



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, April 29, 2010

3:00 PM

Legislative Conference Room

CALL TO ORDER

Chair Jack D. Baker called the meeting to order at 3:27 p.m.

INVOCATION

Councilor Bill John Baker gave the invocation.

ROLL CALL

Present 17 - Bill John Baker; Bradley Cobb; Buel Anglen; Cara Cowan Watts; Chris Soap; Chuck Hoskin; Curtis Snell; David Thornton Sr. ; Don Garvin; Jack D. Baker; Harley Buzzard; Janelle Fullbright; Jodie Fishinghawk; Julia Coates; Meredith Frailey; S. Joe Crittenden and Tina Glory Jordan

APPROVAL OF MINUTES

Councilor Hoskin Jr. made a motion to approve the March 15th donations & contributions sub committee, March 25th PAC sub committee and the March 25th regular session minutes. Councilor Soap seconded the motion. Motion carried.

REPORTS:

Financial Report/Treasurer Report - Callie Catcher

Ms. Catcher offered to answer questions from the written report. She announced the audit report should have been delivered to the Council House at the end of March. She stated the audit was once again clean. Mr. Don Williams from BKE Audit Firm was present to answer questions from the audit. Councilor Fishinghawk inquired as to the status of her request pertaining to the bids under \$5,000 and the percentage of those that are TERO and non TERO. Ms. Catcher commented she is working on the report and would work very hard to complete it by the next committee meeting.

Cherokee Nation Entertainment - David Stewart

Mr. Stewart reported February was a great month as it exceeded the prior year by approximately \$3ml and was the second highest e-games revenue in the company's history. Ft. Gibson and Sallisaw both set a new record for monthly revenue. West Siloam and Tahlequah had the third best revenue on record. The Hard Rock event center is on schedule to open in October. The hotel is on track for a Memorial Day opening. The Ramona project has been a little delayed due to the rain. Councilor Cowan Watts questioned the difference in the employment percentages between this report and the report submitted by TERO. Mr. Stewart stated he would investigate and report back. Councilor Glory-Jordan stated as a result of a discussion in the Rules meeting earlier the Speaker will be sending a letter requesting a copy of all of the board minutes on a monthly basis. Mr. Stewart stated he would submit them monthly with the reports to the Council. The first combined board meeting will be held this Saturday. During this CNB meeting they will change the Chairman to Jay Hannah then adopt the operating agreements for the companies.

Councilor Hoskin Jr. moved to amend the agenda to place new business item #1 as the resolution approving the indebtedness of \$24ml passed out of the Rules committee. Councilor Glory-Jordan seconded the motion. Councilor Cowan Watts requested a friendly amendment to include a resolution for a DOJ grant which has been provided as new business item #2. The friendly amendment was accepted. Chair Jack D. Baker stated this would move the current new business items to #3 and #4. Motion carried.

Cherokee Nation Businesses - David Stewart

Councilor Fishinghawk requested tabs for the business items of the Executive & Finance committee.

Mr. Stewart reported the credit line is at \$39ml. The operating subsidiaries are doing well. The board consolidation was discussed during the CNE report. Councilor Cowan Watts inquired about the borrowings listed in the CNB report and the Chief's mandates. Mr. Stewart provided an overview of both. Councilor Thornton inquired if Councilor Cowan Watts received a response regarding the Muskogee Creek Nation trust property email. Councilor Cowan Watts replied she did receive a response and that it is for their hydro power project on the Arkansas River.

Cherokee Nation Industries - Robert Drvostep

Mr. Drvostep reported the February revenue at \$9ml versus a budget of \$10ml. Their profit loss for the month was \$13,000 versus a budgeted loss of \$207,000. Their year to date profit totaled \$492,000. He commented the March results look good. The February employment totals are 490 with 83% being Native American. In regard to the Army Government Contracts the DCAA has approved their accounting system to be qualified for the government contracts. Councilor Cowan Watts inquired when the construction portion would no longer be included in the financials. Mr. Drvostep stated at the end of the calendar year the two remaining projects should be complete and profitable.

