Oneida Business Committee Agenda Request

1. Meeting Date Requested: 9 / 28 / 16

2. General Information:

Session: ☒ Open ☐ Executive - See instructions for the applicable laws, then choose one:

Agenda Header: Reports

☒ Accept as Information only

☐ Action - please describe:

Accept the Oneida Retail Enterprise FY 16 3rd Quarter Report.

3. Supporting Materials

☒ Report ☐ Resolution ☐ Contract

☐ Other:

1. Oneida Retail Enterprise FY 16 3rd Quarter Report.
2.
3.
4.

☐ Business Committee signature required

4. Budget Information

☐ Budgeted - Tribal Contribution ☐ Budgeted - Grant Funded ☐ Unbudgeted

5. Submission

Authorized Sponsor / Liaison: Michele Doxtator, Area Manager/Retail Profits

Primary Requestor/Submitter: _____
Your Name, Title / Dept. or Tribal Member

Additional Requestor: _____
Name, Title / Dept.

Additional Requestor: _____
Name, Title / Dept.

Oneida Business Committee Agenda Request

6. Cover Memo:

Describe the purpose, background/history, and action requested:

Attached is the 3rd Quarter Retail Enterprise Report.

1) Save a copy of this form for your records.

2) Print this form as a *.pdf *OR* print and scan this form in as *.pdf.

3) E-mail this form and all supporting materials in a **SINGLE** *.pdf file to: BC_Agenda_Requests@oneidanation.org

Oneida Tribe of Indians of Wisconsin

Oneida Retail Report – Open Session

2nd Quarter FY16

April 1, 2016 to June 30, 2016

Michele Doxtator

ONEIDA

A good mind. A good heart. A strong fire.

ONEIDA CASINO TRAVEL CENTER

ONEIDA ONE STOP

ONEIDA SMOKE SHOP

ONEIDA MARKET

Oneida Retail Enterprise

The following is a brief update on projects and happenings within Retail and is not meant to cover the day to day detail, but an overview of Oneida Retail Enterprise activities.

Our Vision Statement comes from the Tribe's vision;

A Nation of strong families built on Tsi >Niyukwaliho T^ and a strong economy

Our Mission Statement is;

"To generate profit for the prosperity of the Oneida Tribe"

FY 16 Year to Date Financial Information – June Profit and Loss Statements (BUDPLCOM_ 3.31.16 & ENTINCSTMT 3.31.16)

	FY16 YTD Actual	FY16 YTD Budget	FY15 YTD Actual
Sales	$42,996,008	$45,327,849	$34,542,074
Cost of Sales	$32,185,138	$34,488,163	$32,185,138
Gross Profit	$10,810,870	$10,839,686	$10,721,557
Expenses	$4,939,704	$5,344,344	$4,430,315
Net Profit	$5,871,166	$5,495,342	$6,291,242

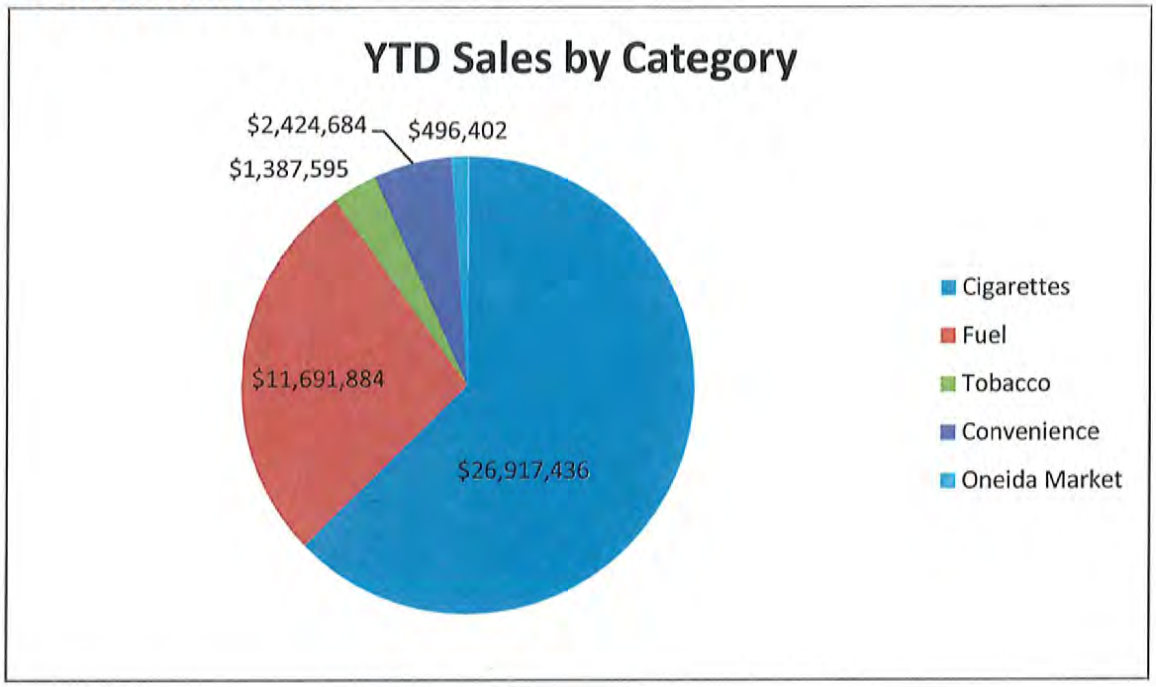
Oneida Retail is better than budget by $375,824 and worse than previous year by $420,076.

