



Council of the Cherokee Nation

Meeting Minutes Executive and Finance Committee

Thursday, July 31, 2008

3:00 PM

Legislative Conference Room

CALL TO ORDER

Chair Jack Baker called the meeting to order at 3:03 p.m.

INVOCATION

Councilor Soap gave the invocation.

ROLL CALL

Present 11 - Bill John Baker; Don Garvin; Meredith Frailey; Cara Cowan Watts; Jack D. Baker; Tina Glory Jordan; Jodie Fishinghawk; Harley Buzzard; Curtis Snell; Chris Soap and Julia Coates

Absent 3 - David Thornton Sr. ; Buel Anglen and Bradley Cobb

Late Arrival 3 - S. Joe Crittenden; Janelle Fullbright and Chuck Hoskin, Jr.

APPROVAL OF MINUTES

Councilor Cowan Watts made a motion to approve the June 26th regular session minutes and the July 15th sub committee minutes. Councilor Coates seconded the motion. Motion carried.

REPORTS:

Financial Report/Treasurer Report - Callie Catcher

Ms. Callie Catcher stated her written report has been provided and offered to answer any questions. She announced the FY 2009 comprehensive proposed budget will be delivered this afternoon.

Cherokee Nation Enterprises - David Stewart

Mr. Guy Wolcott reported yet another strong month with total revenues of \$37.5ml which is a 3% increase from June of 2007. The monthly net income is at \$10.3ml. The year to date revenues are \$340ml which is a 6.2% increase from the prior year. The net income is at \$89ml with a 4.1% increase over the prior year. With one quarter remaining they project to end the year with \$120ml in net income if they continue to hit budget. This is slightly down from the budgeted \$123.8ml. CNE is aggressively working to close this short fall with cost containment in the last quarter. The topping out ceremony was held yesterday at the Catoosa facility to signify the apex of the structure. They are slated to open the Catoosa facility expansion in December. The West Siloam expansion is on time and is also slated to open in December. CNE's employment is at 59% total Cherokee employment. They have a decrease in years to date turn over with this year being 35% in comparison to 46% last year. Their new retail operating system is in development. The IGT Advantage

System goes live next week at Sallisaw. They are in the final stages of the budgeting process for FY09.

Councilor Fishinghawk inquired as to when they will be at 60% Cherokee employment. Mr. Wolcott stated they want to hit that mark as well. He stated they have challenges with the Tulsa market. They are anticipating a challenge with the 1000 new employees they will be hiring by the end of the year for both expansions. They anticipate an initial drop in the Cherokee employment percentage. Councilor Fishinghawk inquired as to CNE's policy on requesting copies of internal emails. Mr. Shawn Slaton stated the request would go through the Freedom of Information Act then to Human Resources.

Councilor Buzzard inquired as to what jobs actually required casino experience. Mr. Wolcott stated the accounting department is very broad and doesn't necessarily require gaming experience. The gaming audit positions would require some type of gaming experience. He stated less than half of the accounting department would require gaming experience. Councilor Buzzard stated he is receiving phone calls from people who are not getting jobs due to not having casino experience.

Councilor Glory-Jordan inquired if letters are sent out to job applicants who are not selected. Mr. Wolcott stated recently within the last 60 days a new system has been implemented that addresses many issues including this. He stated Cherokee applicants who are not selected do receive a courtesy letter.

Cherokee Nation Industries - Dennis McLemore

Mr. Dvrostep stated the written report had been provided and offered to answer any questions.

Councilor Cowan Watts inquired how Construction Management advertised for their project bids. Mr. Dvrostep stated he is unsure but would have someone report back with the information. Councilor Cowan Watts further inquired if the bids were put on the web site or if public notice was given. She also inquired if they are actively working with TERO to bring in TERO vendors. Mr. Dvrostep stated it is his understanding they are working with the TERO office. Councilor Glory-Jordan inquired if TERO practices are applied with sub contractors as it is with the initial vendor. Mr. Dvrostep stated he would obtain these answers and report back.

Mr. Dvrostep announced they finalized their 2009 budget this week and have a profit in the budget.

