



**FROM THE DESK OF  
SONYA ZOTIGH, TRIBAL MANAGER**

## MEMO

**TO:** Tribal Council  
**FROM:** Sonya Zotigh, Tribal Manager & Christina Loucks, Interim CFO  
**CC:** File  
**DATE:** February 25, 2019  
**RE:** FY 2020 PROPOSED BUDGET

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Attached you will find the proposed Fiscal Year 2020 budget for tribal government operations discretionary programs. These programs are funded with Bureau of Indian Affairs & Indian Health Service self-governance funding, reimbursements from the GTB Economic Development Corporation and with tribal resources. This is a balanced budget that contains \$48,763,476 in spending authority for FY 2020. The sources of revenues for the FY 2020 budget are as follows:

Projected Revenue Allocation Ordinance (RAO) Funding	\$	34,000,000
Indian Health Service Annual Funding Agreement		4,212,596
Bureau of Indian Affairs Annual Funding Agreement		3,803,812
Reimbursement from GTB Economic Development Corp		1,184,275
Housing Non-Program Income		40,000
Third Party Revenues/Program Income		1,933,768
Government Ops Investment		754,440
Fisheries Trust Fund transfers		161,626
Sales Tax Revenue		691,449
Tobacco Tax Revenues		38,000
Other: Communication Revenues		35,940
Other: Misc Revenue		1,565,748
Other: Rights Protection Initiative		341,822
Total Revenues	\$	48,763,476

This FY 2020 budget is based upon several estimates of revenues and timing of revenue receipts. If monthly RAO revenues fall below projected estimates during the fiscal year, programs funded by 25% RAO monies will need to be examined to determine an appropriate reallocation of available RAO resources for the balance of the fiscal year.

Grand Traverse Band  
2605 N. West Bay Shore Dr.  
Peshawbestown, MI 49682

**Chief Financial Officer**

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## MEMO

DATE: February 25, 2019  
TO: Tribal Council  
FROM: Christina Loucks, Interim CFO  
SUBJECT: **PROPOSED FISCAL YEAR 2020 BUDGET**

Attached are the Proposed Fiscal Year 2020 Budgets for governmental operations for the period starting October 1, 2019 thru September 30, 2020. The attached proposed budget has been prepared for the government operations programs that are funded by the Revenue Allocation Ordinance, Bureau of Indian Affairs, Indian Health Service funding, Internal Service Programs or are Self-supporting. The 2020 Budget has been prepared assuming that RAO revenues in fiscal year 2020 will total \$34,000,000. This will result in approximately \$8,500,000 available for government operations in FY 2020. We will be watching our spending closely and review the budgets when the final figures are announced.

Attachment "A" to this memo provides you with the major assumptions and adjustments that have been used to prepare the FY 2020 budget.

Included with this memo you will find the following documents:

1. Composite Budget (by line item)
2. Departmental Summary budgets (by program & line item)

During your final review of the individual program budgets, please keep in mind the following:

**This is a balanced budget and any changes to individual program budgets may adversely affect other programs.**

**The I.H.S. & BIA budgets have been adjusted in FY 2020 to collect the maximum amount of I.H.S. & BIA Contract Support Costs by shifting all available funds to the Wages & Fringes line items.**

Again, as stated above, this is the final presentation of the proposed budget for Fiscal Year 2020. It is a balanced budget and it is now presented to you as the final of the formal governmental review process. Over the last five (5) months, we review the individual programs, hold at least three (3) public hearings to obtain membership comments and to hold such other meetings, hearings and discussion with the various Department Managers and Program Directors to finalize the budget.

Attached is a proposed FY 2020 “List of Activities” of the formal budget review process. (Attachment B).

