



Council of the Cherokee Nation

Meeting Minutes Executive and Finance Committee

Thursday, February 5, 2009

3:00 PM

Legislative Conference Room

CALL TO ORDER

Chair Jack Baker called the meeting to order at 3:22 p.m.

CAPITOL IMPROVEMENT PLAN

Councilor Chuck Hoskin Jr. gave the invocation.

ROLL CALL

Present 15 - Bill John Baker; David Thornton Sr. ; Don Garvin; Meredith Frailey; Cara Cowan Watts; Buel Anglen; Jack D. Baker; Tina Glory Jordan; Janelle Fullbright; Harley Buzzard; Curtis Snell; Chris Soap; Bradley Cobb; Chuck Hoskin, Jr. and Julia Coates

Late Arrival 2 - S. Joe Crittenden and Jodie Fishinghawk

APPROVAL OF MINUTES

Councilor Cowan Watts made a motion to approve the December 16, 2008 regular session minutes. Councilor Thornton seconded the motion. Motion carried unanimously.

A motion was made by Councilor Garvin and seconded by Councilor Cowan Watts to amend the agenda to move items 3 and 4 of new business pertaining to scholarship funding to be addressed at this time. The motion carried unanimously.

A motion was made by Councilor Hoskin, Jr. and seconded by Councilor Bill John Baker to amend the agenda to include the tobacco legislation. He stated the item was on the agenda last month with no action taken. The motion carried with Councilor Snell opposed.

A motion was made by Councilor Glory-Jordan made a motion to amend the agenda to move new business item #1 to the front of the agenda. Councilor Cowan Watts seconded with a friendly amendment that it follows items 3 and 4. Councilor Glory-Jordan accepted the friendly amendment. Motion carried.

Chair Jack Baker stated he would have the tobacco item follow the other items amended as number 4.

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CHEROKEE NATION HIGHER EDUCATION FUNDING REQUEST (December Education & Culture)

The motion to approve made by Councilor Bill John Baker and seconded by Councilor Glory-Jordan failed by the following roll call vote.

Yea: 7 - Bill John Baker; S. Joe Crittenden; David Thornton Sr. ; Tina Glory Jordan; Jodie Fishinghawk; Janelle Fullbright and Chuck Hoskin, Jr.

Nay: 10 - Don Garvin; Meredith Frailey; Cara Cowan Watts; Buel Anglen; Jack D. Baker; Harley Buzzard; Curtis Snell; Chris Soap; Bradley Cobb and Julia Coates

4 CHEROKEE NATION HIGHER EDUCATION FUNDING REQUEST (January Education & Culture)

Councilor Frailey asked Chief Smith if there is an education plan for the future that involves all elements of education and if so is it available now. Chief Smith stated the budget now stands for \$1,500 per semester. He stated the idea of mandating something for next fall creates a bit of difficulty due to the different budget cycle. He stated at the next Education Committee meeting he would present a slide show on a long term education plan. Chief Smith stated they have no objection to keep the existing budget for \$1,500 per semester.

A motion was made by Councilor Cobb and seconded by Councilor Garvin to approve this as stated on the agenda. The motion carried unanimously.

Councilor Cowan Watts made a motion to amend the agenda to include the Financial Depositories Resolution at the end of the agenda. Councilor Anglen seconded the motion. Motion carried.

1. CAPITOL IMPROVEMENT PLAN

Chief Smith gave a power point presentation pertaining to Capitol Improvement. He provided a more detailed list of the projects. The items in yellow are the projects that need repair now.

Councilor Cowan Watts made a motion to use the Capitol reserve budget to fund planning and renovations in the amount of \$6.5ml and it be added to the budget modification. Councilor Anglen seconded the motion.

Chief Smith stated there is already \$6.5ml in the budget for capitol repairs but it is in a reserve line rather than an authorization line.

Chair Jack Baker stated the agenda item is for presentation only. He suggested either amended the agenda to include this motion or waiting until the budget mod portion of the agenda.

Councilor Cowan Watts made a motion to amend the agenda to take action on the Capitol Improvement Plan. Councilor Anglen seconded the motion. Motion carried.

1. CAPITOL IMPROVEMENT PLAN

Councilor Glory-Jordan inquired if the handout with the items in yellow would be the plan followed for the \$6.5ml. Chief Smith agreed.