Cherokee Nation Businesses - Brad Carson

Mr. Brad Carson announced on a consolidated basis their existing cash flow as of June 30th is \$97ml. Some of these funds are tied up in projects. They plan to borrow on the credit line around the beginning of fiscal year 2009. The consolidated net income is \$9.6ml for the month and year to date \$85.4ml.

Councilor Fishinghawk inquired about the request for a waiver of compliance at the landfill. Mr. Carson stated the request has to do with the re-vegetation. One of the compliance items is to put new grass seed on one of the slopes. He stated this is best done as part of the construction plan. The construction should begin within the next couple of weeks with the mobilization of equipment. He stated the environmental study is ongoing. Councilor Fishinghawk stated there were CNB board members present during a discussion in regard to the Tulk report. She asked why it was chosen to ignore the report. She stated the report states the net present

value of the landfill to not take less than \$20ml turn over to a third party. We turned it over for \$300,000 up front. Mr. Carson stated he is unable to answer that this all pre dates his involvement. Ms. Callie Catcher stated when she reviewed the Tulk report she had issues with how they determined their numbers. She stated during the meeting she questioned the assumptions made in the report. Her recollection is that the projections were to be reviewed again. As far as she knows the consultant never provided another report. Councilor Fishinghawk stated they gave estimates on the tipping fees of half of the prevailing rate in the Tulk report. Ms. Catcher stated they tripled the volumes. Councilor Fishinghawk inquired as to what the break even point is. Mr. Carson stated with the new investment the break even is approximately 500 tons a day. Councilor Fishinghawk read from the report that it would take \$1.3ml to close the landfill in 2004. She inquired as to why it jumped to \$18ml in 2007. Mr. Carson stated we have discussed the reason for this a lot in this room. If the landfill had been shut down three or four years ago it would of been much easier to do because of the way it was graded among other issues. Right now if shut down the interior slopes would become the exterior slopes which wasn't the issue several years ago. A major part of the expense would be to cart the excess waste to an off sight location or to construct a new cell. Councilor Fishinghawk inquired as to how ICI's moral, ethical and financial qualifications. Ms. Catcher stated she was not involved in the evaluation of ICI's moral or ethical qualities. Mr. Carson stated an RFP proposal was submitted and ICI was the only one to bid. Councilor Hoskin Jr. asked Ms. Catcher is the authors of the Tulk report responded to her concerns. Ms. Catcher stated to her knowledge they did not she never saw a revised report or a reply to any of the assumptions. Councilor Hoskin Jr. questioned the possibility of the concerns never making it back to the authors of the Tulk report. Ms. Catcher stated she would not want to speculate without visiting with people who were more involved with the transaction. Councilor Fishinghawk stated page 14 of the report which was commissioned and paid for takes into consideration the \$3ml up front money. She read from the report that ICI's offer of a small bonus payment of \$300,000 for the right to explore the suitability of the site and if the site is found suitable the Cherokee Nation will receive and additional \$2.7ml. She stated this should clear up debate that the \$3ml was based on an approval plan. Mr. Carson and Ms. Catcher didn't agree. Ms. Catcher stated this a consultants report and what you must look at in terms of \$300,000 versus \$3ml is the agreement that was entered into. Councilor Fishinghawk stated this report and the tapes from the meetings both stated the \$3ml is up front. Mr. Carson clarified that he has not listened to the tapes and CNB only had an advisory role. Ms. Catcher stated she hasn't listened to the tapes either. Mr. Carson stated he doesn't believe that anyone at CNB was involved in writing the contract. He stated he is unaware of how the agreement came together but the letter of agreement makes it quite clear that the payment was contingent on a master plan being approved. Ms. Catcher stated this was a fairly long process and suggested the only way to get the answers is to go through the tapes to determine what was said at the committee meeting before the contract was entered into. She stated the time frame would be December of 2004 to July of 2005. Councilor Crittenden inquired as to the cost of the Tulk report. Mr. Carson replied \$27,000.

