

**EXECUTIVE & FINANCE COMMITTEE  
LEGISLATIVE CONFERENCE ROOM**

**February 7, 2008**

**1:07**

**STANDING COMMITTEE:** Executive & Finance

**COMMITTEE PRESIDED BY:** Jack D. Baker, Chair

**COMMITTEE MEMBERS PRESENT:**

<b>Jack D. Baker</b>	<b>Buel Anglen</b>	<b>Bill John Baker</b>
<b>Curtis Snell*</b>	<b>Tina Glory-Jordan</b>	<b>Meredith Frailey*</b>
<b>Chuck Hoskin, Jr.</b>	<b>Brad Cobb</b>	<b>Julia Coates</b>
<b>Joe Crittenden</b>	<b>Chris Soap</b>	<b>Jodie Fishinghawk</b>
<b>Harley Buzzard</b>	<b>David Thornton, Sr.*</b>	<b>Cara Cowan Watts*</b>
<b>Janelle Fullbright*</b>	<b>Don Garvin*</b>	

**COMMITTEE MEMBERS ABSENT:**

None

**STAFF PRESENT:**

<b>Callie Catcher</b>	<b>Diane Kelley</b>	<b>Anna Knight</b>
<b>Doug Evans</b>	<b>Ginger Brown</b>	<b>Shay Smith</b>

**VISITORS:**

<b>Dennis McLemore</b>	<b>Carey Tilley</b>	<b>Todd Hembree</b>
<b>Raymond Vann</b>	<b>Emily Bushyhead</b>	<b>Shawn Slaton</b>
<b>Charles Dry</b>	<b>Bryan Collins</b>	<b>Charlie Soap</b>
<b>Jack Crittenden</b>	<b>Gary Warnock</b>	<b>Marvin Jones</b>

**QUORUM ESTABLISHED:** Yes

**LEGISLATION:** Yes

**MINUTES:** See Attached

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**February 7, 2008**

**1:07 P.M.**

**CALL TO ORDER:**

Chair Jack Baker called the meeting to order at 1:07 p.m. Councilor Soap gave the invocation. Roll was called and a quorum was established.

**APPROVAL OF MINUTES:**

Councilor Cowan Watts moved for the approval of the minutes of the December 20th regular session minutes. Councilor Anglen seconded the motion. Motion carried.

Councilor Anglen moved for the approval of the minutes of the December 20th PAC sub committee minutes. Councilor Anglen seconded the motion. Motion carried.

**REPORTS:**

Financial Report/Treasurer Report: Callie Catcher provided a written report. She stated the auditors are on site. Ms. Catcher stated they are on track with their 2007 audit.

Cherokee Nation Enterprise: Mr. Shawn Slaton stated December was a good month. He stated the ice storm did impact Catoosa and a little at Will Rogers Downs. He stated December and January are both a little soft as far as numbers go. The expansions are ongoing with minimal problems. Councilman Bill John Baker inquired about the transaction fee at the Wild Potato Buffet. Mr. Slaton stated it is like a tax to cover dishwashing. Councilor Bill John Baker inquired as to why it is not included in the price of the buffet from the beginning. Mr. Slaton stated they survey the other tribal facilities and most of them are charging a transaction fee in lue of a tax which almost all customers expect to pay a tax. It is being called a transaction fee because it isn't a state sales tax. Councilman Bill John Baker inquired where the funds go and is a transaction fee for gaming and hotel rooms. Mr. Slaton stated the funds go to the company and there isn't a gaming fee but is unsure about a room fee. Councilor Baker inquired who passed the tax and the rate. Mr. Slaton stated it isn't a tax it is lue of a tax and the rate is 6%.