Councilor Cowan Watts moved for the \$6.5ml be moved into the capitol reserve fund for planning and renovations. Councilor Anglen seconded the motion. Motion carried.

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,

Councilor Snell made a motion to table to allow time to discuss. With no second to

the motion to table it dies.

Councilor Cowan Watts moved for the approval as provided. Councilor Anglen seconded the motion. The motion for approval failed with the following roll call vote.

Yea: 7 - Bill John Baker; S. Joe Crittenden; Cara Cowan Watts; Buel Anglen; Tina Glory Jordan; Jodie Fishinghawk and Chuck Hoskin, Jr.

Nay: 9 - David Thornton Sr. ; Don Garvin; Meredith Frailey; Jack D. Baker; Janelle Fullbright; Harley Buzzard; Curtis Snell; Chris Soap and Bradley Cobb

Not In Room: 1 - Julia Coates

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MURRELL HOME EDUCATION INTERPRETATION OF CABIN PROGRAM FUNDING REQUEST

Councilor Bill John Baker withdrew this request.

REPORTS:

Financial Report/Treasurer Report - Callie Catcher

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

Cherokee Nation Enterprises - David Stewart

Mr. Stewart announced CNE's results are not as expected. They have re forecasted and believe Ms. Callie Catcher will adjust numbers accordingly. Their contingency planning is in place and is very active. They are spending a lot of time to ensure they are very careful with what is being spent. They have borrowed on the credit line in the \$20ml range. They will continue to borrow until they reach \$50ml. West Siloam has been completed and ended up 4.5% over budget. They will re bid the hotel in attempt to get the prices down. They plan to open Catoosa on the first of May. The grand opening will be in January with the 16 floors of the hotel and the convention center opening. The tourism plan is well under way.

Councilor Cobb announced there was discussion in the Rules meeting in regard to informing the Council. Councilor Bill John Baker inquired about the shutting down of the Tahlequah Casino. Mr. Stewart stated the generators are for emergency only. He stated they didn't feel it was a justified expense in Tahlequah. He stated the bonuses paid out will be approximately a third less than past years due to the numbers being down. Councilor Frailey requested legal information be included in the reports from this point forward. She inquired if Mr. Stewart had a leadership transition plan in place as CEO. Mr. Stewart stated he is 30 days into the process of the role at CNB and so far the process has been smooth. He stated he doesn't have a successor in place. The board has given direction for this to be reviewed.

Cherokee Nation Businesses - David Stewart

Mr. Stewart announced they did a presentation to the board which consolidates the income from all of the entities as well as discussion about the business and why it is up or down. This information will be provided to each Council member and should be treated as confidential. He stated he would answer questions next month after time has been available to review. CCRS and APSC are both profitable. The landfill is under construction and should open in March. They are using outside people to ensure it is constructed correctly. They have been speaking with previous

customers. They have been working with Councilor Fishinghawk to get the Cherokee employment up. The bonding facility is finally in place for the companies to use. CNB will look at the allocation based on risk, cost and net income. He announced they now have a policy in place for political contributions that has been passed and pursuant to this policy the Council will receive notification.

Cherokee Nation Industries - Robert Drvostep

Mr. Drvostep reported for the month the loss was \$155,000. The budget for the month of December was a loss of \$112,000. Last year in the month of December they had a loss of \$654,000. They now have a construction bonding facility in place as indicated by Mr. Stewart. This bonding company will enable them to reduce the loss and increase the profitability in the construction projects. He announced revenues are approximately \$6.2ml versus last year of \$6.3ml. The economy has specifically effected the Telcomm business which in turn has hurt the revenues in addition to the construction. Mr. Hembree announced while in Washington DC they learned part of the Native American Stimulus package is a construction bonding mechanism. He encouraged CNE and CNI to take advantage of that mechanism.