Net Profit by location (June Treasurer's Report pg. 54)

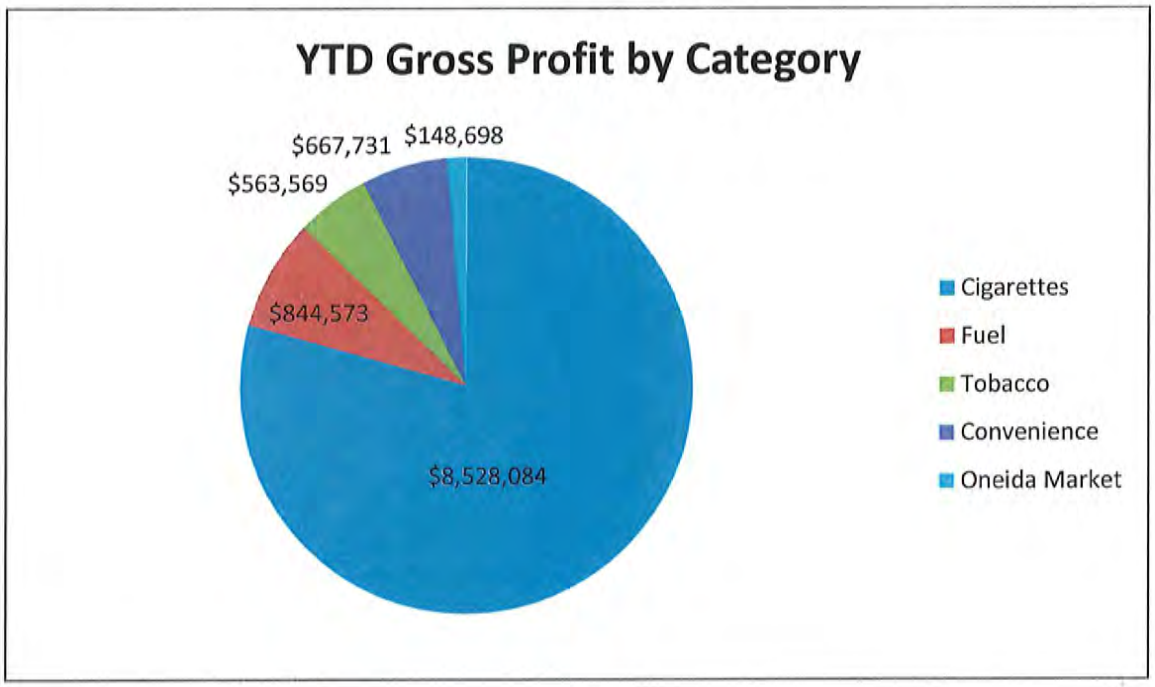
Location	YTD Budget	YTD Actual	Variance	Variance %
Administration	$616,844	$589,120	$27,724	4.49%
Westwind	($1,704,831)	($1,618,875)	($85,956)	(5.04%)
54	($65,287)	$186,285	($251,572)	(385.33)%
E&EE	($326,184)	($596,348)	$270,164	82.83%
OCTC	($161,016)	($188,578)	$27,562	17.12%
Packerland	($1,107,096)	($1,199,391)	$92,295	8..34%
Larsen	($926,051)	($1,148,127)	$222,076	23.98%
Casino	($503,685)	($501,621)	($2,064)	(0.41%)
Bingo	($232,116)	($288,965)	$56,849	24.49%
Isbell	($1,105,222)	($1,127,404)	$22,182	2.01%
Market	$19,302	$22,738	($3,436)	(17.8%)
Total	**($5,495,342)**	**($5,871,165)**	**$375,823**	**6.84%**

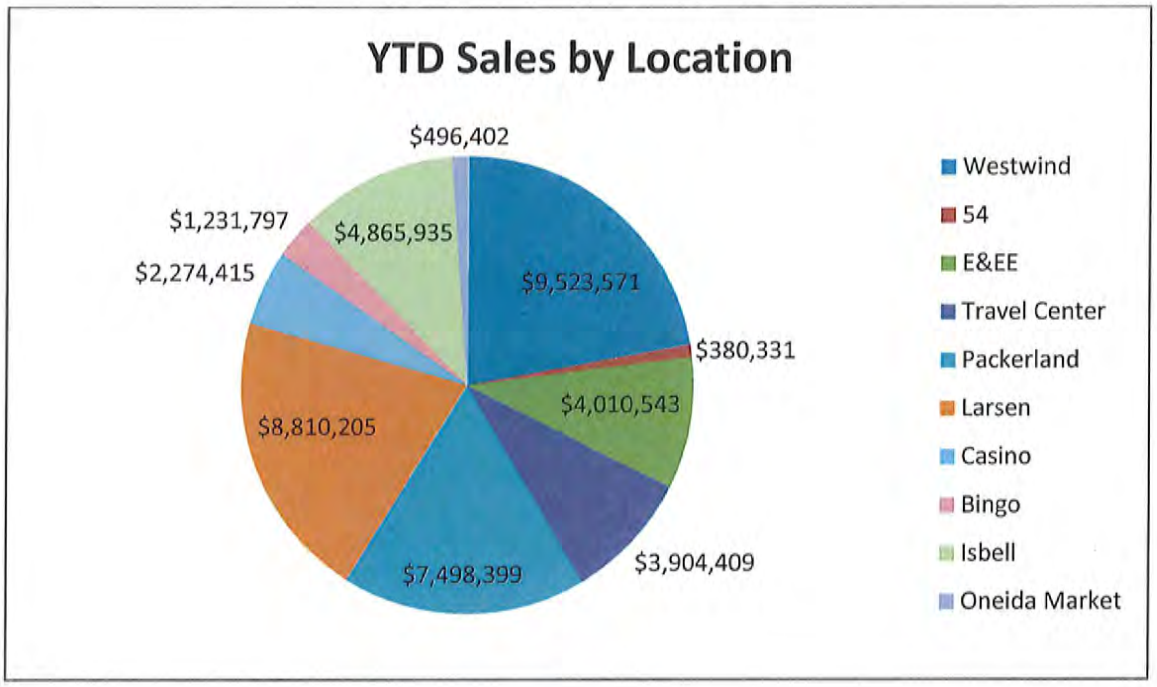
Business units behind budget are Westwind, 54, Casino and Oneida Market. The business units better than budget are; Administration, E&EE, Travel Center, Packerland, Larsen, Bingo and Isbell.