Historical Society - Carey Tilley

Mr. Tilley reminded everyone that the Heritage Center operates on a fiscal year from January to December instead of October to September as the Cherokee Nation does. He stated the total people served is up approximately 3000 from last year. The walk up visitors seem to be down but the revenues are up by 84% in group tours. He stated to this point they have 49 states represented and 48 countries in visitors. The annual membership campaign was launched last week. He was excited to announced a commitment of \$100,000 per year for five years from Bud Adams for the Adams Corner Rural Village where the late 19th century culture is described. He announced they continue to work with CNE Tourism on some of the capitol projects.

They have completed the work on the retail store at the Heritage Center. Work is scheduled for the atrium, restrooms and coy pond. The planning for the ancient village is complete and they will seek funding in next years cycle. They have began the master planning with the Henley group. He offered for any of the Council members who are interested in this project to contact him for information on how to be involved. He stated they are working with the Henley group for accreditation with the American Association of Museums. He stated there are only 12 museums in Oklahoma that have achieved this and none of them are tribally specific. Mr. Tilley announced the roof repairs will be paid for with funds from the Cherokee Nation. The Homecoming Art Show begins August 16th with an opening reception on the 15th from 6:00 to 8:00 p.m.. He extended invitations to the Council for this event. The last day for Under the Cherokee Moon is August 16th. The Phoenix exhibit is ongoing. Entertainment will be provided on the Heritage Center grounds during the Cherokee National Holiday.

Career Services/Employment - Diane Kelley

Ms. Stephanie Isaacs announced Diane Kelley was recovering from surgery and offered to answer questions regarding the report.

Councilor Fishinghawk inquired about additional funds to continue employment for SYEP participants after school begins. Ms. Isaacs stated there is a variation between Federal and tribal funds and offered to reply by email. Councilor Glory-Jordan requested the information be provided to all Council members.

Commerce - Anna Knight

Ms. Shay Smith reported in the absence of Anna Knight. She announced Janet Vann who had been selected to operate the One Stop Center in Claremore has resigned to take a position at FlintCo. The grand opening for the Claremore center has been postponed. They are actively seeking applicants at this time and will shortly thereafter schedule the grand opening. She provided copies of the Indian Owned Business Directory which is a listing of all self declared Indian owned businesses in the Cherokee Nation. All of the businesses listed are not TERO certified although they are in the process of seeking the ones that aren't to determine why they are not. The directory was provided in both a printed version and on a CD.

Councilor Buzzard inquired to the number of delinquent loans in the Title VI program. Ms. Smith stated she is unsure but could email the information.

CONSENT ITEMS:

T.E.R.O. CERTIFICATIONS

Councilor Bill John Baker moved to accept as presented. Councilor Frailey seconded the motion. Motion carried.

Councilor Cowan Watts requested the formation of a TERO sub committee to meet at 11:00 a.m. on Monday, August 11th to continue the review of the current TERO law. Chair Jack Baker announced this is a request to change the work group into a sub committee to be chaired by Councilor Cowan Watts. The Executive & Finance sub committee for TERO members are: Cara Cowan Watts, Bill John Baker, Tina Glory-Jordan, Jodie Fishinghawk, Janelle Fullbright, Harley Buzzard, Joe Crittenden, and Don Garvin.

Councilor Glory-Jordan announced the workgroup pertaining to the criminal

legislation will be on August 11th from 12:30 to 2:30 p.m.

ROADS

Mr. Doug Evans announced this months road and special bridge requests are extensive. There are \$277,000 in motor fuels projects this month. The motor fuel road project requests are as follows:

- Harley Buzzard - Parker Road II - 33,686
- Don Garvin - Okay Road - 30,303
- Don Garvin - South 3 Mile Road - 30,303
- Chuck Hoskin Jr. - Centrailia Road II - 30,000
- Chuck Hoskin Jr. - Oklahoma St. & Community Building - 24,000
- Bradley Cobb - EW 2990 Road - 3,384
- Meredith Frailey - NS 427 Road to EW 440 Road - 26,866
- Meredith Frailey - NS 427 Road to EW 350 Road - 54,971
- Curtis Snell - Kansas School Parking Lot and Road - 43,414

This will deplete Councilor Garvin and Frailey's motor fuel funds.