Career Services/Employment - Diane Kelley

Ms. Kelley commented they are considering doing recognition for the long term TERO vendors. She stated they have received numerous calls pertaining to the reverse job fair. Over the past week she has been working with Schwan's in Stilwell on their image within the community. She provided a copy of the survey sent out and commented the data is not yet compiled. Councilor Soap requested a breakdown of the income for the Summer Youth Employment Program. Councilor Cowan Watts inquired as to the status of the policies and procedures surrounding the executive order for TERO. Ms. Kelley commented they are waiting on the business entities to get their draft policies approved.

Commerce - Anna Knight

Ms. Knight offered to answer questions from her report. Councilor Cowan Watts inquired about the effective use fees collected and the number trained. She further inquired how someone would access the training. The training is a result of feedback received from vendors. Councilor Cowan Watts inquired as to the number of staff it takes to monitor the 1,221 sites. Ms. Kelley stated all of the TERO staff do the monitoring.

Councilor Thornton gave appreciation to Ms. Kelley for their assistance at the hog fry. Ms. Kelley gave appreciation for Speaker Frailey allowing her to participate in the Joint Council tours. Councilor Glory-Jordan gave appreciation to all of the departments for their participation in the Hulbert community meeting.

Historical Society - Carey Tilley

Mr. Tilley gave an overview of his report and the ancient village. Councilor Bill John Baker commended the Heritage Center and the Day Workers for their phenomenal maintenance and upkeep at the Heritage Center. Mr. Tilley stated the Day Workers have made a huge impact as well as the Work Experience Program the Natural Resource staff and hopefully the Summer Youth Program.

Cherokee Nation Education Corporation - Kimberlie Gilliland

Chair Jack D. Baker announced Ms. Gilliland is out of town and has requested to postpone the quarterly CNEC report to May.

CONSENT ITEMS:

T.E.R.O. CERTIFICATIONS

Councilor Bill John Baker moved to approve as recommended. Councilor Thornton seconded the motion. Councilor Cowan Watts requested on page 14 of the TERO certification list the Hargrove Dozer & Excavation city be changed to Talala instead of Tahala. She further inquired about the renewal of Jimmy Houston Travel as they are listed as 50% owners each and she was with the understanding their should be 51% ownership by the Native American. Ms. Kelley commented they are husband and wife, that they have been doing business with the Cherokee Nation for years as this is their 15 year renewal. She stated she would follow up. Councilor Cowan Watts requested this renewal be passed assuming it is 51% to 49% and if not they shouldn't be certified. The motion for approval carried.

CEMETERY RESTORATION ASSISTANCE APPLICATIONS

Chair Jack D. Baker announced a revised handout has been provided with additional requests. Councilor Glory-Jordan inquired about the two District 7 requests for Oak Hill Cemetery. Both of the requests are above the limit of \$500 per cemetery and inquired about more than one approval per fiscal year. Councilor Cowan Watts gave explanation stating this municipality has had budget cuts. The \$525 request is for entrance repairs and the \$5,425 request is for fence replacement. She requested the \$5,425 request remain on a hold status and if District 7 had funds remaining at the end of the fiscal year that the Committee may consider allowing her to put her remaining funds toward this major project. Councilor Glory-Jordan requested confirmation that this fund is not separated by districts. Chair Jack D. Baker agreed. Councilor Cowan Watts requested the entrance request be approved for \$500 and that the other remain on hold for consideration at the end of the fiscal year if funds remain. Councilor Glory-Jordan commented this is a carryover budget that is replenished as needed. Mr. Evans confirmed this year's funding is a carryover from prior year revenues.

Councilor Glory-Jordan made a motion to reduce the application for the entrance to \$500, remove the application for the fence in the amount of \$5,425 as it is in excess of the cap amount and a second request for a cemetery in a fiscal year and to approve all others as submitted. Councilor Cowan Watts seconded the motion. Motion carried.

LAW ENFORCEMENT REQUESTS

Chair Jack D. Baker announced a revised handout has been provided. Councilor Cowan Watts moved to approve. Councilor Crittenden seconded the motion. Motion carried.

ROADS

Mr. Evans went over the road requests. Councilor Bill John Baker moved to approve. Councilor Cowan Watts seconded the motion. Motion carried.