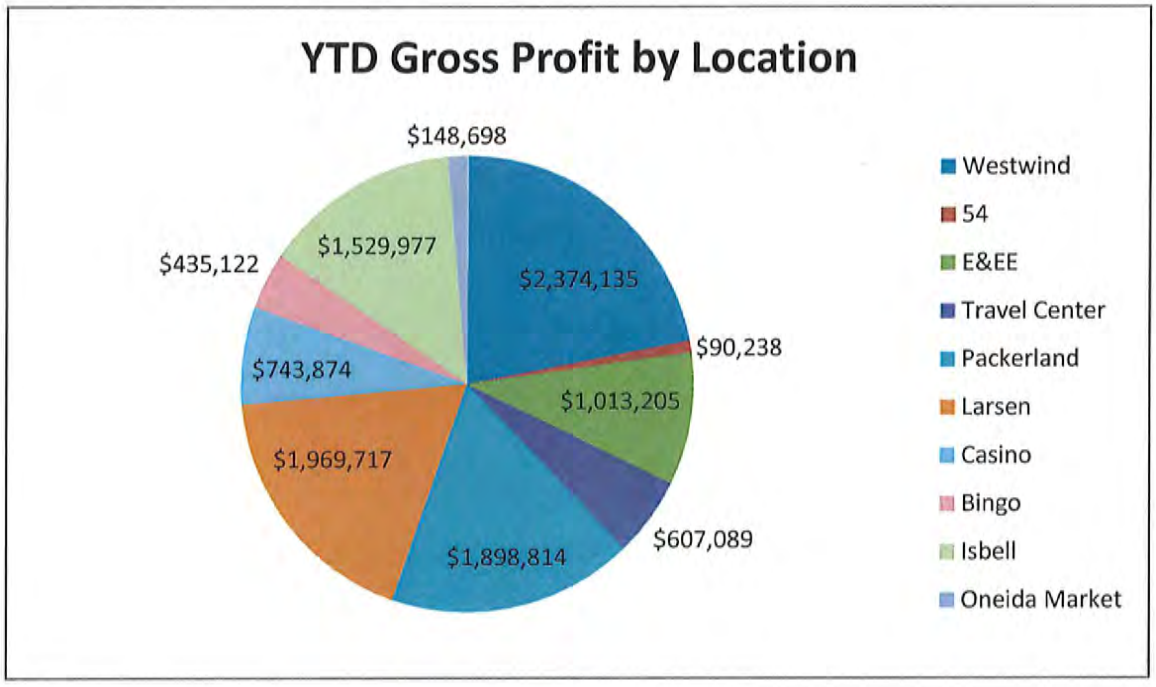
Retail- Consolidated

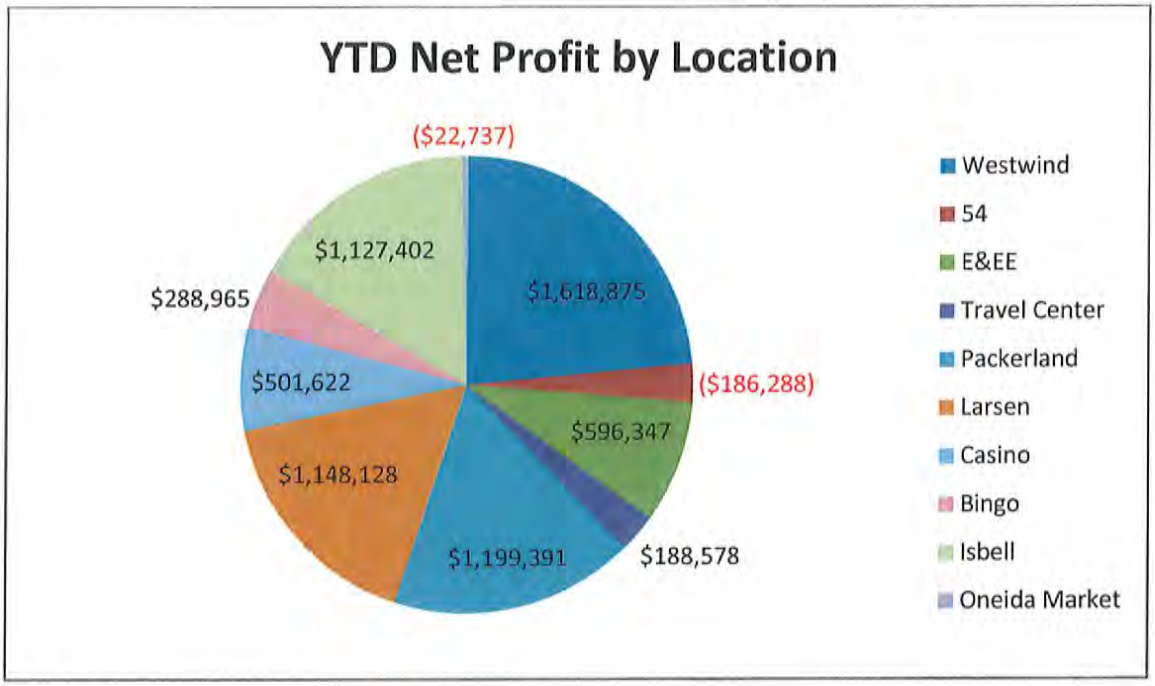


Cigarettes continue to dominate sales and gross profit in the One Stops and the Smokeshops. Mobil branded fuel is sold at six (6) of the One Stop and is the next highest category in sales and gross profit.




YTD Sales by Location
$496,402
$1,231,797
$4,865,935
$2,274,415
$9,523,571
$380,331
$4,010,543
$8,810,205
$3,904,409
$7,498,399
Westwind
54
E&EE
Travel Center
Packerland
Larsen
Casino
Bingo
Isbell
Oneida Market

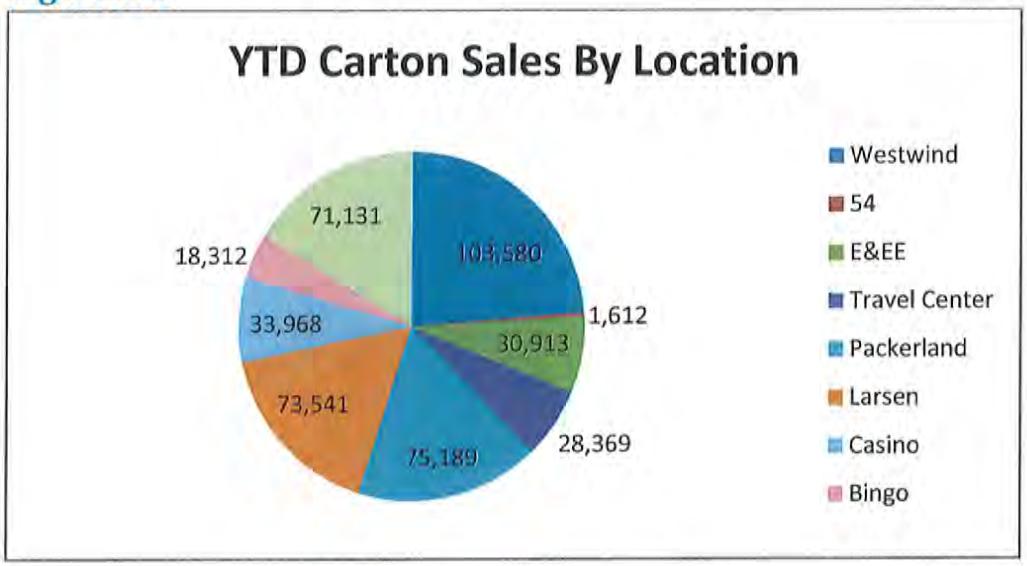

YTD Gross Profit by Location
$148,698
$1,529,977
$435,122
$2,374,135
$90,238
$743,874
$1,013,205
$1,969,717
$607,089
$1,898,814
Westwind
54
E&EE
Travel Center
Packerland
Larsen
Casino
Bingo
Isbell
Oneida Market

