

**EXECUTIVE & FINANCE COMMITTEE
LEGISLATIVE CONFERENCE ROOM
February 28, 2008
3:05**

STANDING COMMITTEE: Executive & Finance

COMMITTEE PRESIDED BY: Jack D. Baker, Chair

COMMITTEE MEMBERS PRESENT:

Jack D. Baker	Don Garvin	Bill John Baker
Curtis Snell	Tina Glory-Jordan	Meredith Frailey
Chuck Hoskin, Jr.	Brad Cobb	Julia Coates
Joe Crittenden	Chris Soap	Jodie Fishinghawk
Harley Buzzard	Cara Cowan Watts	Janelle Fullbright

COMMITTEE MEMBERS ABSENT:

Buel Anglen David Thornton, Sr.

STAFF PRESENT:

Marvin Jones	Jon Overacker	Anna Knight
Dr. Gloria Sly	Callie Catcher	Norma Merriman
Todd Enlow	Margaret Raymond	Dr. Neil Morton
Diane Kelley	David Southerland	Shay Smith

VISITORS:

Dennis McLemore	Carey Tilley	Todd Hembree
Gina Olaya	Shawn Slaton	Gary Wolcott
Bryan Collins		

QUORUM ESTABLISHED: Yes

LEGISLATION: Yes

MINUTES: See Attached

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3:05

CALL TO ORDER:

Chair Jack Baker called the meeting to order at 3:05 p.m. Councilor Hoskin Jr. gave the invocation. Roll was called and a quorum was established.

APPROVAL OF MINUTES:

Councilor Bill John Baker moved for the approval of the minutes of the January 15th PAC sub committee minutes, January 15th special session minutes, February 7th regular session minutes, February 11th reconvened special session, and the February 12th PAC sub committee minutes. Councilor Frailey seconded the motion. Motion carried.

REPORTS:

Financial Report/Treasurer Report: Callie Catcher provided a written report.

Cherokee Nation Enterprise: Mr. Guy Wolcott stated January 2008 had favorable financial results for CNE in comparison to January 2007. He stated the net income increased 8.4% primarily driven from revenue increases in the gaming area of 7.6% and a 16.2% increase in non gaming. The balance sheet remains strong. External compliance and financial audits are complete and have been submitted to the IGC. There were no material findings. They paid \$2.6ml in dividends for January to the Cherokee Nation. He announced as of January 31st the Cherokee employment is 59% with a combined Native American employment of 71%. He announced they are in the process of implementing some new systems including the major casino system for all properties going live in May. Mr. Wolcott stated the expansion projects are going as planned. Councilor Buzzard requested a report showing all change orders from the beginning to the end of the construction process. Councilor Fishinghawk stated she is still waiting on answers to questions regarding the breakdown by property, department, number of employees, number of Cherokees and bonuses. Mr. Slaton stated the bonuses for the hourly employees are based on number of years of service and the salaries are based on position.

Cherokee Nation Industries: Mr. Dennis McLemore stated in December they had 9.5ml cash, inventory of 10.3ml, A/P was 11ml and net worth of 10ml. With four months ending they have a net loss of \$780,000. He stated the first portion of the year is always their slow time. Councilor Soap inquired about their not being budgeted allocations for CNI in the reports. Mr. McLemore stated their budget was just approved and should be included in the financial statements for January.

Cherokee Nation Business: No one was present to report.

Cherokee National Historical Society: Mr. Carey Tilley stated they are closed for the month of January. He stated they had a significant improvement in their year end campaign. They have reduced the long term debt to \$50,634 from \$500,000. He announced they received a \$30,000 grant in January to sponsor a unique exhibit of generations of artwork and Cherokee people. He stated they received a commitment from the Cherokee Phoenix to do an exhibit over the summer with live people. They continue to work on the capitol projects. He gave appreciation to the CNE tourism department for their assistance. They received a comprehensive report from Dr. Brett Riggs from the University of North Carolina in regard to the ancient village. He stated the report is very detailed and documented. Councilor Bill John Baker inquired if Mr. Tilley attended a meeting held a city hall today. Mr. Tilley stated he didn't attend but has heard very positive feedback on the Cherokee Heritage Center. Councilor Bill John Baker stated they talked a great deal about the Heritage Center during the meeting however one of the negatives was they were unable to locate the Heritage Center. They referred to the lack of signage. Mr. Tilley stated they are already in the process of correcting the signage issue. Councilor Bill John Baker stated he would be favorable as a Council in assisting with signage for the Heritage Center. Mr. Tilley stated he has spoken to Talisha Nichols with CNE tourism and the Heritage Center marketing staff today to determine a plan.

