



## ***THUNDERCHILD FIRST NATION***

### **DEBT REDUCTION STRATEGY 2011 - 2013**

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#### **Purpose of the Debt Reduction Strategy:**

- to address the deficit
- to prevent remedial management by Indian Affairs
- to bring about community awareness

We want to ensure the Bands expenditures are not greater than the revenue and to implement improved accountability mechanisms.

#### **Background:**

The current accumulated deficit is about \$3 million. This means that over the past years the deficit has steadily increased to the present level but the revenue did not increase as much.

The Auditors are estimating an additional \$1 million will be added to the deficit this fiscal year.

#### **How are we going to reduce this deficit?**

The following are highlights how the deficit is going to be reduced with your cooperation and participation:

- a) Remove non essential expenditures
  - I. Suspend some board and committee terms of reference until next fiscal year
  - II. Create a super board comprised of Directors - no honorarium to be provided
  - III. Eliminate duplication of services-assistance and donations for band members
  - IV. Restrict Band Membership Assistance to \$100,000 for the fiscal year
- b) Transfer or lay off non funded program staff
- c) Realign the Information Technology fee for service across all departments
- d) Department budgets required to be properly formatted according to budget template
- e) Identify revenue from the Lands Department budget to further reduce deficit
- f) Restructure Finance Department and other departments
- g) Band Membership Policy to be revised and enforced

- h) Formally approve Internet use policy-implement cell allowance
- i) Council and staff travel limited
- j) Over time available for fulltime employees only with prior approval by management
- k) Suspended staff and Council advances/Loans
- l) Replace current Financial Management Policy with previous *Thunderchild Financial Management Act*
- m) Implement a ceiling of 5% on pension plan contributions
- n) No Christmas bonuses or Per Capita Distribution for this fiscal year and to be reviewed annually
- o) No new growth in operation and maintenance expenses in all departments, ie power, telephone land lines, etc
- p) mandatory for Council to receive orientation in a timely manner on the following topics:
  - debt reduction strategy:
  - governance, roles & responsibilities
  - financial accountability and transparency, funding arrangements
- q) Directors and Managers to receive mandatory training on organizational behavior and financial management
- r) All Directors to obtain input from their respective staff on other deficit reduction activities in the following areas:
  1. Eliminating waste
  2. Improving workflow
  3. Changing the work environment
  4. Meeting people face to face
  5. Managing time
  6. Focusing on variation
  7. Error proofing
  8. Focusing on changes in service provided
- s) Formal approval of the deficit reduction strategy through a band council motion in order to achieve major part of the desired reduction.

**Conclusion:**

Without increased revenue and reduced spending, it is challenging to create a strategy that is realistic and to reduce the deficit by 2013.