



Council of the Cherokee Nation

Meeting Minutes

Executive and Finance Committee

Tuesday, December 16, 2008

10:00 AM

Legislative Conference Room

CALL TO ORDER

Chair Jack Baker called the meeting to order at 10:20 a.m.

INVOCATION

Councilor Garvin gave the invocation.

ROLL CALL

Present 11 - Don Garvin; Meredith Frailey; Cara Cowan Watts; Buel Anglen; Jack D. Baker; Harley Buzzard; Curtis Snell; Chris Soap; Bradley Cobb; Chuck Hoskin, Jr. and Julia Coates

Absent 4 - David Thornton Sr. ; Tina Glory Jordan; Jodie Fishinghawk and Janelle Fullbright

Late Arrival 2 - Bill John Baker and S. Joe Crittenden

APPROVAL OF MINUTES

Councilor Anglen made a motion to approve the minutes of the November 20th regular session. Councilor Cowan Watts seconded the motion. Motion carried.

REPORTS:

Financial Report/Treasurer Report - Callie Catcher

Ms. Catcher offered to answer questions from her written report.

Cherokee Nation Enterprises - David Stewart

Mr. Shawn Slaton announced the financial statements are not ready for November at this time. He stated they should be mailed out this week. He reported November was a soft month in comparison to October. They expect the trend to stay until January as it has in years past. The gaming floor at Catoosa was opened yesterday. He stated everyone worked hard to recover from a construction accident that occurred Saturday. He stated the wind blew the siding loose on the 4th floor of the west side of the new tower and hit the south side of the existing hotel. The room it hit was damaged however no guests were injured. As a precautionary measure the east side of the hotel was evacuated. He stated he contacted Jamie Hummingbird on Saturday. They have fastened down the area and began the repairs. They will begin the demolition of the old casino at West Siloam in the next couple of days weather permitting. Councilor Hoskin Jr. inquired if there is a procedure for giving surplus property to community groups. Ms. Gina Olaya replied there is a written policy that creates a hierarchy for donations. The policy states she must contact the Cherokee Nation and its entities first then the groups funded by Cherokee Nation grants then if

anything remains other entities outside of the Cherokee Nation. Councilor Hoskin inquired if it was first come first serve once the community groups are reached. Ms. Olaya replied it was that her contact is Williard Mounce and he contacts all of the community buildings with a list of items available. Councilor Cowan Watts requested to be included on the list when notification is given of items available. She stated Chelsea Boys and Girls Club is in need of a commercial refrigerator to pass their inspection. Ms. Olaya stated these items usually go to the Cherokee Nation for the community buildings. Councilor Cowan Watts inquired as to why the Council isn't receiving factual alerts on incidents. Mr. Slaton stated construction incidents have not been addressed on how to notify the Council. He stated there was an issue in November with a power outage and the Gaming Commission not receiving sufficient notification which has been addressed. He stated there isn't a formal notification process for the Council he stated they are willing to work with the Council develop a policy and to understand what type of issues alerts would be requested. Mr. Todd Hembree recommended him speaking with the Council and formulating a list of priorities for the advisory board members to be notified and so on. Mr. Slaton stated they would work with Mr. Hembree and formulate a policy and system of notification alerts. Councilor Garvin inquired about smoke free gaming. Mr. Slaton stated approximately half of the new gaming floor at Catoosa is smoke free as a test site. Councilor Buzzard agreed with Councilor Cowan Watts request for notification. He inquired if the fly wheel has been tested since it has been repaired. Mr. Slaton stated it has been tested and will provide the write up of the initial issue.

Councilor Bill John Baker made a motion to amend the agenda to add the smokeshop discussion from the Council meeting last night and to move the consent items to now on the agenda along with the mod. Councilor Hoskin Jr. seconded the motion. Motion carried unanimously.

T.E.R.O. CERTIFICATIONS

Councilor Bill John Baker made a motion to approve the consent items in Toto. Councilor Anglen seconded the motion.