Career Services/Employment: Mr. Jon Overacker stated the written report has been provided and offered to answer any questions.

Commerce: Anna Knight provided a written report. She announced they changed some of the information on the reporting document to provide more information. Councilor Fishinghawk inquired as to how many jobs were created and of those how many were for Cherokees in regard to the loans closed. Ms. Knight stated this is not information they collect. She stated if it is of interest they can go back and begin gathering the information. Councilor Fishinghawk stated she is very much interested in how many of the jobs created are going to Cherokees. She also requested the following information on the Mortgage Assistance program; number of years, dollar amount put into the program, and the number of foreclosures and bankruptcies by county. Councilor Fishinghawk inquired as to how much per family it cost to provide counseling. Ms. Knight responded at an approximately \$700 per family for self-sufficiency counseling. Councilor Soap inquired about the farmers market referred to in the report. Ms. Knight stated it was a feasibility study for a Cherokee farmers market in Tahlequah. She stated they recently lost the employee doing the study to CNE's cultural tourism department. Councilor Glory-Jordan inquired as to how many applications they have for the youth lending program. Ms. Knight stated they have had approximately half of a dozen. She announced they have someone going out to the area high schools to the home education and agricultural classes to attempt to recruit youth for the program. Councilor Glory-Jordan requested applications for both the youth and regular program. Ms. Knight stated the business plan is a stumbling block. Councilor Glory-Jordan inquired as to how many mortgage assistance loans they plan to do this fiscal year. Ms. Knight stated she is unsure at this time they haven't actually taken the program over. She stated of the 51 families participating in self-sufficiency counseling they anticipate over the next year 14 families to complete the program and use the mortgage assistance program.

CEMETERY RESTORATION ASSISTANCE APPLICATIONS:

Councilor Crittenden moved to approve Peavine Cemetery for \$500 in District 2. Councilor Bill John Baker seconded the motion. Motion carried.

Councilor Bill John Baker moved to approve the Sanders cemetery request for District 3. Councilor Crittenden seconded the motion. Motion carried.

Councilor Snell made a motion to amend the agenda to consider a cemetery application for Thompson cemetery. Councilor Bill John Baker seconded the motion. Motion carried.

Councilor Snell made a motion to approve the Thompson cemetery request for District 5. Councilor Buzzard seconded the motion. Motion carried.

T.E.R.O CERTIFICATIONS:

Councilor Bill John Baker moved for the approval as recommended. Councilor Cowan Watts questioned the renewal for the Phil Givens Company. Mr. Overacker stated he has been certified in the past due to his wife being the Cherokee however she has recently passed away. He stated it must be 51% Indian ownership for TERO certification. Councilor Bill John Baker withdrew his motion. Councilor Cowan Watts made a motion to approve the list presented with the exception of tabling the renewal recommendation of the Phil Givens Company to next month. Councilor Cobb seconded the motion. Councilor Glory-Jordan requested information of ownership but also who is the 51% owner the company to be on the list of recommendations. Motion carried with an abstention from Councilor Bill John Baker. Councilor Glory-Jordan requested the list just approved be brought back next month with the ownership information provided and for the ownership information be provided every month forward.

LAW ENFORCEMENT:

Mr. Evans announced one request this month for the town of Locust Grove in the amount of \$7,500 to be split between Councilors Frailey and Soap for police vehicles. Councilor Garvin moved for the approval. Councilor Cobb seconded the motion. Motion carried.