The motor vehicle tax road project requests are as follows:

- Don Garvin - Coffee Road - 44,475
- Don Garvin - E. Smith Ferry Road - 44,475
- Curtis Snell - Oaks Fire Dept. III - 60,255
- Bradley Cobb - EW 2900 Road - 46,616
- Buel Anglen - EW 2900 Road - 50,000
- Meredith Frailey - NS 427 Road to EW440 Road - 36,727
- Meredith Frailey - NS 440 Road to EW350 Road - 53,034

This will deplete Councilor Garvin, Cobb and Frailey's motor vehicle tax funds

The special bridge funding projects are as follows:

- Bill John Baker - Paula Lane Bridge - 11,675
- Tina Glory-Jordan - Paula Lane Bridge - 11,675
- Don Garvin - Webb Low Water Bridge - 3,000
- Meredith Frailey - NS 427 Road to EW350 Road - 8,622
- Curtis Snell - Kansas Helicopter Pad - 9,000
- Curtis Snell - Kansas School Parking Lot & Road - 6,586

This will deplete Councilor Garvin and Snell's special bridge funds.

Councilor Bill John Baker moved to accept the roads projects. Councilor Frailey seconded the motion. Motion carried.

COMMUNITY ASSISTANCE

Mr. Evans announced there are changes and additions to the requests handed out. Spade Mountain previously approved for \$1,000 each from Councilor Crittenden, Thornton and Fullbright but the request should have been from Crittenden, Fishinghawk and Thornton. Additional requests are as follows:

- Lost City Community Organization - Bill John Baker - 500
- Lost City Community Organization - Tina Glory-Jordan - 500
- Bell School - Joe Crittenden - 150
- Bell School - Jodie Fishinghawk - 150

Cherokee Nation Men & Women Health Fair - Janelle Fullbright - 500
Oaks Little League - Curtis Snell - 250
Oaks Little League - Harley Buzzard - 250
Victory Community Organization - Buel Anglen - 500
Victory Community Organization - Bradley Cobb - 500

Councilor Fullbright inquired if the correction had been made on the Marble City food pantry. Mr. Evans stated as a point of clarification the Marble City Food Pantry is for \$750.

Councilor Garvin made a motion for the approval with the additions and changes. Councilor Crittenden seconded the motion. Motion carried.

LAW ENFORCEMENT REQUESTS

Mr. Evans reported the law enforcement requests as follows:

Town of Afton - Curtis Snell - 1,250
Town of Afton - Harley Buzzard - 1,250
Delaware County Sheriff's Department - Curtis Snell - 1,135.25
Delaware County Sheriff's Department - Harley Buzzard - 2,135.25
Jay Police Department - Curtis Snell - 817.62
Jay Police Department - Harley Buzzard - 817.62
Town of Colcord - Curtis Snell - 1,500
Town of Colcord - Harley Buzzard - 1,500
Craig County Sheriff's Department - Chuck Hoskin Jr. - 3,250

Councilor Crittenden moved for the approval as reported. Councilor Fullbright seconded the motion. Motion carried.

CEMETERY RESTORATION ASSISTANCE APPLICATIONS

Mr. Evans stated the four cemeteries for approval this month are the Doublehead Cemetery, Hickory Vann Cemetery, Peters Cemetery, and the Watt Christie Cemetery.

Mr. Evans stated historically for community assistance, law enforcement and roads additional requests are accepted up to meeting time. He inquired if the cemeteries were to operate in the same fashion. He stated there are a couple of applications just now received. Chair Jack Baker replied yes that they have been added at the last minute in the past.

Mr. Evans announced the additional cemeteries as Mollyfield and Northview cemeteries.

Councilor Garvin made a motion for approval with the two additional requests. Councilor Coates seconded the motion. Councilor Soap inquired as to what information is needed on the incomplete applications. Mr. Evans stated he would research the applications and provide the information. Motion carried.

ROADS

Councilor Glory-Jordan requested an additional bridge request be added. Chair Baker agreed to go back.