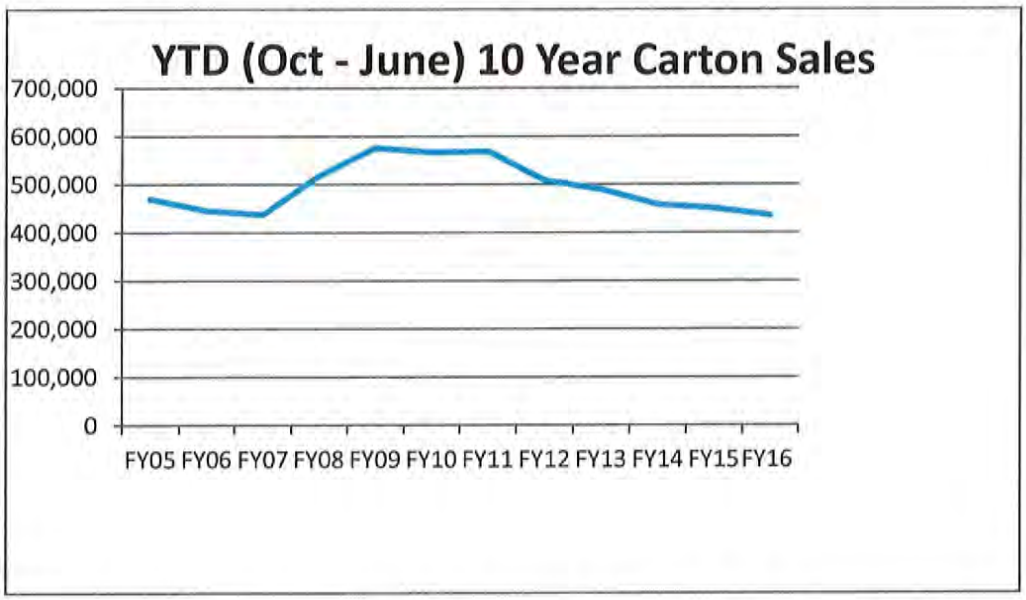


Highlights

- Westwind has been the number 1 in sales, gross profit and net profit for over 20 years.
- Larsen has moved into the number 2 spot in sales and gross profit and 3rd in net profit. Larsen sells the most fuel of all locations, and has the highest lease rate of all of the stores
- While Packerland is in 3rd place for sales and gross profit and it is in 2nd place in net profit
- Isbell maintains 4th place for sales, gross profit and net profit, mainly due to high sales of cigarettes and a favorable lease rate from Gaming.
- Oneida One Stop re-opened on June 8th and has a negative net profit YTD of $186,288 mainly due to payroll prior to opening, startup costs and inventory
- The Oneida Market had a negative net profit YTD of $22,737

