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**CHEROKEE NATION™**  
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OrGJ  
Chad "Comtassel" Smith  
Principal Chief  
JLOw Jh haw  
Joe Grayson, Jr.  
Deputy Principal Chief

June 21, 2010

06-21-10P04:00 RCVD

Meredith A. Frailey, Speaker  
Cara Cowan Watts, Deputy Speaker  
Council of the Cherokee Nation  
Tahlequah, Oklahoma

Dear Speaker Frailey and Council Members:

I am returning the enactments passed by the Tribal Council at the regular meeting held on June 15, 2010 as required by our Constitution. The Cherokee Constitution (Article VI, Section 10) requires that every enactment approved by the majority of the Council be presented to the Principal Chief before it becomes effective. I have carefully considered each enactment and I have approved all of them with the exception of two (2) vetoed enactments.

#### APPROVED RESOLUTIONS

1. Resolution No. 49-10, A Resolution Confirming the Nomination of Tonya Rozell as a Board Member of the Cherokee Nation Education Corporation.
2. Resolution No. 50-10, A Resolution Honoring Derek Ryan Prather for Receiving the Level of Eagle Scout from the Boy Scouts of America.
3. Resolution No. 51-10, A Resolution In Support of the Prospective Nomination of Cherokee Nation Citizen Keith Harper to the United States 10<sup>th</sup> Circuit Court of Appeals.
4. Resolution No. 52-10, A Resolution Appointing Cherokee Nation Tribal Council Members to the Cherokee Nation Businesses Board of Directors as Advisory Board Members.
5. Resolution No. 53-10, Amended Resolution Authorizing the Sale of Inherited Property in the State of California, and Authorizing the Pledge of Credit of the Cherokee Nation Associated with the Inherited Property.
6. Resolution No. 54-10, A Resolution Authorizing the Submission of a Special Grant Application to the U.S. Department of Education for a Promise Neighborhood Grant.
7. Resolution No. 55-10, A Resolution Authorizing Cherokee Nation to Submit a Grant Application to the U.S. Department of Health and Human Services' Assets for Independence Demonstration Program to Establish an Individual Development Accounts Program for Sequoyah High School Students.
8. Resolution No. 56-10, A Resolution Authorizing the Office of Environmental Programs to Submit a Formal Grant Application to the U.S. Environmental Protection Agency for a Brownfields Grant.

9. Resolution No. 57-10, A Resolution Authorizing the Donation of Three Computers and Two Printers to the Claremore Veterans Center in Claremore, Oklahoma.

### **APPROVED LEGISLATIVE ACTS**

1. Legislative Act No. 17-10, An Act Amending Legislative Act 15-10 the Cherokee Nation General Corporation Act Creating an Advisory Board of Directors and Setting Term Limits on Directors on Corporations in Which the Cherokee Nation is a Majority Shareholder.

### **VETOED ENACTMENTS**

1. **Legislative Act No. 18-10, An Act Amending Legislative Act 06-10 Revising Title 26 (“Elections”) Providing for Apportionment.**

On Friday June 18, 2010 in Cases No.’s CV-2009-65 and CV-2010-53, District Court Judge Bart Fite ruled,

“that the Cherokee Nation Election Commission is ordered to apportion nine districts using information from the registrar of the Cherokee Nation based upon the zip code method. This apportionment shall take place and be delivered to the Tribal Council no later than June 30, 2010 and shall use the date and population numbers as previously set forth.”

I am vetoing the Act since the Act, which does not use the zip code method specified by the court, is inconsistent with the order of the Court. It is appropriate for both executive and legislative branches to take in consideration and advisement the findings of fact, conclusions of law, the orders and suggestion of our Court.

2. **Legislative Act No. 19-10, An Act Amending Legislative Act #21-09 Authorizing the Comprehensive Budget for Fiscal Year 2010 – Mod. 8; and Declaring an Emergency.**

While federal funding has remained relatively stable, our general fund income can fluctuate positively and negatively with the economy. That is why I respectfully asked the council to reconsider parts of this budget modification.

The Cherokee Nation has a contingency reserve of just of \$2.2 million dollars, even though our annual budget is more than \$600 million. It is like having a rainy day fund of 30 cents for every hundred dollars we have to spend. That’s 1/3 of 1 percent. To put that in perspective, the State of Oklahoma’s rainy day fund was nearly 7 percent of its annual budget and that wasn’t nearly enough when bad times came. So we have just as tiny amount of money in reserve in case an ice storm hits, a tornado blows through, or we have some other crisis. It is important to note that this is the only contingency fund the Cherokee Nation has; all our other reserves are already committed.

Keep in mind the Cherokee Nation has already had to make some cuts to our general fund budget this fiscal year, and this upcoming budget cycle will not be any easier. We will need to keep our reserve fund intact.

That is why I hoped the council would reconsider taking money from our contingency reserve in this budget modification. Instead, the council voted to take nearly a quarter of our contingency reserve and use it to fund a summer work program for youth. We have a program for low-income youth, and it is funded and already operational, but what is proposed in the budget amendment is to take \$500,000 from our contingency reserve and fund a program for youth who are over income. While the program overall is a good idea, I don't think it constitutes an emergency.

The second item is an increase to the tribal council budget for travel expenses. Since many of our general fund budgets have taken cuts already, including the Executive Branch's budget, I do not approve of our tribal council making an exception for itself and adding money for travel. From a cursory budget analysis, it appears that the council as a whole will be under budget. If the council wants to spend additional money on travel this year, I think it could find room in its existing budget to do so, rather than deplete our emergency fund.

I support the overall budget amendment, but since the Council insisted on including a budget increase for themselves and a program for over income youth program which drains our contingency reserve, sound financial principles leave me no choice but to veto the measure.

Sincerely,

A handwritten signature in black ink, appearing to read 'Chadwick Smith', with several overlapping loops and a long horizontal stroke extending to the right.

**Chadwick Smith**  
**Principal Chief**

**cc: Legal & Legislative Coordinator, Council of the Cherokee Nation**  
**Councilors (17), Council of the Cherokee Nation**  
**Melanie Knight, Secretary of State**