

RESOLUTION OF THE  
WHITE MOUNTAIN APACHE TRIBE OF THE  
FORT APACHE INDIAN RESERVATION

**(Approving FATCO's Capital Expenditures Budget Request for Fiscal Year 2005-2006)**

WHEREAS, pursuant to Article IV, Section 1(k), *inter alia*, the White Mountain Apache Tribal Council has the authority to appropriate tribal funds for tribal purpose and to expend such funds in accordance with an annual budget; and


WHEREAS, the Fort Apache Timber Company ("FATCO"), a subordinate economic enterprise of the White Mountain Apache Tribe, has presented a capital expenditures budget request for Fiscal Year 2005-2006, which has been approved by the FATCO Board of Directors, as attached and incorporated by this reference; and

WHEREAS, out of a total of \$2.3 million requested, FATCO has prioritized their request to \$702,750 for the remainder of Fiscal Year 2005-2006, which includes \$168,600 in grant funding; and

WHEREAS, the Tribal Council finds that FATCO's capital expenditures budget request for Fiscal Year 2005-2006 is in the best interest of FATCO and the Tribe.

NOW THEREFORE BE IT RESOLVED that the White Mountain Apache Tribal Council that FATCO's capital expenditures budget request for Fiscal Year 2005-2006, totaling \$702,750, as attached and incorporated by this reference, is hereby approved.

The foregoing resolution was on October 25, 2005, duly adopted by a vote of SIX for and ONE against by the Tribal Council of the White Mountain Apache Tribe, pursuant to authority vested in it by Article IV, Section 1 (a), (k), (s), (t) and (u) of the Constitution of the Tribe, ratified by the Tribe September 30, 1993, and approved by the Secretary of the Interior on November 12, 1993, pursuant to Section 16 of the Act of June 18, 1934 (48 Stat. 984).

  
Chairman of the Tribal Council

  
Secretary of the Tribal Council

**FORT APACHE TIMBER COMPANY  
CAPITAL EXPENDITURES BUDGET REQUEST  
FOR FISCAL YEAR 2005 - 2006**

Schedule E

ITEMS LISTED IN ORDER OF PRIORITIES	FUNDS SOURCE			BENEFITS
	Tribe	Grant	Other	
1 SUV Office Vehicle	5,400	21,600		Current vehicle 40 years old and unreliable, used in woods.
2 Replace Two (2) Truck Tractors	220,000			Newest truck tractor is 1993 with 600,000 miles. Increase reliability and reduce maintenance costs. <i>Approved last year, funded by Tribe this year.</i>
3 Replace Five (5) Old Pick Up Trucks	20,000			Replace beyond useful life pick ups with new or used trucks.
4 Main Office Roof Engineering & Repairs	60,000			Roof Structure declared a safety hazard by Tribal Engineering; need to replace roof structure to avoid damage to building with trussed system and removal of possible asbestos.
5 48-Foot Utility Pole Trailer (NEW ITEM)	75,000			Can do our own deliveries and will help customers.
6 Replace Two (2) Forklifts	78,000			Return on investment estimated at about one year.
7 Gas or Diesel Welder - Truck Mounted	8,000			None available, need welding truck in yard.
8 New Scissors Lift	15,000			Needed for access to kiln areas not possible with other equipment.
9 Replace Outdated Office Telephone System	10,000			Current old equipment very difficult to get parts/repairs. New system w/ voice mail feature
10 Asbestos Abatement Equipment	37,000			EPA requirement
11 Replace Two (2) Old Bobcats	\$ 8,400	\$ 33,600		Replacement - beyond repair inoperative units. <i>Purchase one under grant.</i>
12 Purchase Used 928 Loader	75,000			Need to improve 2nd peeler operation and fuel reduction handling.
13 Replace Air Compressor, 350 HP	8,500			Existing air compressors old and cannot maintain pressure for systems in mill.
14 Lumber Measurement System (NEW ITEM)	5,000			Can track lumber size variations from mills.
15 Purchase Two (2) Live-Bottom Trailers	120,000			Increase profit by doing our own shipping. <i>Approved last year, non-funded by Tribe.</i>
16 Purchase Man Lift	8,800	35,200		Safety problem for maintenance personnel working overhead of mill systems, and is used in kilns - EDA Matching Funds (Approved)
17 Purchase Debarking System	26,550	78,200		Increase utility, viga, pole production - smaller diameter materials - EDA Matching Funds (Approved)
18 Repave Working Areas In Yard	300,000			Reduce equipment damage in key operating areas, improve lumber stacking, and grade.
19 Replace Small Crane	75,000			13 year old crane worn out, has become a safety problem.
20 Replace Yard Log Grappler From Empire	17,000			Current Prentice grappler not repairable, need to replace. <i>Approved last year, non-funded by Tribe.</i>
21 Replace Small Log Mill Edger Setworks	122,350			Used replacement needed; current system shut down for repair, improve board tolerance, reduce waste and reruns on grade and size - high return on investment item.
22 Purchase Scrag Mill Works System			60,000	Need to shift toward small diameter production of railroad cross ties and timbers to improve returns versus dimension grade. High return item. <i>Evaluate chipper operation.</i>
23 Gang Saw Replacement - Large Log Mill	300,000			Necessary replacement for Large Log Mill to improve lumber quality, recovery and productivity.
24 Log Bucking Modifications	25,000			Improve lumber quality, recovery and productivity.
25 Guide Lube and Saw Filing Equipment	170,000			Improved filing translates into improved cutting quality and reduction in downtime.
26 Extension on Green Chain Planer #3	32,000			Increase production and sorting off planer.
27 Banding Station	160,000			Banding Station worn out; creates a safety problem in yard and in hauling.
28 Log Kickout System	30,000			Sort out big logs from small log mill as necessary.
29 Purchase Hoist Rerun, re-edging materials	30,000			Need handling equipment within Reman area.
<b>TOTAL</b>	<b>\$2,042,000</b>	<b>\$168,600</b>	<b>\$60,000</b>	<b>\$2,270,600</b>
<b>TOTAL REQUEST THIS YEAR</b>	<b>474,150</b>	<b>\$168,600</b>	<b>\$60,000</b>	<b>\$702,750</b>