COMMUNITY ASSISTANCE:

Additions to report:	Four Corners Helping Hands	\$500 - Councilor Soap
	Peavine School	\$500 - Councilor Crittenden
	Delaware County Livestock Show	\$1000- Councilors Snell/Buzzard
	Pryor High School	\$500 - Councilors Frailey/Soap
	Evening Shade Community	\$1,000 - Councilor Fullbright
	Blue Sky Water Society	\$1000 - Councilor Fullbright
	Blue Sky Water Society	\$1000 - Councilor Fishinghawk
	Zion school	\$350 - Councilor Fishinghawk
	Stilwell Middle School	\$350 - Councilor Fishinghawk
	Delaware Co. Youth Council	\$500 - Councilors Snell/Buzzard

Councilor Soap questioned the legal carryover listed at the top of the spreadsheet. Mr. Evans stated a few years ago the Council earmarked a certain amount of funding per Council member to be utilized for legal assistance funds at their discretion. A determination was made during those budgets that any time those funds are unutilized at the end of the year that they carryover into the next year's community assistance funds. Councilor Soap inquired as to how the legal fees could be spent. Mr. Hembree stated it is for independent research, legal work, or representation needed that is tribal business.

Councilor Glory-Jordan requested an addition to the community assistance in the amount of \$500 each from herself and Councilor Bill John Baker for the Cherokee County Spring Livestock Show.

Councilor Buzzard moved for approval of all community assistance for the month of February. Councilor Soap seconded the motion. Motion carried.

ROADS

Mr. Doug Evans stated the report has been amended to include the North 145th Street East Avenue project in Owasso for \$153,810 from Councilors Anglen and Cobb. In addition Councilor Thornton funded Marble City road project in the amount of \$99,797 also from the vehicle tag funds. From the special bridge funding Councilor Buzzard requested \$4,069 for the Yellow Tree Cemetery Road. Councilor Cowan Watts motion to approve. Councilor Cobb seconded the motion. Motion carried.

OLD BUSINESS:

None

NEW BUSINESS:

1. Cherokee Nation Industries as a Construction Contractor (Discussion/Possible Action). Councilor Cowan Watts requested no action be taken just to allow time for dialogue. She stated this is an item the body of the committee during the TERO presentation requested. The concerns are in regard to how we are utilizing our own construction entity on different construction projects across the tribe. She requested Mr. Collins give a report of how the entity stands today, the number of employees and the current projects. Mr. Bryan Collins announced Cherokee Nation Construction Management Services was formed in 2005 with a transfer of employees from the Cherokee Nation. At that time there was an approximate 30 employees. He stated from that time to today they have successfully completed the Tahlequah Casino, Sallisaw Health Clinic, Nowata Health Clinic, Muskogee Health Clinic, and the Sequoyah High School Gym. He stated the Nowata Clinic has a few days remaining on the punch out and the Muskogee Clinic has an approximate month remaining. The current projects consist of the storage buildings for the Cherokee Nation and the Markoma Properties. He stated they have had some verbal commitments on some small projects with CNE. He stated they went from as high as 40 employees to currently having 8 construction management employees. There are on 4 or 5 on the core team. He stated they are at a point of trying to re establish contracts, commitments and the path of success to build back up. He stated without

having bonding capabilities he doesn't have the ability to go out and leverage other outside business during the peaks and valleys of the Cherokee Nation projects. He announced the next major health project isn't due to begin until 2009. He stated they are looking at rebuilding, training, and how to bring in additional personnel to ramp up for the future. Councilor Cowan Watts inquired as to what the internal barriers are. Mr. Collins stated the barrier is within CNI. When they took on the construction business they didn't take on the infusion of rebuilding a finance group, project management group and estimating group, they took on the employees and started from ground zero when in the middle of some projects. He stated there was not an infusion of cash nor were there certain plans laid out. Councilor Buzzard questioned if the committee should be comfortable with CNI performing on the projects. He voiced concern for the TERO vendors not being pleased with the idea of Cherokee Nation Construction Management getting all of the bids. Councilor Bill John Baker stated we need to be extremely careful. He stated if CNI builds and missed the budgeted target the money to cover is coming out of the Cherokee Nation's pocket. He voiced concern for us considering taking on \$80ml casino projects during the infancy of the business. Councilor Cowan Watts stated what she is hearing is that we support our business and would like to see it grow but is unsure about the bonding. Mr. Collins stated he is concerned about some of the issues being raised today. He stated he has to compete with other companies that don't hold the same standards that he is trying to hold for the Nation. Of the \$500ml in estimated projects 2 years ago how much are we exporting out and how much talent could we have hired. He stated construction management is the understanding of quality standards and sequence of events. He stated what he is hearing is there is not a unison of a plan or a commitment that we are going to succeed in developing Cherokee jobs in construction, building skill sets for long term and getting bonding capabilities in place. He stated he is starting fresh right now and have learned a lot of lessons. That needs to be taken as a body and determine how to move forward. Councilor Cowan Watts questioned the committee if there needed to be action taken as a legislative body. Councilor Cobb stated as a body we need to help him determine how to do this right. Councilor Bill John Baker stated they have their own board of directors and as a body don't feel we should do anything until asked. CNE should not be forced to work with another entity in a construction project until both boards of directors feel it is time and they have the capability. Councilor Buzzard stated Councilor Bill John Baker has some valid points. Councilor Frailey inquired as to why we are having this discussion with CNI having a board of directors. She inquired if a plan has been submitted to the board. She stated we should not be legislating how CNI runs the construction management business. Councilor Cowan Watts stated he is here at the recommendation of the TERO meeting for a better understanding of the bonding issue. Councilor Frailey asked if there is an opportunity in construction for bidding and set aside as there is for the wiring harnesses. Mr. Collins responded yes. Councilor Frailey once again inquired as to why we are in this discussion. Mr. Collins stated one of the major issues is bonding. Councilor Frailey inquired as to what is needed to bond. Mr. Collins stated \$25ml set aside in some type of cash account to use as an asset for bonding. Councilor Frailey inquired as to what is the position of the board with this request. Mr. Collins stated the request has been submitted to CNB and discussions are being held. He stated the construction budget is loosing money at this time. Chair Jack Baker gave appreciation for Mr. Collins time.