Mr. Doug Evans announced there are additional items to the consent list.

In addition to the Cemetery list provided is Potter Cemetery in District 2.

There are no Roads or Law Enforcement requests this month.

He stated there are several additions to the Community Assistance list as follows:

- \$500 each Councilor Thornton and Fullbright to the Christ Church**
- \$500 Councilor Buzzard to Jay School**
- \$1,000 Councilor Buzzard to the Delaware County Historical Society**
- \$500 Councilor Buzzard to the Cherokee Heritage Center**
- \$1,000 Councilor Buzzard to the Grove General Hospital**
- \$500 Councilor Buzzard to the Saline Preservation Association**
- \$500 Councilor Buzzard to the Delaware County Historical Society**
- \$500 Councilor Buzzard to the Jay Senior Citizen Center**
- \$1,750 Councilor Hoskin Jr. to the Ketchum Public Schools**

Councilor Bill John Baker accepted these additions as a friendly amendment. Motion carried unanimously.

CEMETERY RESTORATION ASSISTANCE APPLICATIONS

LAW ENFORCEMENT REQUESTS

COMMUNITY ASSISTANCE

ROADS

AN ACT AMENDING LEGISLATIVE ACT #19-08 AUTHORIZING THE COMPREHENSIVE BUDGET FOR FISCAL YEAR 2009 - MOD 3; AND DECLARING AN EMERGENCY

Sponsors: Councilor Jack D. Baker and Councilor Cara Cowan Watts

Councilor Bill John Baker made a motion to approve with the amendments. Councilor Cowan Watts seconded the motion. Motion carried unanimously.

Cherokee Nation Industries - Robert Drvostep

Mr. Collins reported the November financial show another loss. They show a year to date loss of \$694,000. Councilor Cowan Watts requested additional information as to why the bonding issue isn't resolved at this time. Mr. Collins introduced Mr. Roy Hanniford, the Vice President of Construction, to answer questions pertaining to this issue. Mr. Hanniford stated they have inquiries out to all of the major insurance companies in the Country. They have received preliminary responses from Zurich and Hartford Insurance however they are not favorable at this point. The biggest issue is sovereignty immunity. The partial limited waiver of sovereignty immunity is not acceptable to the bonding companies. The other major issue is being considered a start up company. They are working with Mid Continent at this time who is considering bonding for approximately \$35ml in uncompleted work volume. He stated we currently operate on a letter of credit which is dollar for dollar cash. He stated they are pursuing work outside of the bonding market. Without bonding they are unable to perform \$20ml in work. Councilor Cowan Watts inquired if there is a timeline for resolution of this issue. Mr. Hanniford replied he hoped by January with Mid Continent. If Mid Continent's sister company becomes involved they could receive additional bonding. Councilor Buzzard as to why the losses reported continue. Mr. Collins stated a lot of it is revenue as they budgeted last month \$10.4ml and only revenue only came in at \$5.9ml largely due to construction and Telcomm. To counter this they are chasing projects that do not require bonding. Some of the loss is due to the efficiency in manufacturing. He has recently brought in a new general manager and a high level training manager and director of process improvement.

Co Chair Cowan Watts took over the meeting at 10:58 a.m.

She announced the three remaining reports have been submitted in writing and inquired if any Council members had pressing questions pertaining to any of those reports.

Councilor Buzzard questioned the Cherokee people being denied their unemployment referred to in Ms. Diane Kelley's report as item #10. Mr. Overacker stated he would refer the question to Ms. Kelley. Councilor Buzzard inquired as to how many Native American people Flintco has working on their staff in Catoosa and what their job includes. Mr. Overacker stated he would research the information and provide it at next month's meeting.

Cherokee Nation Businesses - David Stewart

Career Services/Employment - Diane Kelley

Commerce - Anna Knight

CONSENT ITEMS:

The consent items were addressed earlier in the meeting.