Cigarettes

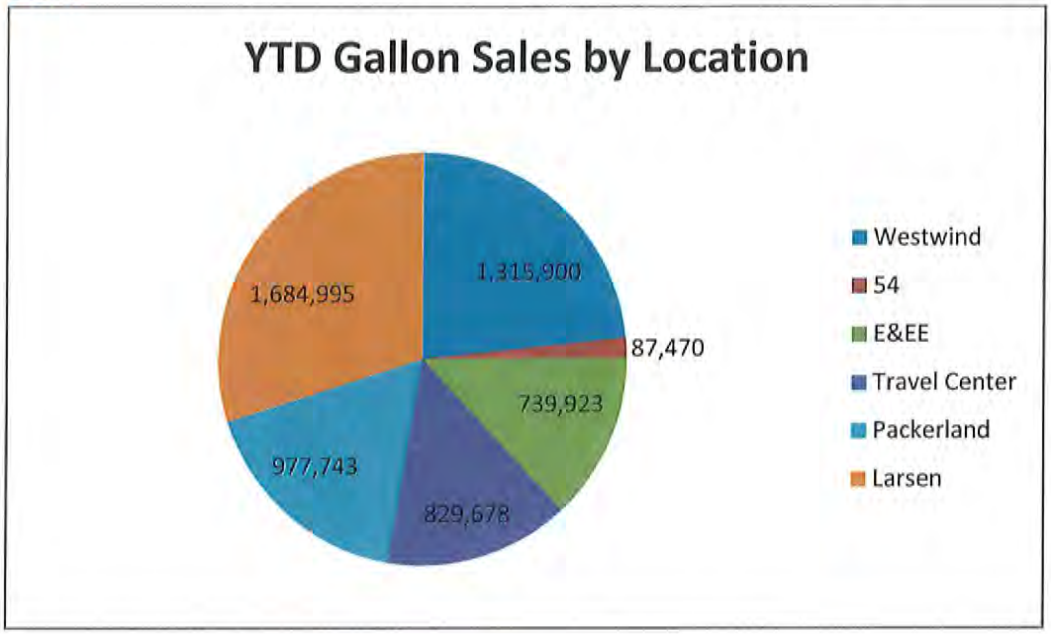


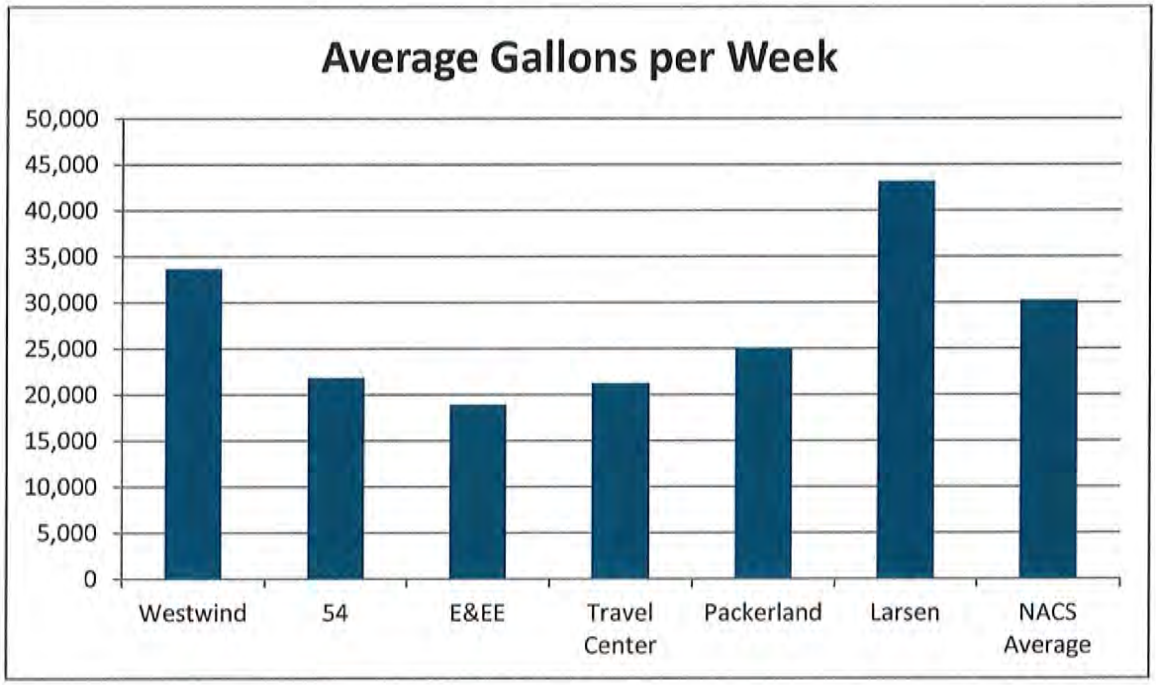


The average Convenience store sells 106 cartons per week (S. Abraham & Sons) in the state of Wisconsin. One average the Oneida Stops and Smokeshops sell 1,284 cartons per week. This is due to the large price differential as a result of the cigarette excise tax agreement with the state of Wisconsin. The price differential averages $13.00 per carton. The average gross profit per carton is $20.17.

In general the Cigarette manufacturers increase the price of cigarettes two (2) times a year, in December and June. This past May the Cigarette price increase was .75 per carton, Oneida Retail increased the retail price by 1.00 per carton, increasing the gross profit per carton by an additional .30 per carton. Should all trends remain the increase will result in an additional $155,000 in gross profit for FY16.

Fuel



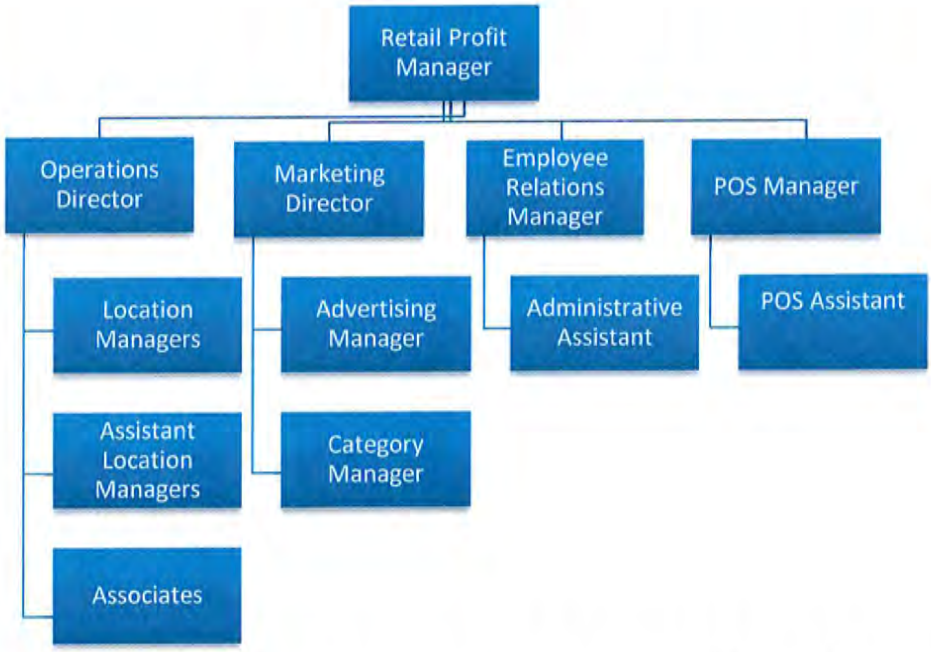


The average Convenience store sells 30,292 (NACS SOI 2013 Report pg. 9) gallons of fuel per week. The Oneida One Stops average gallons per week are 29,451. The YTD average profit per gallon is $.15.

There has been an increase in fuel delivery costs due to the pipeline being out of commission from Milwaukee/Madison to Green Bay. US Oil is hauling fuel over the road, by rail and barge to keep the fuel flowing in Green Bay and Northeast WI. As of July 27, 2016 there may be additional costs to transport fuel because of the terminal maintenance in Illinois, the maintenance at one terminal puts pressure on the existing terminals. We will be working with our transport company (Klemm Trucking) to reduce the adding the demurrage charge. The demurrage charge is an additional cost for the time the truck is at the terminal waiting for fuel.

Oneida Retail Employees

Oneida Retail Enterprise Organizational Chart, with the Retail Profit Area Manager reporting to the Oneida Business Committee



On September there were 115 Retail Employees with an average of 7 years of service. Retail employees are Oneida Tribal Members as outlined in the Tobacco Ordinance.