Career Services/Employment - Diane Kelley

Ms. Kelley announced they continue to work with the census bureau and have referred over 400 people for jobs. They are behind due to weather. Councilor Fishinghawk requested information about the jobs coming to Adair County. Ms. Kelley stated they received word this week that Madalina's Calazone out of Seattle, Washington signed a lease agreement on the old Tyson building. They hope to begin operation around the first of April with approximately 46 employees and within a year up to 146 employees. AERT has moved their start date back to the first part of June and will use the Strawberry Festival as a launching pad for letting people know they are opening. They plan to start with approximately 70 employees in Watts. Nanno Sand is looking at the old Hannah Candle building in the Westville Industrial Park. They are preparing for a couple job fairs. Councilor Fishinghawk inquired as to the status of the Facet building and the sewer issues. Ms. Kelley stated they have received a grant but will need additional assistance to get the line in place. Councilor Glory-Jordan inquired if there has been interest in the tax credit. Ms. Kelley stated they sat in on the tax credit meeting several weeks ago at CNE. They are in the process of putting together a meeting for the gas authority on February 18th. A Sack Easy meeting is scheduled on the 25th of February. Councilor Buzzard inquired as to the number of Native Americans working at Flintco. Ms. Kelley stated he is in the process of getting the information. Councilor Buzzard inquired about the status of the gas expansion at West Siloam. Ms. Kelley stated they want to expand the line. The plan is to meet in West Siloam after the tax meeting on the 18th. Councilor Buzzard asked if Ms. Kelley had been involved in the ambulance coverage issue. Ms. Kelley stated she had not been involved.

Commerce - Anna Knight

Ms. Knight offered to answer questions from her report.

Historical Society - Carey Tilley

Mr. Tilley announced their number are good. He stated they are up 69% in people served since 2006. He stated they had ground penetrating radar work done and have found the foot work of the female seminary. He announced the Heritage Center is closed due to the ice storm damage but look to re open on Monday.

CONSENT ITEMS:

T.E.R.O. CERTIFICATIONS

Chair Jack Baker announced an amended TERO recommendation list was handed out today.

Councilor Bill John Baker moved to approve the handout as recommended. Councilor Cowan Watts seconded the motion.

Councilor Glory-Jordan questioned the ownership of Whitekiller Enterprises that J. Whitekiller had passed away. Ms. Kelley stated she would review and provide additional information. Councilor Glory-Jordan requested a friendly amendment to table this item until next month. Councilors Bill John Baker and Cowan Watts accepted the amendment. Motion carried to approve as recommended the handed out list with the exception of Whitekiller Enterprises.

CEMETERY RESTORATION ASSISTANCE APPLICATIONS

Mr. Doug Evans announced there are 7 additional cemeteries applications which are William Johnson Cemetery in Cherokee County, Old Green Cemetery in Adair County, O'Field Cemetery in Delaware County, Piney Cemetery in Delaware County, Thompson Cemetery in Delaware County, McCoy Cemetery Association in Sequoyah County, and Scott Cemetery in Craig County.

Councilor Buzzard made a motion to approve all cemeteries with the exception of Fields and Thompson both in Delaware County. Councilor Cowan Watts seconded the motion. Motion carried.

LAW ENFORCEMENT REQUESTS

Mr. Evans stated they are bringing forward Law Enforcement funds however as a component of the budget modification it may be premature to approve these items prior to the approval of the budget mod.

Councilor Cowan Watts moved to table to next month. Councilor Crittenden seconded the motion. Motion carried.

COMMUNITY ASSISTANCE

Mr. Evans announced there are several additions to the report submitted as follows:

War Pony - \$500 Councilor Bill John Baker - \$500 Councilor Glory-Jordan

Town of Marble City - \$3450 - Councilor Thornton

Locust Grove Schools - \$850 - Councilor Frailey

Coffeeville Community College - \$500 - Councilor Jack Baker, \$500 Councilor Coates

Vinita Public schools - Councilor Hoskin Jr.

Ketchum Public schools - Councilor Hoskin Jr.

Oklahoma Union Public schools - Councilor Hoskin Jr.

Native American Fellowship - Councilor Hoskin Jr.

Vinita Indian Territory Coalition - Councilor Hoskin Jr.

Craig County Salvation Army - Councilor Hoskin Jr.