Councilor Coates made a motion to amend the agenda to include an ANA grant with a deadline of March 26th. Councilor Cowan Watts seconded the motion. Motion carried.

A Resolution Authorizing the Submission of a Grant Application to the U.S. Department of Health and Human Services Administration for Native Americans. Ms. Margaret Raymond stated this is a grant application to work with young people in an after school program. They will be participating in a school in each of the nine districts as well as community centers in each of the nine districts. Councilor Bill John Baker moved to approve. Councilor Cowan Watts seconded the motion. Motion carried.

2. Funding Support for At-Large Organizations. Councilor Coates announced a budget has been handed out for both education and community services. She stated this is support to begin to establish cultural activities for the 10 At Large organizations in California, New Mexico, and Texas. She stated in her estimation she neglected to factor in indirect cost therefore the total amount of the two budgets is \$121,594.04. Councilor Coates made a motion to accept this to an addition to the budget modification. Councilor Cobb seconded the motion. Councilor Cowan Watts made a friendly amendment for the administration to do a mailing at least once a year on behalf of the in district community organizations. Councilor Coates accepted the amendment. Councilor Frailey inquired if the budget could be passed before the legislation for the non profit community organization is passed. Chair Jack Baker stated yes, that this budget doesn't have anything to do with money going directly to those organizations. This is for the administration costs to have picnics for the organizations already in existence. Mr. Hembree stated this body holds the purse strings and can create a budget. Callie Catcher requested clarification. She inquired if this is a new budget or an amendment to an existing one. She further asked if it would be administered through community services and education or is it a part of the new 501C3 organization set up last month. Chair Jack Baker stated this is to increase funding for community services and education for the items listed on the handout. Ms. Catcher stated a rough estimate on Councilor Cowan Watts amendment for the in district mail out twice a year is \$82,000. Mr. Evans inquired if this request is to subsidize the purpose of the At Large Organization budget already in existence. Chair Jack Baker agreed. Councilor Glory-Jordan inquired if Councilor Cowan Watts with her friendly amendment would consider establishing funding to allow a one time a year community meeting with a meal in each district. Councilor Cowan Watts stated she would not be opposed. Mr. Hembree stated this is apples and oranges that Councilor Coates request is a stand alone request to the budget modification. He stated Councilor Glory-Jordan can request her own budget modification for this request. Councilor Frailey inquired if there is an overall plan for services for the At Large. Chair Jack Baker stated it is his understanding that the At Large do not have basic services available to them that they are only available within the Nation. He stated the budget recommendation is a list of things that can be supplied to the citizens At Large. Councilor Coates stated the intent of the picnic, traditional games, and craft demonstrations are to gradually allow them to become self-sufficient to do these things themselves. Motion carried with Councilors Frailey and Crittenden opposed. Mr. Evans inquired as to who will prepare the budget form. Chair Baker suggested the community service and education department as well as including the \$82,000 for the 2 in district mail outs.