If you have any questions or need additional information, please contact me at Ext. 7240

## ATTACHMENT A

### Fiscal Year 2020 Major Budget Adjustments and Assumptions

- A. This FY 2020 proposed budget is based upon RAO revenues totaling \$34,000,000 providing at least \$8,500,000 for government operations which is an increase amount for FY 2020.
- B. Current approved vacancies have been included in this budget. Employees and their wages are budgeted at the current levels.
- C. The FY 2020 Indirect Cost rate has been projected to be 24.88% the compare to projected FY 2018 rate of 24.88%.
- D. The Space Cost rate is set at \$19.30 per sq. foot compared to FY 2019 rate of \$19.30 per sq. foot.
- E. Telephone Costs will remain the same as last year.
- F. The EDC will reimburse 40% of the costs of the Legal Department
- G. The EDC will reimburse 100% of Regulatory & Gaming Commission costs.
- H. The EDC will pay appropriate Space Costs for the space occupied in Medicine Lodge for their Information Technology (IT) departmental staff.
- I. The Burial Fund program has been included in this budget. A total of \$270,000 in RAO funding has been budgeted to pay for tribal member Burial benefits in FY 2020.
- J. It is assumed that the conversion of the Contract Health Services program to the pre-approval system through the use of GTB self-funded health care system to process medical claims will reduce the cost within health care.
- K. It is assumed that the current federal and state grant awards and any amounts contained in their current budgets that will carry forward into FY 2020 do not require Tribal Council approval for the upcoming fiscal year.
- L. The government will pay 25% of the operational costs of the Information Technology (IT) Department.
- M. This budget does contain any 401k “employer match” funding in FY 2020.
- N. The Fringe Benefits rate charged to programs has been decreased from 36.672% to 35.095% for full-time employees and from 8.693% to 8.451% for Part-time employees due to projected health insurance & unemployment costs.
- O. A total of \$400,000 in 25% RAO revenues have been placed into the Tribal Council RAO Contingency budget to provide funding for grant cash matches and to pay for uncollectible Indirect costs for various federal programs.

- P. BIA funding has been allocated to ensure that all Contract Support (indirect cost) is captured in FY 2020.
- Q. Only Revenue Allocation Ordinance (RAO), Bureau of Indian Affairs, Indian Health Service, Sales Tax Revenue, Tobacco Revenue, program income, rental income, and third party reimbursements has been included in the attached budgets. It is assumed that state, private and federal grant funding has already been approved and budgeted and therefore is not included in this discretionary funding budget.
- R. EDC will reimburse salaries at 25% and pay for related EDC costs of the Tribal Council. These costs are outlined in the Indirect Cost Pool – Tribal Council Support worksheet.
- S. EDC auto labor cost will increase to \$50 per labor hour.
- T. A total of \$360,000 in RAO funding has been set aside in the Tribal Council RAO Contingency for the Head Start/Early Head Start program for their grant year starting June 1, 2019 through May 31, 2020.
- U. 35% of the wages and fringe benefits for the Risk Manager & HR Benefits Manager have been incorporated into the Indirect Cost Pool.
- V. \$691,449 in Sales Tax Revenues was budgeted in the Wildland Fire Management Supplement program, Police Department Supplement program, Public Safety Department Manager, Tribal Court Public Defender and Internal Revenue Department.
- W. \$38,000 in Tobacco Tax Revenue was budgeted into the Clinic and Strongheart programs.
- X. \$87,943 in Consent Decree Funds has been budgeted for Fisheries Enhancement Program.
- Y. \$40,000 in Non-Program Income has been budgeted for Home Repair and Down Payment Assistance.
- Z. \$35,940 in Communication Tower Revenue was budgeted into the Communication program.

## **ATTACHMENT B**

### **Fiscal Year 2020 Budget List of Activities/Deadlines**

Proposed FY 2020 Budget presented to Tribal Council by February 25, 2019  
-February 25, 2019

Tribal Council Schedules Public Hearings -March 2019 at 9:30am Tribal Council Chambers	March, 2019
Tribal Council Review of Budget	March – April, 2019
Staff Review of Budget	March – April, 2019
2 <sup>nd</sup> Draft of FY 2020 Budget prepared	April, 2019
Public Hearings -April 2019 at 9:30 am Tribal Council Chambers -May 2019 at 9:30 am Tribal Council Chambers	April - May, 2019
3 <sup>rd</sup> Draft of FY 2020 Budget prepared	June 2019
Tribal Council Review of Budget	June 2019
Staff Review of Budget	June 2019
Tribal Council Holds Dept. Mgr Budget Hearings	July, 2019
Final Estimation of FY 2020 RAO Revenues	July, 2019
Final Budget prepared for review by Tribal Council	July, 2019
FY 2020 Budget approval -August 29, 2019	by August 31, 2019



