



Council of the Cherokee Nation

Council House
17763 S. Muskogee Ave.
Tahlequah, OK 74464

Meeting Minutes - Final EXECUTIVE AND FINANCE COMMITTEE

Jack D. Baker, Chair

*Recording Secretary, Shelli Brittain
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Thursday, February 25, 2010

3:00 PM

Legislative Conference Room

CALL TO ORDER

Chair Jack D. Baker called the meeting to order at 3:10 p.m.

INVOCATION

Councilor Frailey gave the invocation.

ROLL CALL

Present 14 - Bill John Baker; S. Joe Crittenden; Don Garvin; Meredith Frailey; Cara Cowan Watts; Buel Anglen; Jack D. Baker; Tina Glory Jordan; Jodie Fishinghawk; Janelle Fullbright; Harley Buzzard; Bradley Cobb; Chuck Hoskin, Jr. and Julia Coates

Absent 1 - David Thornton Sr.

Late Arrival 2 - Curtis Snell and Chris Soap

APPROVAL OF MINUTES

Councilor Cobb moved to approve the January 11th sub committee and February 9th & 16th regular session minutes. Councilor Garvin seconded the motion. Motion carried.

REPORTS:

Financial Report/Treasurer Report - Callie Catcher

Ms. Catcher reported the revenues for fiscal year 2010 are below the 2009 level. The Administration is in the process of reviewing all of the general fund budgets and will possibly be bringing forward modifications at the March or April Executive & Finance Committee meeting to adjust budgets. She announced there will be some carry over however it will be relatively small. Ms. Catcher announced she has worked with Norma Merriman and have found a source to make sure the funeral expenses of former Deputy Chief Hastings Shade are covered.

Cherokee Nation Entertainment - David Stewart

Mr. Stewart reported they are below budget but the revenue is slightly below last year. Most of the net income decline is attributable to higher payroll. They will transfer some of the current employees to Ramona once the property opens as well as the hotel at West Siloam. They are focused on reducing cost. The Hard Rock Center is on schedule to open in August. The banquet room at West Siloam is complete and the hotel will open in June. Their employment percentages with Cherokee and Native American are holding at the same percentages. West Siloam exceeded their prior year revenue by almost 6% and Roland and Sallisaw combined to exceed by approximately 5%. Mr. Stewart introduced members of the Leadership Challenge as Steve Martindale, Stacy Hall, Tiffany Reavis and Angela Jobe. Councilor Cowan Watts questioned the difference in percentage in the CNE report and the Career Service report pertaining to CNE Cherokee employees. Councilor Cobb inquired how the reports would be in the future with the amendment to the Jobs Growth Act passing. Mr. Stewart commented they would still have reports from the key subsidiaries and his report on CNB will be a strategic discussion for all companies.

Cherokee Nation Businesses - David Stewart

Mr. Stewart reported the consolidated net income is up. The subsidiaries are all profitable. The loan facility is at approximately \$47ml with a capacity of \$119. They are focusing on the Chief's mandate that their acquisitions create jobs and are profitable. Chair Jack D. Baker gave congratulations to Mr. Stewart for being named one of Oklahoma's most admired CEO's. Mr. Stewart announced they received an award at the National Indian Gaming Association for their effort in TERO work to deliver business to Indian owned companies.

Cherokee Nation Industries - Robert Drvostep

Mr. Drvostep reported CNI's revenue for the month of December was \$7.39ml versus their budget of \$7.9ml. The operating profit was \$96,000 versus a budgeted loss of \$360,000. He reported a year to date profit of \$328,000. Their Cherokee employment for the month of December was 72% with the Native American employment at 82%. Councilor Soap stated he hasn't received the signature authority document requested last month. Councilor Glory-Jordan reminded Mr. Drvostep of her previous request for the past year of their board minutes. Councilor Fishinghawk inquired about the status of her request for a list of paid and unpaid bills for the Bixby project.

Career Services/Employment - Diane Kelley

Ms. Kelley provided an overview and gave handouts pertaining to the Day Work budget, the Summer Youth 3 budgets and comparisons and a comparison from Human Services to Day Work. She announced the Summer Youth Employment flyers will go out to the schools beginning March 1st. They have begun meeting to discuss policy and procedures in regard to the TERO Executive Order. She provided information on Food Share America which is a company who is looking to coming to the Sequoyah County area and would employ approximately 100 people. They will begin moving dirt at Facet next week. AERT hopes to have things up and going in a couple of weeks.

