec. 8	5 members @ \$5,000 each & fringe, other costs	45,600	46,512	47,442	48,394	49,369	50,346	45,600	46,512	47,442	48,394	49,369	50,346	
Pardon Panel	Art. II, Sec. 2	2 tribal members to be compensated	5,000	5,100	5,202	5,306	5,412	5,520							
Trial Court Clerk	Art. VI, Sec. 1	Additional position with wage, fringe, etc.	39,240	40,025	40,825	41,642	42,475	43,324	39,240	40,025	40,825	41,642	42,475	43,324	
Elections	Art. VII, Sec. 1b	Costs to elect 2 at large members & next general election	109,760				116,346								
At large #1	Art. VII, Sec. 1b	Director salary, fringe and other costs	105,332	107,439	109,588	111,780	114,016	116,296	105,332	107,439	109,588	111,780	114,016	116,296	
At large #2	Art. VII, Sec. 1b	Director salary, fringe and other costs	105,332	107,439	109,588	111,780	114,016	116,296	105,332	107,439	109,588	111,780	114,016	116,296	
At large #3	Art. VII, Sec. 1b	Director salary, fringe and other costs	105,332	107,439	109,588	111,780	114,016	116,296	105,332	107,439	109,588	111,780	114,016	116,296	
Total			1,104,075	1,014,203	1,577,049	1,885,268	2,321,590	3,113,008	400,836	406,064	417,031	426,373	433,880	442,668	
A									Total with Unnecessary Positions Included						
									1,104,075						
B									Difference						
									703,239						
C									Without New At Large Board Members						
									84,840						
D									With New At Large Board Members but Redistribute current Board pay from divided by 12 to divided by 15 is \$83,000 each.						
									84,840						

The above spreadsheet was prepared for the Tribal Board after I left office in 2008. It shows the projected cost of implementation and relevant section of the draft new constitution where these costs originate.

Columns A thru F include a series of unnecessary positions which are typically not embodied in a constitution. Armed with a graduate degree in public administration and over ten

years of tribal administrative experience, it is my professional opinion that it is not appropriate to include such positions in the new constitution. Thus, if we take these out, we reduce the projected costs significantly. The costs of holding elections to fill new ‘at large’ board positions is eliminated if we simply adopt an implementation plan to fill these positions during the next election (June 2014). Like our founders in 1972, my preference is to

include them as those who drafted our first Constitution intended to include at large representation. In fact, our first Chairperson before recognition Fred Hatch and our first Chair after recognition - Joseph K. Lumsden intended at large representation for the Cheboygan (Unit 6) and Pontiac areas. Costs for new representatives should not be used as an excuse, as a redistribution of expenses can easily cover any additional costs.

If we eliminate unnecessary costs in columns G thru L and the ‘Pardon Panel’ the cost of implementation reduces to a mere \$84,840! I just led \$3.5 million in savings; another \$84,840 will be easy. These costs can easily be absorbed into the Tribal budget without adversely affecting jobs or services.

At this point, there are no good reasons to wait, ONLY EXCUSES!

You have given me much to be grateful for.

Chi McGwitch, Negee!

Happy Thanksgiving!

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