Councilor Glory-Jordan requested both her and Councilor Bill John Baker's remaining bridge money go to the Cherokee County Community Complex. Councilor Frailey seconded the motion. Motion carried.

OLD BUSINESS

None.

NEW BUSINESS

1. DISTRICT COMMUNITY MEETINGS

Councilor Frailey announced Administration has requested guidelines be provided for the district community meetings. A handout of the guidelines was provided. Mr. Hembree stated the agenda says for discussion only. He stated this is an initiative brought forward by the Legislative Branch with the fifth item being added by the Administration. He suggested placing on the agenda next month for action or amending the agenda today if action is to be taken today. Councilor Hoskin Jr. recommended striking #5. Councilor Bill John Baker voiced concern with item #3. He stated once the 15 districts are implemented the Tahlequah Community building will be 1 block outside the District 1 boundary lines and there isn't another adequate building for community meetings. He stated there shouldn't be a mandate within a district especially when it is cutting a city down the middle. He further stated a joint meeting would be impossible. He voiced concern for item #4 with staggered terms being implemented and not being able to have a community meeting when a district doesn't have a race. Mr. Hembree suggested deleting item #3. He suggested to de politicize there shouldn't be any community meetings from January to July of an election year. Councilor Bill John Baker suggested #5 to read as Community meetings shall be organized and promoted by the Council Member of the district. The host Council Member shall arrange the meetings as they see the need of their district. The Executive and Judicial branches will be invited. He suggested adding a #6 that programs and departments of the Cherokee Nation shall be invited to share information with the Cherokee citizens as well as take applications for services.

Councilor Cowan Watts moved to amend the agenda for action on this item. Councilor Garvin seconded the motion. Councilor Hoskin Jr. stated he would be opposed to the motion that there have been changes suggested and doesn't see a need to take action today. Councilor Glory-Jordan also requested additional time for consideration. Councilor Crittenden questioned why the in district community meetings are so restricted when the West Coast meetings aren't. Councilor Frailey requested the motion be restated. Chair Jack Baker stated the motion is to amend the agenda to change this to an action item. The motion failed to amend the agenda.

Councilor Coates inquired if this also applies to the At Large districts. She voiced concern for the annual spring picnics not being able to happen during an election year.

Councilor Garvin stated he is getting ready for one of these meetings and requested direction. Chair Jack Baker suggested speaking with Doug Evans for guidance.

Mr. Hembree stated he was requested to draw up the guidelines as broad as possible. He issued caution that the more rules placed the more trouble you will find. Chair Baker suggested the items requested for change today be submitted to Mr. Hembree for action at next month's meeting.

Mr. Evans stated he has been approached as to where employees should charge time to when volunteering for an event. He stated there isn't a provision for volunteers at the community meetings. Mr. Hembree aired caution against giving comp time. Ms. Catcher stated this is extremely touchy territory with federal

employees.

- 2. A LEGISLATIVE ACT AMENDING LEGISLATIVE ACT #37-07 AUTHORIZING THE COMPREHENSIVE BUDGET FOR FISCAL YEAR 2008 - MOD 10: AND DECLARING AN EMERGENCY

Mr. Doug Evans gave an overview of his review of the budget modification request. He stated there is one that needs to be added for the increase in the direct cost recovery to offset TERO's request for IDC funds.

Councilor Coates made a motion for approval. Councilor Fishinghawk seconded the motion. Motion carried.

ANNOUNCEMENTS

None.

ADJOURNMENT

Councilor Coates made a motion to adjourn. Councilor Cirttenden seconded the motion. Motion carried at 4:33 p.m.

STAFF PRESENT:

Callie Catcher	Shay Smith	Jon Overacker
Doug Evans	Todd Enlow	Ginger Brown

VISITORS PRESENT:

Raymond Vann	Guy Wolcott	Jim Ketcher
Shawn Slaton	Todd Hembree	Robert Drvostep
Carey Tilley		

APPROVAL / DISTRIBUTION

Minutes submitted by: Shelli Brittain, Legal & Legislative Coordinator.

Motion to approve minutes made by: Coralyn Watts

Minutes attested and concurred by: Jack R Baker

Date: 8/28/08