Cherokee Nation Industries: Mr. Dennis McLemore stated in November they had 8.9ml cash, the A/R was 12.2ml and A/P was 10.5ml. The Native employment rate is at 9.7. The long term debt is the loan from CNB. He stated he is expecting it to convert over to an infusion of cash within the next 60 to 90 days. He stated CNB actually transfers ownership of the Cherokee Nation Industries groups of companies effective the first of February. Councilor Bill John Baker inquired about the report from CNI about spending more money for the gymnasium at Sequoyah High School than allocated. Mr. McLemore stated it would be an outstanding receivable and if it is uncollectible it will be written off. He stated he would get the information and give it to them tomorrow. Mr. Brian Collins stated he has the information and was going to provide it at the TERO meeting. The ending month of November, they had sales of 14ml, and are running at a slight loss of \$130,000. The end of

the calendar year their sales and profits go down because of the telecommunications group will be working with companies that work on a typical calendar year and tend to put off purchases to the end.

Cherokee Nation Business: No one was present to report.

Cherokee National Historical Society: Mr. Carey Tilley announced the numbers continue to be up for the 2007 fiscal and calendar year. They served 38,487 people compared to 28,000 in 2006. Their earned income was up 10%, unrestricted contributions were up 10%, and the unrestricted grants and sponsorships were up 17%. The restricted grants were down due to state funding being less than previous years. The restricted donations were also down. They raised \$28,000 on their year end campaign. They have made a long term debt loan payment of \$10,000 in January. Mr. Tilley stated they hired a new Financial Supervisor and on site Contract Manager, Brenda Cook. They are working with CNE Tourism on some major projects some of which are new parking and access area, retail store upgrades, some general cosmetic improvements, some comprehensive planning and a major renovation of the ancient village. He announced the retirement of long time employee Sam Nofire.

Career Services/Employment: Ms. Diane Kelley provided her written report.

Commerce: Anna Knight provided a written report. She stated in the monthly report, the full TERO report was also included. Mr. Doug Evans stated the inter medial re-lending program so far this fiscal year has loaned any funds and have a budget of 1ml plus. Ms. Knight stated there are loans pending. He stated preliminary reports are showing there is a substantial amount of federal re-lending loan proceeds that are taking a long time or are carrying over. Ms. Knight stated the loans are being carried over and she would provide Mr. Evans with additional information. Councilor Glory Jordan inquired if there is a problem getting the funds out. Ms. Knight stated they are having difficulty getting people to participate in the program and writing a business plan. They are in the process of developing a marketing plan for the program. The Commerce Department assists in writing the business plan. Another issue with the program is the USDA requires a 25% equity in the project either in cash or a subordinate loan. Councilor Glory Jordan inquired if real estate qualifies for the 25%. Ms. Knight stated not through the USDA inter mediary re-lending program. Councilor Glory Jordan stated the USDA is allowing other entities to use real estate. She inquired who is responsible for approving the loans. Ms. Knight responded the Economic Trust Authority Board which now is 3 members of 5 positions. All three of the members at this time are commercial loan officers. Councilor Glory Jordan stated bankers tend to be conservative and these are high risk loans. Ms. Knight stated they are trying to fill the 2 openings on the board with business people. Councilor Glory Jordan stated she has dealt with this program before and other agencies are having as difficult of a time lending their money. She voiced concern for the interest rate and offered any assistance if needed. Ms. Knight stated she would take the concerns back to the board. Ms. Knight encouraged the committee to spread word about the program in the communities. Councilor Frailey announced she and Councilor Soap are planning a community meeting and requested Ms. Knight to come and do a presentation. Councilor Glory Jordan stated District 1 is also planning a community meeting and requested her attendance as well.

**CEMETERY RESTORATION ASSISTANCE APPLICATIONS:**

Councilor Bill John Baker moved to approve Hendricks – Linder Cemetery for \$500 in District 1. Councilor Glory Jordan seconded the motion. Motion carried.

Councilor Thornton moved to approve the Seabolt cemetery and Big Skin Bayou Creek cemetery requests for District 3. Councilor Bill John Baker seconded the motion. Motion carried.