**Fiscal Year 2020: Proposed Composite Budget**

2/20/2019

(Based on \$34,000,000 RAO Income)

\$ 8,500,000

**BIA Funding Available**

\$ 3,803,812

**IHS Funding Available**

\$ 4,212,596

DEPARTMENTS		Department 1	Department 2	Department 3	Department 4	Department 5	Department 6	Department 7	Department 8	Department 9	Department 10	Department 11	Department 12	Department 13	TOTALS
		CULTURAL	PUBLIC SAFETY	TRIBAL MANAGEMENT	FACILITIES MANAGEMENT	CONSERVATION	MEMBERSHIP	HUMAN SERVICES	HEALTH SERVICES	TRIBAL COURT	NATURAL RESOURCES	REGULATORY	EDUCATION	LEGAL	
7520	Septic Pumpout			1,213											1,213
	Optical								70,000						70,000
6210	Emergency Client Services							60,000							60,000
6240	Down Pymt			20,000											20,000
6250.2	Detention Costs-Other									17,000					17,000
6260	Out of Home Placement							10,000		55,968					65,968
6270	Student Services Costs												127,200		127,200
6280	Tuition												500,000		500,000
6300	Billings Svc FCP								72,000						72,000
6300	Billings Svc Part b								345,297						345,297
6310	Contractual Services	171,100	58,030	63,225	173,000	1,200	32,975	102,000	304,486	116,200	214,445	-	92,340	100,463	1,429,464
6310	Home Repairs			20,000											20,000
6320	Legal Services			15,750											15,750
6550	Patient transport/hearing aid/life Alert								77,700						77,700
6560	Emergency Transportation								8,500						8,500
6570	Billings Svc								1,560,000						1,560,000
7530	Ground Maint				1,000										1,000
7010	Vehicle/Equip Purchase		87,000	-	152,000	30,000	-		7,750	11,000	-				287,750
7020	Vehicle/Equip-R&Maintenance	2,500	46,825	6,700	116,200	10,700	4,569	-	4,500	2,900	22,500		6,500		223,894
7030	Vehicle/Equip Lease	9,391	3,676	22,555	-	500	500	3,800	12,161	6,959	11,600	-	7,038		78,180
7510	Space Costs	295,270	111,096	61,568	48,256	9,968	16,135	81,967	181,929	69,778	89,128	24,610	450,658	33,854	1,474,218
7520	Electricity			1,966	120,000						8,400				130,366
7520	Sewer			500											500
7520	Waste Removal			2,131											2,131
7520	Fuel for Heating			8,235											8,235
7570	Insurance		10,407	8,183	58,400			-			1,000				77,990
7580	Disaster Emergency Fund			1,000											1,000
7590	Snow Plowing			4,000											4,000
7620	Building Repair & Maintenance			28,195											28,195
7630	Property Taxes													87,000	87,000
8020	Attorney Fees													632,000	632,000
8100	Bank Fees			5,000											5,000
8210	Depreciation				396,474										396,474
8990	Donations/Contingency/ Program Match			457,742											457,742
9510	Indirect Costs	228,257	210,859	243,400	206,497	71,174	43,844	218,501	509,686	151,642	131,188	126,501	190,511	109,952	2,442,013
8040	Management fees		300												300
9810	Per Capita Payments			16,931,448											16,931,448
9910	Long Term Inv/Eco Dev			8,500,000											8,500,000
<b>Total Expenditures</b>		<b>2,093,944</b>	<b>1,611,659</b>	<b>28,003,271</b>	<b>2,372,977</b>	<b>457,517</b>	<b>332,818</b>	<b>1,487,587</b>	<b>5,476,517</b>	<b>1,134,766</b>	<b>1,143,157</b>	<b>745,116</b>	<b>2,446,060</b>	<b>1,458,085</b>	<b>48,763,476</b>