OLD BUSINESS

1. DISCUSSION: STATUS OF FY2010 COUNCIL INITIATIVES

Councilor Hoskin Jr. requested an update on the Council initiatives. Ms. Ragsdale announced the back pack program has been paid through the Boys & Girls Clubs with additional funds available for two back pack programs through the Salvation Army. Councilor Hoskin Jr. inquired as to the status of the food pantry list. Ms. Ragsdale provided a list of the food pantries within the 14 counties and commented they are in the process of sending out letters to each of them to try to determine if they serve Cherokees and if so how many. She commented they are in the process of making payments to the homeless and domestic shelters that serve Cherokees through out the jurisdictional area. Councilor Cowan Watts announced Chelsea now has a back pack program and requested they be included if possible. Councilor Cobb requested Iron Gate food pantry be included on the list. Ms. Ragsdale inquired of all of the concerns regarding the sports team had been addressed with the changes in the application. Councilor Glory-Jordan requested notification be given to her and Councilor Bill John Baker if there are any holds on the District 1 applications.

Councilor Hoskin Jr. moved to table to the next months meeting to allow further status updates. Councilor Cowan Watts seconded the motion. Motion carried with Councilor Soap opposed.

NEW BUSINESS

1. A RESOLUTION AUTHORIZING THE INCURRING OF INDEBTEDNESS IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$24,000,000.00 AND AUTHORIZING A GENERAL OBLIGATION CREDIT FACILITY AND OTHER DOCUMENTS AS MAY BE NECESSARY OR REQUIRED; AUTHORIZING THE LIMITED WAIVER OF SOVEREIGN IMMUNITY OF THE CHEROKEE NATION IN CONNECTION WITH THE CREDIT FACILITY; PROVIDING FOR THE COMPLIANCE WITH APPLICABLE FEDERAL LAW RELATING TO THE EXCLUSION FROM GROSS INCOME FOR FEDERAL INCOME TAXATION PURPOSES OF INTEREST ON THE FACILITY; CONTAINING OTHER PROVISIONS RELATING THERETO; AND DECLARING AN EMERGENCY

Councilor Hoskin Jr. moved to approve. Councilor Cowan Watts seconded the motion. The motion carried unanimously.

2. A RESOLUTION AUTHORIZING THE SUBMISSION OF A GRANT APPLICATION TO THE U.S. DEPARTMENT OF JUSTICE UNDER THE COORDINATED TRIBAL ASSISTANCE SOLICITATION

Councilor Cowan Watts moved to approve. Councilor Snell seconded the motion. The motion carried unanimously.

3. AN ACT RELATING TO CONSTRUCTION OF AND IMPROVING ACCESS TO CHEROKEE OWNED HOMES FROM PUBLIC ROADS OR RIGHT-OF-WAYS AND DECLARING AN EMERGENCY

Councilor Hoskin Jr. stated this is a revised version of the vetoed item on the Council agenda in which action has not been taken on the override. Councilor Hoskin Jr. moved to approve. Councilor Crittenden seconded the motion. Councilor Hoskin Jr. gave an overview of the changes in the language. The changes include not using bridge/access funds, the award is based on financial need and residency, and added a cap of 25% of the appropriated self-help housing funds for the year. Councilor Cobb offered a friendly amendment to reduce the cap to 20%. The friendly amendment was accepted. Councilor Bill John Baker gave a breakdown of the funds appropriated and spent over the last four years and commented the 20% is reasonable. Secretary of State Knight announced the previous issues still remain. The income guideline is higher than NAHASDA. The Administration has been tracking the requests since the last version and most are for quarter long driveways or longer. She reminded the Committee that this program also does the weatherization. She stated after discussion with the Roads Department they do not recommend implementation. The Administration does not support this item. Councilor Hoskin Jr. stated this would be using self-help funds with a cap per applicant of \$2,000 in which they would determine if they needed a handicapped ramp or a driveway. He questioned the Roads Department's objection since they do not have a role in the request. Ms. Knight commented the Community Service Group oversees both the Roads Department and the self-help housing program. The Roads Department was consulted in regard to demand and costs. She requested clarification as to if the intent for this to be inclusive of the \$2,000 max or is it in addition? Councilor Hoskin Jr. replied this is to remove a barrier of not being able to fix a driveway with this program. This is not an additional \$2,000 for driveway repair on top of the other funds. Ms. Knight commented if the service being desired is

sufficiently limited then the Administration may be supportive. Councilor Hoskin Jr. stated this doesn't ask anything that isn't already being done in regard to visiting the property and determining if the need exists. Councilor Cobb stated income guidelines are in place, a funding cap is in place of \$2,000 for these funds and this legislation adds an additional choice of how the funds can be spent. Councilor Bill John Baker commented this is a case by case situation based on need and not every case needs the entire \$2,000.