An Act Amending Legislative Act #37-07 Authorizing the Comprehensive Budget for Fiscal Year 2008 – Mod. 5; and Declaring an Emergency. Mr. Doug Evans stated this is an extensive mod package with 36 individual budgets submitted along with several grants adjusting carry over. He stated the mod itself is a net decrease in budget authority of \$2.5ml. Predominately the decrease is in general fund which is primarily related to the tax commission's anticipated decrease in revenue associated with the tobacco tax and sur-charge. He announced there is a new initiative included for a new roof at the Jay Clinic in the amount of \$400,000. The indirect cost pool has several reallocations of funding for a decrease in the amount of \$45k. The DOI-Self Governance fund has a \$0 net impact with a reallocation of funds from the general assistance to the child welfare. The IHS – Self Governance fund also has a reallocation of \$100k that is coming into the gen fund for the Jay clinic roof but is off set by a reduction in the same budgets supply line. The HUD fund has a \$1.4ml increase related to the transfer of the HUD fund transfer activities. He stated the NAHASDA fund is where the IHP's are picking up the impact of transferring the housing activities. He stated the adjustments requested in this budget mod are consistent with the requests made in the amendments to the IHP's. He stated the Tribal Council Bridge funds do not have any carryover for this year. Councilor Bill John Baker moved to pass the budget modification with the carryover added to it. Councilor Cowan Watts seconded the motion. Councilor Glory-Jordan inquired if this budget mod includes Councilor Coates request. Both Councilors Bill John Baker and Cowan Watts accepted the addition of Councilor Coates request to the mod. Motion carried by acclimation.

ANNOUNCEMENTS:

Chair Jack Baker announced the next meeting is tentatively scheduled for the 27th of March.

Councilor Frailey read an invitation from Darren Buzzard of Flintco to the Council to attend their 100 years of service celebration on March 4th from 4 to 7:00 p.m. at the Springdale office. She requested anyone interested in attending please notify Gayle before leaving today.

Councilor Cowan Watts extended an invitation to both men and women to the 2008 Cherokee Women's Conference.

Councilor Frailey announced the Council Staff has been working very hard on implementing an online real time legislative tracking system. She stated Doug Evans and Shelli Brittain are implementing the program and requested they provide an update. Ms. Brittain gave the council a quick overview of some of the capabilities of Legistar by stating the public as well employees of the Cherokee Nation will be able to access via the web the calendar, agendas, minutes, history, and the status of any piece of legislation. Mr. Evans gave an update on the status of the implementation by giving a timeline of events as follows:

Phase 1 the initial set up:

- initial installation of the software and host agreement
- customization of setup for CN specific process flow
- creation of current terms, standing committees and member bios
- define committee profiles (dates, members, jurisdiction)
- extensive testing of initial setup for accuracy and process flow

He stated phase 1 is 100% complete with the exception of some of the member bios. We are in phase 2 at this time.

Phase 2 Historical Document Upload (1976 thru 2006)

- Scan 579 Legislative Acts into pdf format – 100% complete
- Scan 1982 Resolutions into pdf format – 100% complete
- Scan 2478 Council/Committee minutes into pdf format – 100% complete
- Quality assurance check on file naming syntax and content – 90% complete
- Prepare & test OCR conversion routine for optimal batch processing –100% complete
- Convert pdf files into text format via OCR batch processing
- Transmit pdf and text files to Daystar for importing into CN database
- Daystar file import
- Test accuracy, completeness & functionality of imported history files
- Present to Rules committee and begin press release for public notification

He stated once Daystar uploads the information it will allow full content subject matter search capabilities on the system live. The objective at the end of phase 2 is to ensure the Council is comfortable, briefed, and trained and ready to roll out to the public. This is targeted for the end of May.

ADJOURNMENT:

Councilor Cowan Watts moved for adjournment. Councilor Soap seconded the motion. Motion carried at 5:04 p.m.

APPROVAL / DISTRIBUTION:

Minutes submitted by: Shelli Brittain, Legal & Legislative Coordinator

Motion to approve minutes made by: Bill John Baker

Minutes attested and concurred by: Jack D Baker

Date: 3/27/08