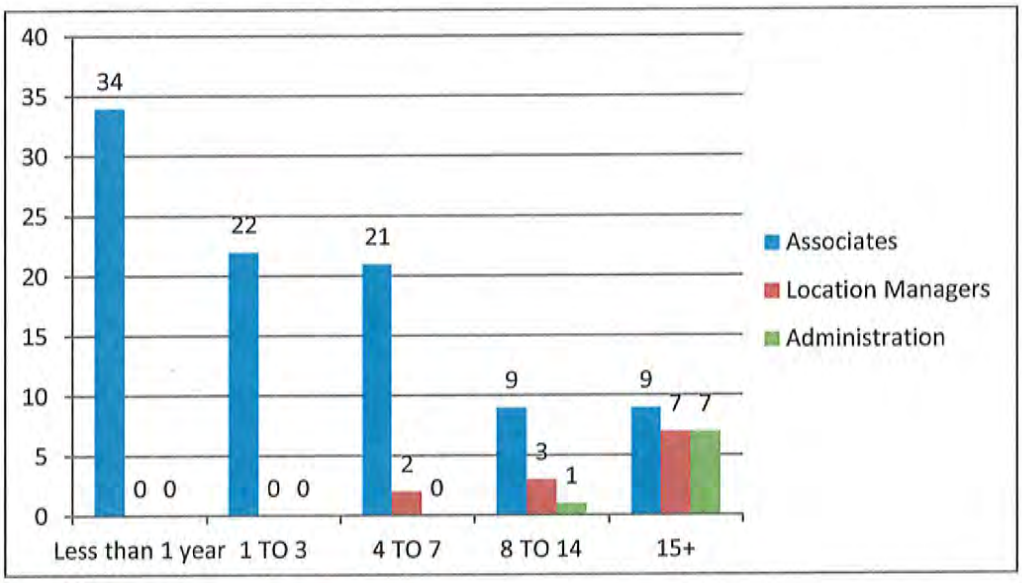


Figure 1 Retail Associates Years of Service

Of the 115 Retail employees we have the following accruals at the end of June 2016:

Vacation Hours	5,053
Personal Hours	3,417
Total	8,470

Nine (9) Retail Employees have over 200 hours of vacation/personal time accrued as of March 31, 2016. Seven (7) of the employees are exempt and two (2) are non-exempt.

YTD payroll was $2,555,277 compared to the YTD budget of $2,959,013 resulting in a savings of $403,736. When compared to prior year's payroll of $2,510,887 payroll is more than FY15 YTD by $44,390. YTD overtime was $8,174 compared to prior year overtime of $7,790 and is included in the overall payroll information above.

25 Oneida Retail Employees received Disciplinary Actions – April 1 to June 30, 2016

22 Written Warnings

Attendance	14
Work Performance	5
Personal Actions	3

Three (3) Terminations

Attendance	2
Failure to return from LOA	1

The employee terminated for not returning from a Leave of Absence (LOA) had appealed the termination and as the Area Manager I upheld the termination. The employee appealed to the Personnel Commission, and the Personnel Commission denied their appeal.

In April ORE increased the minimum wage for Retail Employees to $10.10 (after probation) an hour to compete with the surrounding employers and to increase the application pool. Increases ranged from .07 to .50 an hour for current employees.

The Department of Labor published the final wage and hour regulations on May 18, 2016 with a an implementation date of December 2016. With the change of the regulations the Location Managers will no longer be eligible for exempt status. Currently the Location Managers are Exempt positions and in the E3 position. On August 7, 2016 the Managers will move from the

E3 position to the NE12 position and become eligible for overtime. ORE is finalizing the expectations with the Managers to avoid overtime.

Oneida One Stop 54

The Oneida One Stop Redevelopment was approved be General Tribal Council (GTC) at the FY16 Budget meeting on February 9, 2015 as originally proposed July 7, 2014. The project has been updated based on the input from the 54 Project Community Meetings, FY15 Budget Community Meetings and Customer Focus Sessions conducted by Matousek & Associates.

The Oneida One Stop 54 opened to the Community on Wednesday June 8th and to the general public on June 9th. The schedule was condensed by three (3) weeks because of the mild winter.

Bay Bank is the current ATM vendor at 54 and will begin servicing all One Stops that do not have Gaming outlets beginning in September.

Oneida One Stop Packerland

The restaurant space at the Oneida One Stop Packerland has been leased to T Bacon BBQ. The restaurant is open Tuesday through Sunday from 10:00 AM to 8:30 PM, and closed on Monday.

Diamond for Dollars

Diamonds for dollars is a fund raising event in the Oneida Retail stores to support area groups in our community to raise funds by way of selling Diamonds in the stores four (4) times a year. Applications are sought through the Kali and intranet.

• Indigenous Games	$2,885
• Wise Youth	$1,919
• Longhouse	$1,624
• Lacrosse U/13 & U/15	$1,198
• Woodland Indian Art	$1,525
	$9,161

Woodland Indian Art, Inc. was selected to be the recipient of the Diamonds for Dollars for the 3rd quarter. Diamonds were sold in all of the Oneida One Stops, Smokeshops and Oneida Market from May 2 – May 22nd.

In August Oneida Retail will be raising funds for myTEAM TRIUMPH, as they were the only application for the 4th quarter. myTEAM TRIUMPH is 501(c)(3) non-profit athletic mentoring program created for children, teens, adults and veterans with disabilities. With myTEAM TRIUMPH, disabled participants get to do it all! They will "Captain" a team of "Angels" through an entire race guaranteeing them their moment of glory as they cross that finish line that so many of us take for granted.

Surveillance System Replacement Project

In March Oneida Retail received notice from Surveillance that the Surveillance Department would no longer provide observation services to Oneida One Stops – Westwind, 54, E&EE and Larsen beginning in with the new fiscal year in October.

After discussions with the Gaming Commission, Surveillance, MIS, ORE and the Oneida Police Department it has been determined that Internal Security will provide the observation to all of the Oneida One Stops. At this writing Oneida Retail and Internal Security are meeting regularly to transition observation from the Surveillance Department to Internal Security. A few of the areas we are working on together are:

- Internal Theft Training
- Hold up Training and Procedures
- Improving Cash Handling Procedures
- Reporting & Investigations

Internal Security is working with Surveillance and MIS to work through a few technical glitches with the transition.