Councilor Snell made a motion to approve the Elm cemetery request for District 5. Councilor Bill John Baker seconded the motion. Motion carried.

Councilor Hoskin Jr. made a motion to approve the Scott cemetery request for District 9. Councilor Bill John Baker seconded the motion. Motion carried.

**T.E.R.O CERTIFICATIONS:**

Councilor Anglen moved for the approval as reported. Councilor Cobb seconded the motion. Motion carried with an abstention from Councilor Bill John Baker.

**LAW ENFORCEMENT:**

Mr. Evans stated this month brings in the Motor Vehicle Tax apportionment revenues. The apportionment equated to \$19,039.00 per Councilor. The Craig County Sheriff’s Department has requested from Councilor Hoskin Jr. \$3,500 for drug dog training. Sequoyah County Councilors Fullbright and Thornton are contributing \$2,379.92 each to the following police departments; Sallisaw, Vian, Gore, Muldrow, Roland, Gans, and the Sequoyah County Sheriff’s office. This equates to their annual apportionment divided by 8 therefore they have 1 apportionment remaining. Councilor Thornton motion to approve. Councilor Crittenden seconded the motion. Motion carried.

**COMMUNITY ASSISTANCE:**

- Additions to report: \*Elm Tree Baptist Church      \$300 - Councilor B. Baker/Glory-Jordan Soap/Frailey
- \*Fever Softball Team                      \$400 - Councilor B. Baker/Glory-Jordan
- \*Kansas High School                      \$2,500 - Councilor Snell
- \*Grove High School                        \$750 - Councilor Snell/Buzzard
- \*Vinita Public School                      \$1,000 - Councilor Hoskin Jr.
- \*Claremore Public Schools                \$500 - Councilor Cowan Watts
- \*Stilwell Sr. Housing Assoc.            \$300 - Councilor Fishinghawk
- \*Cherokee Community Organ.
- In both Wash. & Tulsa Co.      \$2,000 Councilor Anglen/Cobb
- \*Coffeeville Native American
- Indian Art Market                        \$500 Councilor J. Baker/Coates
- \*Native Amer. Fellowship Inc.        \$100 Councilor Hoskin Jr.

Councilor Bill John Baker moved for approval of all community assistance for the month of January. Councilor Crittenden seconded the motion. Motion carried.

## **ROADS**

Mr. Doug Evans stated the Motor Vehicle tax from the Car Tag Revenues in '07 is \$88,949.00. The Motor Fuel Tax and Motor Vehicle Tax remain unchanged this month. Projects for consent this month are the Evening Shade extension by Councilor Thornton on motor fuel funds of \$94,432 which will deplete his funding. Special Bridge fund is net zero but a reprogram from the Stick Springs low water bridge project to the Parker Road from Councilor Buzzard. Councilor Bill John Baker motion to approve. Councilor Crittenden seconded the motion. Motion carried.

Cherokee Nation Business: Mr. Carson stated all is well at CNB. He stated he has regrettably left his report in his office but would forward it by email to the Council. He stated they are in the final stages of negotiating the Bank of America loan agreement