The motion to approve as amended carried by the following vote:

Yea: 6 - Bill John Baker; Bradley Cobb; Chuck Hoskin; Curtis Snell; S. Joe Crittenden and Tina Glory Jordan

Nay: 5 - Buel Anglen; Cara Cowan Watts; Chris Soap; Jack D. Baker and Janelle Fullbright

Not In Room: 6 - David Thornton Sr. ; Don Garvin; Harley Buzzard; Jodie Fishinghawk; Julia Coates and Meredith Frailey

4.

AN ACT AMENDING LEGISLATIVE ACT #21-09 AUTHORIZING THE COMPREHENSIVE BUDGET FOR FISCAL YEAR 2010 - MOD 7; AND DECLARING AN EMERGENCY

Councilor Glory-Jordan made a motion to consider and vote on this Act and called for division of the question on items 46 and 56 the employee appreciation budget and the Head Start program budget. Councilor Bill John Baker seconded the motion. Councilor Fishinghawk offered a friendly amendment to include items 2, 4, 5, 6, 7, 8, and 21. The friendly amendment was accepted. Chair Jack D. Baker stated the motion has been made to split the budget mod from items 2, 4, 5, 6, 7, 8, 21, 46 and 56. He requested the balance of the mod be discussed first. Ms. Catcher stated if these items are pulled out and voted on individually we potentially may not be in balance with the general fund. This entire mod was put together based on projected reductions in revenue from both our dividends and investment income. Councilor Glory-Jordan stated if this Council determines some of these budgets do not need to be cut that Ms. Catcher would be given the opportunity at the end to look at all of the other budgets to get back into balance. She stated it is the Council's responsibility to balance the budget. Councilor Hoskin Jr. offered a friendly amendment for the larger portion of the budget mod to include a donation and contribution request which is not recommended for approval by the Principal Chief. This request is for \$500 from District 9 funding for the American Red Cross (#9 on the list to be considered at the sub committee). Councilor Bill John Baker seconded the motion.

Mr. Evans began his overview of the budget mod. He pointed out his memo contained significant explanation regarding the general fund which has a net \$6.5ml decrease. He also pointed out the IHS funding source for the Health Departments increase by \$17ml. This \$17ml is part of a \$37ml carryover. This leaves \$20ml balance in carryover which is not anywhere in the budget. The \$6ml down payment for the Vinita clinic and \$8ml in other capitol projects within the Health Group is a portion of this \$20ml. The remaining \$6ml is accruals for receivables and inventory which created a fund balance. He advised that this \$6ml be taken into consideration by the Council and not be required to be put on the table during this year's budget cycle. Chair Jack D. Baker commented if any adjustments are made, such as the items broken out of the mod, then there must be an off setting budget. Mr. Evans agreed and stated there is a \$2.4ml contingency reserve available. Any of these budget reductions that the Council doesn't agree with will throw the budget out of balance by that amount.

Councilor Soap inquired if there was a formula suggested for consideration during

these budget rejections. Ms. Catcher stated removing the employee bonus budget doesn't impact the employees. The employee bonuses were paid last October. In anticipation of a tight budget year the programs were asked to pay the employee bonuses from their budgets. She announced Health did receive additional funding which a portion was brought forward into this budget. She stated they didn't request a certain percentage across the board because not all budgets are equal. The guiding principles were to impact services to the people as little as possible and not get into a lay off position. The Group Leaders were all asked to look at their travel and staff development budgets. Chair Jack D. Baker stated the motion and second on the table is to look at the budget mod with the addition of the \$500 contribution and excluding the other items. Ms Catcher stated it is her stance that she cannot support an unbalanced budget mod. She suggested pulling the entire gen fund mod from this package instead of picking it apart. Councilor Cowan Watts inquired if a vote had been taken on the actual act of separating the items. Chair Jack D. Baker commented it was the initial motion to divide into two motions and no vote has been taken. Mr. Hembree stated calling for division requires a majority vote. He stated any item can be divided out if it can stand on its own. Chair Jack D. Baker commented the Act will not stand alone if the items are broke out. Mr. Hembree stated the original motion wasn't in order.

