

**EXECUTIVE & FINANCE COMMITTEE
LEGISLATIVE CONFERENCE ROOM
February 23, 2007
4:00 P.M.**

STANDING COMMITTEE: Executive & Finance

COMMITTEE PRESIDED BY: Bill John Baker, Co-Chair

COMMITTEE MEMBERS PRESENT:

Linda O'Leary*	Bill John Baker	Buel Anglen
Jack D. Baker	Audra Conner	Joe Crittenden
Meredith Frailey	Don Garvin	Chuck Hoskin
Bill Johnson	Taylor Keen	John F. Keener*
Jackie Bob Martin	Melvina Shotpouch	David Thornton, Sr.
Cara Cowan Watts	Phyllis Yargee	

COMMITTEE MEMBERS ABSENT:

None

STAFF PRESENT:

Doug Evans	Mike Miller	Ginger Brown
Tom Elkins		

VISITORS:

Callie Catcher	Dennis McLemore	Carey Tilley
Brian Collins	Todd Hembree	Susan Ruckman
David Stewart	Chrissy Moore	Stacy Leeds
Raymond Vann		

QUORUM ESTABLISHED: Yes

LEGISLATION: Yes

MINUTES: See Attached

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February 23, 2007
4:00 P.M.**

CALL TO ORDER:

Chair Bill John Baker called the meeting to order at 4:00 p.m. Council member Yargee gave the invocation. Roll was called and a quorum was established.

APPROVAL OF MINUTES:

Councilman Anglen moved for the approval of the minutes of the January 25th regular session. Council member Conner seconded the motion. Motion carried.

REPORTS:

Financial Report/Secretary-Treasurer Report: Callie Catcher reported the audit is proceeding well and the field work should be wrapped up next week and they had hoped to issue the CAFR by the end of February but more than likely it will be towards the end of March. She has a draft of the CNE audit but it has not been issued. CNB has not been issued because it waits on CNE and CNI has been delayed due to one remaining issue with the bank of whether or not CNI was in violation of their covenant. There was a meeting last week between the audit firm and bankers and to her knowledge that has been resolved. Brian Collins state CNI will be complete and able to distribute the final audit report the week of March 5th. Callie Catcher stated CNB will probably be that same week or the week after. David Stewart stated he has reviewed the final statements today and those will be issued in the next few days.

Cherokee Nation Enterprise: David Stewart stated they did have a lower month due to the ice storms and they are in part recovering from the ice storm for the month of February.

Cherokee Nation Industries: Dennis McLemore reported sales for the month of December were \$8.5 million and year to date sales are running at \$51.7 million. Profitability had a loss for the month of December however the year to date profit is \$688,000. Inventory is \$7.9 million and they owe the bank \$9.6 million on their line of credit. Their net worth is \$9.2 million. The audit report will be distributed the week of March 5th.

Brian Collins distributed a brochure on CNI's marketing plans.

Historical Society: Carey Tilley reported they show a profit for the year and they used all the unrestricted funds that were left over towards the long term debt. They have paid off over 50% of that so they are on a good pace. They were closed the month of January working on some behind the scenes things. They are getting very strong and positive responses on the Cherokee Pottery Exhibit.

Cherokee Nation Business: Callie Catcher announced the Board of Directors has hired Ron Foster as the new CEO for CNB and his start date is March 5th. CNB will be working on their plan to infuse the \$15 million in capital to CNI. The issue is how to do that without creating an income tax problem so initially CNE will pay a special dividend up to CNB and

CNB will turn around and initially loan those funds to CNI to replace the bank line of credit but eventually it would be capital or equity in CNI rather than a loan.

Chair Baker commented to Callie Catcher that she had told the Council several times that on Cherokee Connex she was going to limit Cherokee Nation's liability or loss to \$2 million. Callie Catcher stated she has been working on this and they did sign a deal as she reported in the Council meeting. The first payment on that is due March 7th and the final payment is due July 31st which will be the \$2 million that is guaranteed from the partners. They never invested in \$2 million, the loaned \$4 million into Cherokee Connex. This company was set up with \$4 million in loans and their partners guaranteed \$2 million of the \$4 million in loans. They have lost money on investment but they will be getting around \$3.2 million in grants and the grants will create a few jobs. There is a 15% match on grants. She stated not having a good market plan when the system went up to go out and hit the Tulsa market hard was one reason why this investment lost money. She also feels they relied too heavily on their partners where they did not have the capacity internally to manage this business.