Peavine Schools - \$250 Councilor Crittenden - \$250 Councilor Fishinghawk

Cherokee Girls Softball Team - \$200 Councilor Bill John Baker - \$200 Councilor Glory-Jordan

Cherokee Girls basketball team - \$200 Councilor Bill John Baker - \$200 Councilor

Glory-Jordan

Councilor Fishinghawk announced she had received a \$400 request for Cheerleaders. None of the cheerleaders are from Adair County. They are in Muskogee, Sequoyah, Cherokee, Tulsa and Mayes Counties. She stated she and Councilor Crittenden are willing to still donate \$50 each and asked if the Councilors of the districts in which the cheerleaders are from would also agree to donate. The request is to attend a national competition. Councilors Frailey, Bill John Baker, Glory-Jordan, Garvin, Snell and Fullbright agreed.

Councilor Cowan Watts questioned the War Pony request. She stated it was her belief that they were to receive no more money until Mr. Hembree's letter was answered. Mr. Hembree stated he remembered the letter. Councilor Bill John Baker stated War Pony has re organized and Rick Richards is now the President. He stated if we go any further than this it needs to be done on every single one. Councilor Cowan Watts stated there were questions raised about War Pony and a letter was sent which has never been responded to and if there has been a change in leadership especially if one of our employees is involved that before action is taken a letter offering the new leadership be provided. She stated there was not a non profit status. Councilor Glory-Jordan stated she is outraged that this is the only item that one Councilor has decided to take a look at. She stated if the questions begin she will question everyone therefore this needs to be passed or audits and forms will be asked of everyone. Councilor Frailey inquired if they had received their non profit status. Councilor Bill John Baker stated he has been told they had. Councilor Cowan Watts stated there is nothing to be taking offense to, this happened last term and there were very clear circumstance and the body at that time acted very clearly. Until this body votes differently there was a letter to them from out attorney that hasn't been answered. It is great that they have made changes, she has not been privy to these details and would like reassurance to full fill her fiscal responsibility to this governing body that this group has made changes. She stated there is nothing personal it is just simply making sure that we assess where our money goes. She stated everyone she works with will provide audits or financial accounting.

Councilor Glory-Jordan made a motion to approve all requests including War Pony. Councilor Hoskin Jr. seconded the motion. Motion carried with Councilor Cowan Watts opposed.

ROADS

Mr. Evans announced there are motor fuel projects this month as follows:

Councilors Snell & Buzzard - Steel Baptist Church Road - de obligation of funds
Councilors Snell & Buzzard - Gene Woods Road - \$11,400 each
Councilor Soap - Town of Choteau - \$16,402
Councilor Frailey - East West 360 Bridge project - \$18,000
Councilor Frailey - 360 bridge - \$15,000 from bridge funding

Mr. Evans stated these requests do not deplete any ones balance. The motor vehicle tax funds are coming into the budget this month. The distribution amount this year is approximately 8% more than last year at approximately \$96,119 per Councilor.

Councilor Buzzard made a motion to approve the roads requests. Councilor Crittenden seconded the motion. Motion carried.

OLD BUSINESS

1. CHEROKEE ARTIST ASSOCIATION FUNDING REQUEST

Councilor Bill John Baker stated the Council agreed to give the Artist Association funding over a two year period. They have received \$5,000. Councilor Cowan Watts requested to hear an update from the Secretary of State. Ms. Melanie Knight announced they had received a grant and have applied another grant, the Cherokee Nation has given them a \$5,000 donation this year, she offered to check on the space at the Cort Mall that had been offered to them to determine if it is still available. Councilor Cowan Watts offered a friendly amendment for the association to move into the Cort Mall within 6 months. Councilor Bill John Baker stated he doesn't know their lease agreements but would discuss it with them. Councilor Glory-Jordan stated we need to keep our word to these organizations.

A motion was made by Councilor Bill John Baker to give the Artist Association \$7,500. Councilor Hoskin Jr. seconded the motion. The motion carried with Councilor Cowan Watts opposed.