OLD BUSINESS

1. CHEROKEE ARTIST ASSOCIATION FUNDING REQUEST

Councilor Bill John Baker made a motion to table this item until the January meeting. Councilor Crittenden seconded the motion. Motion carried.

NEW BUSINESS

1. AN ACT AMENDING LEGISLATIVE ACT #19-08 AUTHORIZING THE COMPREHENSIVE BUDGET FOR FISCAL YEAR 2009 - MOD 3; AND DECLARING AN EMERGENCY

Sponsors: Councilor Jack D. Baker and Councilor Cara Cowan Watts

This item was addressed during the reports.

2. A LEGISLATIVE ACT AMENDING TITLE 68 OF THE CHEROKEE NATION CODE ANNOTATED - ADDING PROVISIONS FOR TAX REBATE OF LICENSED TOBACCO RETAILERS

Sponsors: Councilor Chuck Hoskin,

Ms. Sharon Sweptson provided a handout of a map showing border shops in green and the exception shops in yellow. Ms. Tera Hardgrove a smoke shop owner provided hand outs from her shop from October, November, December of 2007 total cigarette purchases, October, November, partial December 2008 total cigarette purchases. She provided additional information showing her shop is 95% Cherokee and recently had to cancel their health insurance. She also provided a cost change sheet for tobacco with the new rates. Ms. Hardgrove stated these hand outs are to show the drop since they had to change the prices. She also provided a hand outs comparing September 2008 and December 2008 price differences. Her Marlboro's today are \$33.50 and the competition remains at approximately \$29. Chair Cowan Watts gave appreciation for the information. Councilor Hoskin Jr. stated it seems there are a handful of issues, are we going to pursuant to the compact rebate to border shops, secondly do border shops include the exception shops. He stated the Governors' letter from last Friday didn't clarify this issue as thought. Thirdly, concern for smoke shops that aren't border shops or exception shops that need assistance. He asked if the Administration would request additional clarification from the Governor. Ms. Swepston responded in speaking to the Chief that they would be going back to the Governor's office for additional clarification. Councilor Hoskin Jr. stated the status quo needs to be restored that existed in the old compact as it relates to exception shops. Secretary of State Melanie Knight stated she would take the recommendation to Chief Smith. Chair Cowan Watts requested the Council receive notification of the communication with the Governor. Ms. Knight stated she

would copy the Council of the Chief's letter to the Governor. Councilor Soap inquired as to the number of shops in question. Ms. Swebston stated the exception shops on the map in yellow are the shops in question and there are 5 total. Right now they are considered a full rate shop according to the compact. Councilor Hoskin Jr. inquired if the data was available to do an analysis of the impact on these border shops and exception shops. He further questioned if there is a neutral entity that could do the analysis. Ms. Swebston stated she gets sales information from each shop on a monthly basis therefore she could provide the impact of purchases and sales. She stated she is not privy to the mark up information. Councilor Frailey agreed with Councilor Hoskin Jr. it would be a good idea to have a neutral body perform an analysis. Chair Cowan Watts requested further questions be submitted in writing by email.

ANNOUNCEMENTS

None.

ADJOURNMENT

Councilor Snell made a motion to adjourn. Councilor Crittenden seconded the motion. Motion carried.

STAFF PRESENT:

<i>Callie Catcher</i>	<i>Sharon Swebston</i>	<i>Melanie Knight</i>
<i>Doug Evans</i>	<i>Anna Knight</i>	<i>Jon Overacker</i>
<i>Gregg Simmons</i>		

VISITORS PRESENT:

<i>Shawn Slaton</i>	<i>Bryan Collins</i>	<i>Robert Drvostep</i>
<i>Joe Lange</i>	<i>Tera Hardgrove</i>	<i>Todd Hembree</i>
<i>Charles Dry</i>		

APPROVAL / DISTRIBUTION

Minutes submitted by: Shelli Brittain, Legal & Legislative Coordinator

Motion to approve minutes made by: _____

Minutes attested and concurred by: _____

Date: _____