Councilman Crittenden commented on concerns about the landfill on the aspect side. He stated he has asked a couple different times on which the owners are for ICI and all he gets is a copy of the landfill operating and host fee agreement and their resident agent. ICI has been in business for a year and a half and they were supposed to pay Cherokee Nation \$3 million dollars in this agreement. Callie Catcher stated after a master permit was issued and which has not been done. Councilman Crittenden asked who is holding up the master permit. Callie Catcher stated has just got involved in this within the last sixty days and she has been trying to facilitate that process between ICI and the EPC. She feels they are getting close to an agreement of what is going to be required to get that permit update issued and in fact it is on the agenda for the March EPC Commission meeting.

Chair Baker requested Callie Catcher to give a report on the Landfill at next months E&F meeting. Council member O'Leary also requested Callie Catcher to give a full report on Cherokee Connex.

Councilman Crittenden stated he has made two requests in writing asking who the owners of ICI were and as of this date he has not received the information. Callie Catcher stated she has spoke with Gary Pitchland who is the registered agent owner of ICI and asked him to give us a listing of who are the members of this LLC. He did write a letter stating he is the sole owner and he has consultants that work for him. She will pull the letter and send a copy to Councilman Crittenden.

Councilman Thornton stated last month he approached the Council of a way they could financially help the Bush family and it seems there is no way to do that so he would like to approach any of the Councilors that would like to contribute to give funds to Mrs. Miller, with name and address to help the Bush family.

COMMUNITY ASSISTANCE:

\$1000	Flute Springs Organization	Councilor Yargee	
\$2000	City of Collinsville	Councilors Johnson/Anglen	Difibulator
\$2000	Oak Grove Baptist Church	Councilor Garvin	Building Improvements
\$1000	Will Rogers Heritage	Councilor Cowan Watts	Children's Museum
\$125	War Pony	Councilor Keener	Financial Assistance

\$500	Oaks Indian Mission	Councilor O'Leary	Students Trip
\$500	Foyil JOM Parent Com.	Councilor Cowan Watts	School Event
\$500	Oologah-Talala	Councilor Cowan Watts	Safe After Prom Com.
\$500	Bartlesville Operation Eagle	Councilors Anglen/Johnson	Com. Org. Assistance
\$500	Jerry Long	Councilors Baker/Conner	Sga Sdi Yu Softball
\$500	Keys School	Councilors Baker/Conner	Senior Class Grad. Party
\$500	Hulbert Drug Free BB	Councilors Baker/Conner	Organizational Support
\$665	Opportunity House	Councilors Baker/Conner	Organizational Support
\$1500	Delaware Co. Livestock	Councilors O'Leary/Shotpouch	Livestock Scholarships
\$300	Okay Band Student Activity	Councilor Garvin	Student Overseas Trip
\$700	Laura & David Miller	Councilor O'Leary	School Chapel

Council member Cowan Watts moved for the approval. Councilman Garvin seconded the motion. Motion carried.

LAW ENFORCEMENT:

\$5114	Councilor Cowan Watts	Inola Police Department	Equipment
\$5114	“ “ “	Oologah Police Department	Equipment
\$5114	“ “ “	Chelsea Police Department	Evidence Room
\$2000	“ “ “	City of Claremore	Equipment
\$2000	“ “ “	City of Catoosa	Equipment
\$3052.60	Councilor Garvin	Town of Braggs	
\$3052.60	“ “ “	Town of Ft. Gibson	
\$3052.60	“ “ “	Town of Warner	
\$3052.60	“ “ “	Town of Webbers Falls	
\$3052.60	“ “ “	Muskogee Co. Sheriffs Off.	
\$3052.60	“ “ “	Porum Police Department	
\$10,000	Councilor Shotpouch	Delaware County Sheriff	Equipment
\$4742.82	Thornton/Yargee	City of Sallisaw	Equipment
\$2000.73	Councilor Cowan Watts	Talala Police Department	
\$4742.82	Thornton/Yargee	Vian Police Department	Equipment/Lighting
\$5000	Councilor Anglen	City of Collinsville	
\$5000	Councilor Anglen	City of Skiatook	

Councilman Garvin moved for the approval. Council member Cowan Watts seconded the motion. Motion carried.

OLD BUSINESS:

Cherokee Nation Benefit Analysis. Council member Cowan Watts moved to table this item to next month. Councilman Anglen seconded the motion. Motion carried.