NEW BUSINESS

1. CAPITOL IMPROVEMENT PLAN

Addressed prior to reports

2. DISCUSSION PERTAINING TO DONATIONS MADE BY CHEROKEE NATION BUSINESS ENTITIES

Speaker Frailey referred to the \$50k donation to the Obama Inauguration Committee made by CNB. She stated she has asked CNB to develop a policy in regard to political donations and informing the Tribal Council as it relates to our business entities. They have developed a policy in which she has requested a change. Once the change is made a copy will be provided to the Council. The policy states the Council will be notified of any donations by our business entities that are of political nature in the amount of \$10,000 or above. She stated the policy didn't include a time frame for notification. Mr. Stewart has agreed to change the policy to state the Council would be notified within 5 days of the donation. She stated she would be happy to take any recommendations or requested changes in the policy to David Stewart. Councilor Cobb questioned if 5 days may be too long. He suggested notifying the Council prior to giving the donation. Ms. Knight stated it wouldn't be unreasonable to request the policy be modified to require notification be given to the Council after the decision is made but prior to when the check is cut. Councilor Cowan Watts stated it wouldn't take much to send out a very short email to the Council with a heads up. Councilor Crittenden stated we all need to realize it is the peoples money. Mr. Hembree stated it needs to be remembered it is CNB's policy and the Council doesn't approve or disapprove it only make suggestions. The only way to mandate would be an amendment of the corporation code by way of legislative act.

Councilor Cowan Watts made a motion to table to the next meeting to allow time for CNB to provide a report of our suggestions. Councilor Frailey seconded the motion. Motion carried.

3. CHEROKEE NATION HIGHER EDUCATION FUNDING REQUEST (December Education & Culture)

Addressed prior to reports

4. CHEROKEE NATION HIGHER EDUCATION FUNDING REQUEST (January Education & Culture)

Addressed prior to reports

5. MURRELL HOME EDUCATION INTERPRETATION OF CABIN PROGRAM FUNDING REQUEST

Addressed prior to reports

A RESOLUTION AUTHORIZING FINANCIAL DEPOSITORIES FOR CHEROKEE NATION

Sponsors: Councilor Jack D. Baker

Ms. Callie Catcher apologized for not getting the resolution distributed. She announced this resolution adds Wells Fargo and removes Merrill Lynch and Lehman Brothers. Wells Fargo ranks second in financial stability. In the past the Cherokee Nation has chased the interest rate and tried to get the best return on our money. In today's environment we have to start looking more towards security and make sure all of our eggs aren't in one basket. She stated we would begin diversifying and placing funds in different banks. Mr. Evans stated with the state of the economy now we must preserve our capitol.

Councilor Cowan Watts moved for approval. Councilor Anglen seconded the motion. Motion carried.

6. AN ACT AMENDING LEGISLATIVE ACT #19-08 AUTHORIZING THE COMPREHENSIVE BUDGET FOR FISCAL YEAR 2009 - MOD 4; AND DECLARING AN EMERGENCY

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

Mr. Evans stated the budget mod will come in the form of two different documents. He gave an overview of the budget modification requests. He stated the second document is the motor vehicle tax apportionment budgets. He requested both be combined and pass collectively together to have a complete package.

Councilor Bill John Baker made a motion to approve combined as requested. Councilor Cowan Watts inquired if this also included the \$6.5ml. Mr. Evans stated it would include the reprogramming into the capitol acquisition line item out of reserves will be done through a reallocation. Councilor Cowan Watts seconded the motion. Chair Jack Baker stated it would also include the \$7,500 for the Cherokee Artist Association. Motion carried.

ANNOUNCEMENTS

Councilor Cowan Watts announced the 2nd Annual Cherokee Nation Science and Engineering Fair is today at the NSU on the 2nd floor.

ADJOURNMENT

Councilor Cowan Watts made a motion to adjourn. Councilor Crittenden seconded the motion. Motion carried at 5:35 p.m.

STAFF PRESENT:

<i>Dana Espinal</i>	<i>Jack Farmer</i>	<i>Gregg Simmons</i>
<i>Callie Catcher</i>	<i>Doug Evans</i>	<i>Melanie Knight</i>
<i>Diane Kelley</i>	<i>Anna Knight</i>	<i>Chad Smith</i>
<i>Sharon Swepston</i>		

VISITORS PRESENT:

<i>Gina Olaya</i>	<i>Dana Geib</i>	<i>David Stewart</i>
<i>Terri Hardgrove</i>	<i>Joe Lang</i>	<i>Bryan Collins</i>
<i>Carey Tilley</i>	<i>Robert Drvostep</i>	<i>Todd Hembree</i>

APPROVAL / DISTRIBUTION

Minutes submitted by: Shelli Brittain, Legal & Legislative Coordinator

Motion to approve minutes made by: _____

Minutes attested and concurred by: _____

Date: _____