## **OLD BUSINESS:**

None

## **NEW BUSINESS:**

1. Murrell Home Costs for Education Interpretation of Cabin Program. Councilor Cowan Watts moved for the approval in the amount of \$10,000. Councilor Bill John Baker seconded the motion. Chair Jack Baker stated they funded their summer program last year for Cherokee interpretations at the cabin on the grounds of the Murrell Home. Councilor Bill John Baker stated he received excellent feedback from the program last year. Mr. Doug Evans stated there is \$20,000 in charitable contribution funds appropriated that is not ear marked for any specific purpose at this time. Councilors Bill John Baker and Cowan Watts agreed for this appropriation to come out of this fund. Motion carried.
2. An Act Amending Legislative Act #37-07 Authorizing the Comprehensive Budget for Fiscal Year 2008 – Mod. 4; and Declaring an Emergency. Councilor Bill John Baker made a motion to approve the budget modification in addition to \$100,000 for Lost City Schools, \$4,000 for a generator for Oaks and 2 adjustments to the budget to put it into balance. Councilor Crittenden seconded the motion. Councilor Cowan Watts move to amend and remove all amendments. Councilor Anglen seconded the motion. Mr. Hembree stated the proper the proper way is to motion and second to approve the budget then discussion begins and amendments can then be made. Councilor Cowan Watts requested division. Chair Jack Baker stated the first item is the \$100,000 request for Lost City School. Councilor Bill John Baker stated the Chief has had both the education department and administration look at several rural schools within the Cherokee Nation. They identified seven schools that are at risk with Cherokee population of over 50% in the community. Lost City 65% of all students and property owners of the school are Cherokee. The school is the community building. The school voted to not be annexed due to property taxes increasing three fold and the academic level of the school being annexed to was somewhat lower. If our true mission is to strengthen communities, educate our people and keep our culture alive then lets give this school which is also the community building a \$100,000 they need. He stated this is the first but there will be

schools in your districts as well in the future if the education synopsis is correct. Callie Catcher stated she was part of the group that met with some of the Lost City Board Members. Unfortunately based on those discussions this just would be a band aid, this would not cause a rise in their property taxes and it wouldn't solve the schools problem. The only thing this funding would do is help them finish this school year. Dr. Morton has been reaching out to all of the at risk schools Mr. Baker referred to come up with a comprehensive plan to assist them all. Councilor Cowan Watts made a motion to table to Education & Culture Committee on Tuesday. Councilor Anglen seconded the motion. Roll call is as follows:

Buel Anglen	<u>Yea</u>	Bill John Baker	<u>Nay</u>
Jack D. Baker	<u>Yea</u>	Harley Buzzard	<u>Yea</u>
Julia Coates	<u>Yea</u>	Bradley Cobb	<u>Yea</u>
Joe Crittenden	<u>Nay</u>	Jodie Fishinghawk	<u>Nay</u>
Meredith Frailey	<u>Yea</u>	Janelle Fullbright	<u>Yea</u>
Don Garvin	<u>Absent</u>	Chuck Hoskin Jr.	<u>Nay</u>
Tina Glory-Jordan	<u>Nay</u>	Curtis Snell	<u>Yea</u>
Chris Soap	<u>Yea</u>	David Thornton Sr.	<u>Nay</u>
Cara Cowan Watts	<u>Yea</u>		

The motion to table passed with ten (10) yeas and six (6) nays.

Councilor Bill John Baker requested a generator for the Oaks Community in the amount of \$4000 to be placed in the Senior Citizen building. He stated this is an extremely rural Cherokee community with no other options. This generator would provide security to the rural community in the time of natural disasters. Councilor Cowan Watts stated they should get with Todd Enlow and emergency management services to discuss the possibility of funding a generator for each county and determining a central location for each to be stored and not support for just 1 community. Councilor Cowan Watts made a motion to table for the Resource meeting. Councilor Anglen seconded the motion. Roll call is as follows:

Buel Anglen	Yea	Bill John Baker	Nay
Jack Baker	Yea	Harley Buzzard	Yea
Julia Coates	Yea	Bradley Cobb	Yea
Joe Crittenden	Nay	Jodie Fishinghawk	Nay
Meredith Frailey	Yea	Janelle Fullbright	Nay
Chuck Hoskin Jr.	Nay	Tina Glory Jordan	Nay
Curtis Snell	Nay	Chris Soap	Yea
David Thornton	Nay	Cara Cowan Watts	Yea

The motion to table fails with a vote of eight (8) yeas and eight (8) nays.