NEW BUSINESS:

An Act Amending Legislative Act #26-06 Authorizing the Comprehensive Budget for Fiscal Year 2007 – Mod. 5; and Declaring an Emergency. Doug Evans stated February grants totaled \$1.25 million dollars in DHHS and this mod includes fifteen budgets. Administration resubmitted mod #3 in its identical form as was passed with the exception of the bonus item but it was submitted after the agenda was already posted and that is why it is not in the

packet. Councilman Bill Baker stated under this mod #5 he would move to add all of mod #3 including the \$1.5 million for employee bonuses to bring it all forth at one time. Council member O'Leary seconded the motion. Roll call is as follows:

Buel Anglen	<u>Nay</u>	Bill John Baker	<u>Yea</u>
Jack D. Baker	<u>Nay</u>	Audra Conner	<u>Yea</u>
Joe Crittenden	<u>Yea</u>	Meredith Frailey	<u>Nay</u>
Don Garvin	<u>Nay</u>	Chuck Hoskin	<u>Yea</u>
Bill Johnson	<u>Absent</u>	Taylor Keen	<u>Yea</u>
John F. Keener	<u>Yea</u>	Jackie Bob Martin	<u>Absent</u>
Linda O'Leary	<u>Yea</u>	Melvina Shotpouch	<u>Yea</u>
David Thornton	<u>Yea</u>	Cara Cowan Watts	<u>Nay</u>
Phyllis Yargee	<u>Yea</u>		

The amendment passed by a vote of nine (9) yeas; five (5) nays.

Councilman Bill John Baker moved for the approval of mod #5. Councilman Crittenden seconded the motion. Roll call is as follows:

Cara Cowan Watts	<u>Nay</u>	David Thornton	<u>Yea</u>
Melvina Shotpouch	<u>Yea</u>	Linda O'Leary	<u>Yea</u>
Jackie Bob Martin	<u>Absent</u>	John F. Keener	<u>Yea</u>
Taylor Keen	<u>Yea</u>	Bill Johnson	<u>Absent</u>
Chuck Hoskin	<u>Yea</u>	Don Garvin	<u>Nay</u>
Meredith Frailey	<u>Nay</u>	Joe Crittenden	<u>Yea</u>
Audra Conner	<u>Yea</u>	Jack D. Baker	<u>Nay</u>
Bill John Baker	<u>Yea</u>	Buel Anglen	<u>Nay</u>
Phyllis Yargee	<u>Yea</u>		

The motion for approval of mod #5 passed by a vote of nine (9) yeas; five (5) nays.

MFT & MVT Road & Bridge Project Requests for FY2007. Doug Evans stated all current requests included in this months package fall within each respective Council member's allocated balance.

Council member Cowan Watts moved for the approval of requests. Councilman Crittenden seconded the motion. Motion carried.

Executive & Finance Meeting Date change and Possible Action. This item was withdrawn because it was taken care of in the previous Rules meeting. The meeting was changed to Friday's for the next three meetings beginning in March.

Councilman Hoskin moved to amend the agenda to entertain some information about the English Only Language Bill that is in the Oklahoma House of Representatives. Councilman Crittenden seconded the motion. Motion carried.

English Only Language Bill. Councilor Hoskin stated there is a bill before the Oklahoma House that states English will be recognized as the official language. The reason behind the bill is directed at illegal aliens but the unintended consequences is that it damages the individuals who do not speak that language and as you all know this Council has put many

dollars into programs to try to restore our language. If you diminish it you tell our children, other tribal children, and other languages that their language is not as important. The five Chiefs of the five tribes immediately sent out notification giving a stand against it and the Muscogee Creek Nation last Tuesday night passed out of their Council a Resolution in opposition to English being the official language. He stated the Council needs to give the Chair and Co-Chair of the Rules Committee the opportunity to review the Creek Nation Resolution and possibly have one prepared to present on the floor of the next council meeting.

Councilman Bill Baker moved to have the Chair and Co-Chair of the Rules Committee to review the Creek Nation Resolution and possibly have one prepared to present on the floor of the next council meeting. Councilman Keen seconded the motion. Motion carried.

Councilman Crittenden stated he would like to be a co-sponsor of the resolution.

ANNOUNCEMENTS:

The next meeting date is tentatively scheduled for March 30th, 2007 at 3:00 p.m.

ADJOURNMENT:

Councilman Bill John Baker moved for adjournment. Council member Conner seconded the motion. Motion carried.

APPROVAL / DISTRIBUTION:

Minutes submitted by: Gayle Miller, Recording Secretary

Motion to approve minutes made by: Buel Anglen

Minutes attested and concurred by: Linda Heary

Date: 3-30-07