Annual Pow Wow

Oneida Retail supports the annual Pow Wow by selling advance weekend passes for the annual 4th of July Pow Wow. This year the Oneida One Stops sold 445 tickets for a total of $5,340. In return for selling the advance weekend passes the Oneida One Stop logo is on all of the Pow Wow promotional material.

Training

In April I attended the Strategic Economic Development Planning/Training Session at the Radisson. The training was provided by Sovereign Financial, LLC

In June I attended Active Shooter Training and Investigative Training both offered by the Human Resource Department.

Open Roads

The Open Roads rewards program has two components; the first is to be able to provide gas tax exemption to Tribal Members and to provide additional discounts on fuel. The second component is a loyalty program for the general public to earn cents off on a gallon of fuel by purchasing promoted products. In the 3rd quarter US Oil and Oneida Retail will be promoting Open Roads together. Several Radio remotes are scheduled along with stops by the Open Roads Teams to encourage customers to enroll in the program.

There has been discussion and allegations that the Oneida Retail Associates may be abusing the system by scanning the Associates own Tribal ID or Open Rewards card to earn cents off a gallon. Jack Denny, Operations Director did investigate the allegations and his report is attached.

The same allegations surfaced again in June, I am working with Internal Audit, to complete and audit of the Open Rewards Program.

The third quarter Open Rewards collateral is attached.

Big Deal Texting Campaign

The Big Deal texting campaign was introduced during the opening of Oneida One Stop 54 as a way to communicate fuel discount opportunities to our customers through the Open Rewards and directly from vendors. To join the texting campaign text "onestop" to 55678 and you will receive text messages informing you of the "Big Deal". The Big Deal will also be posted to Social Media sites along with in store signage. The future plan is to create "clubs" within the texting campaign to target offers directly to customers who have expressed an interest in a particular produce line.

Inter-Tribal Charge and Commercial Charge Accounts

ORE is exploring options to automate the Inter-Tribal Charges of fuel at the Oneida One Stops. There are currently 56 different departments purchasing fuel at the Oneida One Stops and the manual process is labor intensive for Retail and Central Accounting to process.

There are currently 14 commercial charges at the Oneida One Stops for fuel. We are encouraging the commercial accounts to open a Mobil Fleet card to manage their fuel purchases. Exxon/Mobil offers discounts on the fuel (based on volume) and ORE will also discount the fuel by .03 a gallon for the first six (6) month. ORE's intention is to close all commercial accounts by October 1, 2016.

FY16 Capital Expenditures

The fuel dispensers at Oneida One Stop Packerland and Oneida Casino Travel Center will be replaced in early August. The replacement is due to the EMV compliance. Oneida One Stop Westwind, Larsen and E&EE will components of the dispensers replaced to become EMV compliant.

FY17 Budget

	FY15 Actual	FY16 Approved Budget	FY17 Proposed Budget
Sales	$61,874,130	$60,437,133	$67,364,393
Cost of Sales	$47,173,619	$45,984,202	$50,884,602
Gross Profit	$14,700,511	$14,452,931	$16,479,791
Expenses	$7,125,843	$6,078,770	$8,087,129
Net Profit	$8,621,741	$7,327,088	$8,392,662

The FY17 budget includes 40 additional hours for those employees who had accrued 80 hours of combined vacation/personal hours as of March 31, 2016 for Trade Back for Cash. Each employee's salary (with one year of service) was also increased by .40, as recommended by Human Resources.

Highlights of the ORE FY17Proposed budget are:

To achieve the budget ORE must:

- Sell more than 610,000 cartons of cigarettes
- Sell 6,500,000 gallons of fuel
- Sell $1,900,000 in tobacco products
- Sell $3,400,000 of convenience goods
- Sell $588,800 in product at the Oneida Market.

FY17 BUDGET includes the following:

- Three additional positions
  - Assistant POS
  - Two additional Assistant Location

Adjustments may be necessary depending on the exempt status of the Managers and Retail Administration reorganization.

- Payroll .40 increase/bonus for each employee that is employed as of September 30, 2016.

Should an employee be at the maximum in their pay range a bonus will be paid out based on average number of hours worked per week, or a combination of increase and bonus if the .40 increase would put them over the maximum in their pay range. See How PAYROLL is BUDGETED.

- 40 hours of trade back for cash for eligible employees.

To be eligible for trade back an employee must have a combination of personal and vacation hours that exceeds 80 hours.

- $9,780 in the training line.

Examples of training include beverage server, fire extinguisher, petroleum equipment training, WI Class A/B training and certification in Natural Health practitioner.

- $5,000 in the Travel line.

Funds earmarked for SAS Tradeshow, WPMCA attendance and possibly the NACS show.

- $3,500,000 in Capital Improvement Projects (CIP) Budget

Funds determined to add an additional Oneida One Stop to the mix of stores.

- $58,000 in Capital Expenditure Projects (CapX) Budget

Three CAPX projects were approved: Awning at EEE, Point of Sale system at OCTC, Freezer/Cooler doors at Packerland. (See all CapX requests)

- GAS Tax Exemption Cost for Off Reservations fuel purchases

In Previous years General Tribal Council budget was set to in a way that offset our cost to provide the mandated gas tax exemption to Tribal Members off reservation . The Oneida Business Committee has informed ORE that this expense will no longer be reimbursed. The result is a reduction in net profit by $246,930.

Thank you for reading the report, should you have any questions please feel free to call me at 920.496.7301 or by email at mdoxtat3@oneidanation.org