Councilor Hoskin Jr. stated he would like to support this request however he did agree with the idea Councilor Cowan Watts suggested. That idea shouldn't stop Oaks from getting theirs now when it is needed. Councilor Bill John Baker stated this community has written a letter requesting this generator. Why wait what happens if another winter storm comes while we wait to compile information on all the other communities. Lets give Oaks theirs now and when the other information comes in we will know Oaks has already received theirs. Councilor Cobb stated he doesn't object

to the idea just feels there should be a comprehensive plan and do for more than one at a time. Councilor Glory Jordan stated we do comprehensive plans on a lot of issues and they take time sometimes a lot of time. This councilor has requested \$4000 for his community to have a generator and we have wasted just in discussion today. Councilor Bill John Baker stated every county is not the same, everybody needs something different. The Oaks Community doesn't have a solution elsewhere. Councilor Snell stated this community building is the only place this little rural community has to go for shelter. Councilor Anglen inquired as to why Oaks couldn't use one of the Cherokee Nation's generators in an emergency situation. Councilor Fullbright stated we should fund the generator and also do the comprehensive study. She stated in all walks of life not everyone is treated the same cause everyone's needs are different. Councilor Thornton stated this community is very rural and they are in need of a generator. Councilor Buzzard stated he would like to support this and also would like a comprehensive study done. Councilor Bill John Baker called for the question. Motion to fund the generator passed with on abstention from Councilor Cobb.

Mr. Doug Evans stated they will take all the revenues for the current year and they are going to reserve them on the budget. The current year tag revenue is going to be restricted and transfer them out to the accounting units. It also takes the general fund balance up to approximate 1.4ml to gen fund. Councilor Anglen moved to approve the amendment to balance the budget. Councilor Buzzard seconded the motion. Motion carried. Mr. Evans asked for clarification of the generator as to if the funds were to be taken out of the charitable contributions. Councilor Soap questioned what the outstanding balance is for undesignated charitable fund. Councilor Bill John Baker made a motion for the \$4000 for the generator to come from the undesignated charitable contributions funds. Councilor Snell seconded the motion. Motion carried. Councilor Cowan Watts moved to approve the budget modification as presented. Councilor Anglen seconded the motion. Councilor Bill John Baker questioned if there was a \$5 million loss in landfill. Ms. Callie Catcher stated that was incorrect. She stated the note in Doug's memo is referring to the right off in 2007 of the remaining balance on the current cell. The write off at the cell is \$4.9ml. The accumulated losses at the landfill from day 1 to now are currently setting at \$1.8ml which is before an adjustment for the closure account which is contingent on which way we go with the landfill. Councilor Fishinghawk inquired about the contract services for \$320,000. Ms. Catcher stated the estimate is \$64,000 for quarterly testing, \$160,000 for the leach aide hauling, \$24,000 for storm water pumping, \$20,000 for equipment repairs, and around \$50,000 for methaide monitoring wells. She stated these are all compliance issues and the numbers could change once actual bids are received. Councilor Fishinghawk inquired about Fayetteville's contract. Ms. Catcher stated it is reflected as negative revenue in the amount of \$169,000. Councilor Bill John Baker inquired if Fayetteville is paying for the tonnage being billed. Ms. Catcher stated they were paying. She stated Fayetteville is hauling to Tonitown and we are paying \$27.14 a ton. She stated Fayetteville will be charging us with a hauling fee yet to be determined. For October through December our loss was \$20,000. Motion carried with Councilors Fishinghawk, Crittenden, and Glory Jordan opposing.

**ANNOUNCEMENTS:**

Councilor Cobb inquired as to how the remote attendance went for Councilor Coates. She stated it went well.

**ADJOURNMENT:**

Councilor Cowan Watts moved for adjournment. Councilor Anglen seconded the motion. Motion carried at 3:35 p.m.

**APPROVAL / DISTRIBUTION:**

Minutes submitted by: Robbi Girdner, Clerk Typist I and Shelli Brittain, Legal & Legislative Coordinator

Motion to approve minutes made by: Bill John Baker

Minutes attested and concurred by: Jack D Baker

Date: 2/28/08