Commerce - Anna Knight

Ms. Knight offered to answer questions from her report.

CONSENT ITEMS:

T.E.R.O. CERTIFICATIONS

Councilor Cowan Watts moved to approve both lists provided as recommended. Councilor Crittenden seconded the motion. Motion carried.

CEMETERY RESTORATION ASSISTANCE APPLICATIONS

Councilor Buzzard moved to approve the list provided today with the additional items listed. Councilor Hoskin Jr. seconded the motion. Motion carried.

LAW ENFORCEMENT REQUESTS

Mr. Evans announced the following law enforcement requests:

Sequoyah County Sheriff's Department - \$3,612 split between Councilors Thornton and Fullbright

Vian Police Department - \$3,612 split between Councilors Thornton and Fullbright

Roland Police Department - \$3,612 split between Councilors Thornton and Fullbright

Claremore Police Department - \$2,356 - Councilor Cowan Watts

Councilor Hoskin Jr. moved to approve. Councilor Crittenden seconded the motion. Motion carried.

ROADS

Mr. Evans gave an overview of the report provided. Councilor Cobb moved to approve. Councilor Anglen seconded the motion. Motion carried.

OLD BUSINESS

None pending.

NEW BUSINESS

1. AN ACT AMENDING LEGISLATIVE ACT #21-09 AUTHORIZING THE COMPREHENSIVE BUDGET FOR FISCAL YEAR 2010 - MOD 5; AND DECLARING AN EMERGENCY
Mr. Evans gave his review of Mod 5. Councilor Cowan Watts moved to approve. Councilor Garvin seconded the motion. Councilor Glory-Jordan inquired as to what was being done with the interest on the trust. Mr. Evans the request is a transfer reflected in a mod to authorize the transfer from within the government to the Education Corporation to administer the scholarships. Councilor Glory-Jordan inquired if a legal opinion had been obtained in regard to taking the interest in the

trust away from the Cherokee Nation Higher Education and gives it to the Cherokee Nation Education Corporation. Mr. Hembree stated he had provided an opinion in 2001 stating the Council needed to be very careful and to follow the terms of the trust specifically. The trust states the beneficiary is to be the Cherokee Nation Higher Education program; therefore it can't be given to anyone else. As far as interest he stated he is unsure. Ms. Knight commented they have not requested a legal opinion as to if this would be acceptable under the conditions of the trust. She offered to request an opinion from the Attorney General if the Council wishes to table this portion of the budget modification. Councilor Glory-Jordan in an abundance of caution a legal opinion should be sought. She made a motion to table this request from the budget mod until such time a legal opinion is obtained. Councilor Hoskin Jr. seconded the motion. He referred to the Education Corporation's audited numbers from 2008 and raised question about the policy reasoning behind this request.

The motion to table the Gammon Trust portion of the budget modification carried.

Councilor Frailey inquired as to the reasoning for contracting with Cherokee Nation Education Corporation. Ms. Knight commented for whatever reasons a resolution was not passed and a program wasn't created around it therefore there isn't a program in existence to administer the scholarships. The family raised question regarding our administering the trust and the type of scholarships being granted. Cherokee Nation Education Corporation came forward and out of expediency to be able to implement quickly and get the scholarships awarded. Councilor Hoskin Jr. provided clarification that the documentation he referred to earlier was the Cherokee Nation Education Corporation December 31, 2008 auditors report.

With no further discussion budget modification 5 passed with the Gammon Trust excluded by acclamation.

ANNOUNCEMENTS

ADJOURNMENT

Councilor Cobb made a motion to adjourn. Councilor Garvin seconded the motion. Motion carried at 4:20 p.m.

STAFF PRESENT:

*Callie Catcher
Ashley Canoe
Mike Miller*

*Doug Evans
Anna Knight
Jon Overacker*

*Melanie Knight
Diane Kelley
Larry Ketcher*

VISITORS PRESENT:

*David Stewart
Gina Olaya
Stacy Hall*

*Bob Drvostep
Shawn Slaton
Tiffany Reavis*

*Todd Hembree
Steve Martindale
Angela Jobe*