Chair Jack D. Baker announced he would entertain a motion to approve the entire budget mod is presented in the packet. Councilor Cowan Watts made the motion to approve. Councilor Frailey seconded the motion. Councilor Glory-Jordan made a motion to divide the question. Councilor Bill John Baker seconded the motion. Chair Jack D. Baker stated none of these items will stand alone as the budget will not be in balance. Mr. Hembree stated there is a Constitutional requirement to pass a final bill that is in balance. Councilor Glory-Jordan called point of order and stated Ms. Catcher has requested to pull the entire gen fund budget request to work on again. She suggested recessing the meeting to allow this. Ms. Catcher commented she they have put approximately three months of work into this already and what she wants to do is address the Council's questions. She stated she cannot support pulling out certain line items and requesting funding be found. Councilor Cowan Watts called for the question on division.

The motion for division carried by the following vote:

Yea: 7 - Bill John Baker; Chuck Hoskin; Curtis Snell; David Thornton Sr. ; Jodie Fishinghawk; S. Joe Crittenden and Tina Glory Jordan

Nay: 6 - Bradley Cobb; Cara Cowan Watts; Chris Soap; Jack D. Baker; Janelle Fullbright and Meredith Frailey

Not In Room: 4 - Buel Anglen; Don Garvin; Harley Buzzard and Julia Coates

RECESS

Councilor Glory-Jordan made a motion to recess for ten minutes. Councilor Hoskin Jr. seconded the motion. The motion carried with the following roll call vote:

Yea: 8 - Bill John Baker; Chuck Hoskin; Curtis Snell; David Thornton Sr. ; Janelle Fullbright; Jodie Fishinghawk; S. Joe Crittenden and Tina Glory Jordan

Nay: 5 - Bradley Cobb; Cara Cowan Watts; Chris Soap; Jack D. Baker and Meredith Frailey

Not In Room: 4 - Buel Anglen; Don Garvin; Harley Buzzard and Julia Coates

RECONVENNE

Chair Jack D. Baker called the meeting back to order at 5:48 p.m. and stated a quorum is still present.

AN ACT AMENDING LEGISLATIVE ACT #21-09 AUTHORIZING THE COMPREHENSIVE BUDGET FOR FISCAL YEAR 2010 - MOD 7; AND DECLARING AN EMERGENCY

Councilor Glory-Jordan stated during the recess she spoke with Ms. Catcher and came to an agreement. She requested Mr. Evans provide an explanation. Mr. Evans stated everything would remain the same within the mod as recommended by Ms. Catcher with the exception of reducing #56 the Head Start Program by \$100,000 instead of \$300,000 and it would be provided for by #34 the contingency reserve. Councilor Glory-Jordan stated they were given assurance by Ms. Catcher that this will in no way affect any employee this year in regard to the employee appreciation funding. The bonuses for the 2010 fiscal year were given this year by program budgets and funding has been held back to replenish the budgets should there be need. Ms. Catcher agreed.

Councilor Glory-Jordan made a motion to approve with the change between the Head Start and the contingency reserve and all other budgets remaining the same. Councilor Bill John Baker seconded the motion. Councilor Hoskin Jr. offered a friendly amendment for the approval of a \$500 District 9 donations and contributions funding request to the Craig County Salvation Army. The friendly amendment was accepted. The motion carried.

ANNOUNCEMENTS

ADJOURNMENT

Councilor Fishinghawk moved to adjourn. Councilor Bill John Baker seconded the motion. Motion carried at 5:54 p.m.

STAFF PRESENT:

<i>Callie Catcher</i>	<i>Paula Ragsdale</i>	<i>Doug Evans</i>
<i>Melanie Knight</i>	<i>Diane Kelley</i>	<i>Anna Knight</i>
<i>Linda Donelson</i>	<i>Reva Crawford</i>	<i>Charlie Soap</i>

VISITORS PRESENT:

<i>Don Williams</i>	<i>Robert Drvostep</i>	<i>David Stewart</i>
<i>Todd Hembree</i>	<i>Ollie Starr</i>	<i>Carey Tilley</i>