

MINUTES NOVEMBER 3, 2007

General Tribal Council Meeting Minutes

Rescinding resolution for the August 11, 2007 GTC Motion

Replacing resolution for the August 11, 2007 GTC Motion

November 3, 2007

Turtle School – 10:00 a.m.

Present: Gerald Danforth – Chair, Kathy Hughes – Vice Chair, Mercie Danforth – Treasurer, Patty Hoefl – Secretary, Paul Ninham, Trish King, Melinda J. Danforth, Vince Dela Rosa, Ed Delgado – Council Members

Opening: Mary Dodge

Parliamentarian: Jo Anne House

Quorum: 1,083

Chair Provided information to GTC that the Revenue Allocation Plan is with the BIA and had been submitted on time. To date, we haven't heard back from them yet. Stated why a GTC meeting was scheduled today due to another group of petitioners that had come forth with an alternative plan that suggested a lower amount of per capita that differed from the August 11, 2007 motion. This was the plan for consideration, a lesser amount of per capita.

In his mind, the most important thing for the nation was not the end result, but how we make that decision. He explained that presentations would take 15 minutes and then a period for discussion could be kept to three minutes, then action of the resolution contained in the packet.

Note Explained the voting process and provided housekeeping information regarding the use of wristbands for voting purposes for larger turn outs. We're testing how the wristbands will work for voting purposes. With that, the Chair called the meeting to order at 10:15 a.m. with a current quorum of 760 signed in

Adoption of the Agenda

Pat Cornelius Motion by Pat Cornelius to adopt the agenda, seconded by Sherrole Benton.

Madelyn Genskow Motion by Madelyn Genskow to amend the main motion that total presentations for all the issues be 1/2 hour total and 1 hour for discussions total, seconded by Linda Dallas.

Sherrole Benton Motion by Sherrole Benton to amend the main motion that we vote by secret ballot, seconded by Linda Mercier.

Vote On The 2nd Amendment Motion by Sherrole Benton to amend the main motion that we vote by secret ballot, seconded by Linda Mercier. Motion failed.

**Vote On The
1st Amendment**

Motion by Madelyn Genskow to amend the main motion that total presentations for all the issues be 1/2 hour total and 1 hour for discussion total, seconded by Linda Dallas. Motion carried.

**Vote On The
Main Motion**

Motion by Pat Cornelius to adopt the agenda, seconded by Sherrole Benton. Motion carried.

Presentations

Review of overall projected impacts

Petitioners

Introduced all petitioners. Explained their point of view to GTC. Stressed they weren't here to take anything away from GTC, but to prevent harm to our tribal government and GTC. We are proposing a plan for per capita. We are not saying you don't deserve additional money. We agree that everyone can use additional money, but it is not free. We feel the membership should know the cost and try to keep Oneida sustainable.

We know there are Indians in poverty in Wisconsin, potentially one out of five. Let us help them by providing the education and services to get out of poverty, that's the community way. Our history is incredible, we've come a long way. We requested the financial impacts as a government as well as individuals. We want GTC to know about the federal and state criteria.

Financial Impact Presentation

Tribal Controller

With the use of a Power Point presentation, the Tribal controller stated in order to fund the August 11th per capita payment, we're going to access the balance sheet. This is where the General Reserves and additional investment initiatives will be liquidated. The Tribe invests in two categories, we have our business investments and we also have our cash investing portfolios of stock, bonds and mutual funds. On a manual tracking basis, we categorize whether these cash principal balances and investments are restricted or unrestricted.

Our General Reserves is the planned savings for the Tribe and part of the financial planning since the late 1980's. Its purpose was to established enough principal balance to maintain the services and programs, should revenues be disrupted by natural disasters, compact disputes with the state of Wisconsin or federal changes to available grant funding.

The current General Reserve balance as of August 11, 2007 was \$78M. Our estimated loss on annual interest and earnings on the General Reserve is \$6M. As it was working its way toward its purpose, assuming on this graph gaming revenues were disrupted, based on the 2008 budget figures, tribal contribution necessary to cover all operations, debt obligation, education and land acquisition funds, current per capita of \$800, tribal contribution needs would have been \$117M.

With a General Reserve balance of \$78M and actual earnings were maintained on those reserves, we would have reached that target in the year 2013. With the \$2000 per capita before us today, this tribal contribution target would have been reached in the year 2020. Our estimated annual interest and earnings in the year 2013 would be \$7.9 million which is the time when the reserves would have reached its target. These earning would have been flowing back into the revenue streams as sources of funds for your current year budget.

An additional use of the General Reserve, the principal balance provided the tribe with advantages in securing debt and a safeguard against the revenue short-falls that are needed during the growth and development that was planned by the tribe.

The impact of August 11th, we will be depleting the General Reserves in its entirety, we will no longer have the safeguards against the revenue shortfalls, or flexibility on the start up cash flows on our major constructions projects. As a result of the action of August 11th, we've gone into a technical default on our debt covenants. We are in the process in negotiating a one time wavier for this payment. As a result of technical default, we will have limitations on our future borrowing ability. We will need to provide more collateralization and our interest rates will increase as we move forward trying to obtain our debt. Also, as a result, we will have no reserves that protect us against a default should there be a call on the outstanding debt.

Additional investment balance supporting the per capita payment of August 11th is \$11.7M, the estimated loss of annual interest and earnings of this principal is \$859 thousand a year. Prior to August 11th, we did have a balance plan for the 2008 budget, we had to make some adjustments in order to lower our debt payment by putting CIP projects on hold, lowered a supplement to the Veterans Home Loan Program, eliminated any deposit into the General Reserve, we put some technology projects on delay. We had established a set aside toward an Oneida Life Insurance Plan Plus, now eliminated. We needed to increase for the GTC stipends passed on August 11th.

Management

Assistant General Manager

The Assistant General Manager used a Power Point presentation to state that management's job was to provide a wide variety of services for the tribe. Two key services are education and health. He spoke of education's rising cost projections which is expected to double in five years. We have Health care services, 1/3 monies comes from IHS. That is the average rate nationwide for tribes. We obtain another 1/3 from 3rd party billing which provides some revenue back to the tribe. One impact of per capita, in some cases, you may be taken off of medicaid or medicare. What happens to the Health Center, we depend on billing back to Medicaid/Medicare. Those dollars we can't recoup,

we'll have to depend on tribal resources to fill that amount in. The last 1/3rd is from tribal contributions. For the future, if there is less and less resources we have access to, we might not have a choice to cutting back some of the services, or thinking of innovative ways of providing those services.

**Gaming General
Manager**

There's a perception by some that we are a multi-billion dollar organization. Using a Power Point presentation, he showed actual profitability starting from 2006 to explain that we are not a multi-billion dollar organization. Showed 2007 profitability and 2008's projections. He felt it important to explain that the real money was in the sales drop which means the total monies that go into the machines. He continued to show the deductions of cost and pay outs that go right back to customers. He further explained the difference between sales drop, pay outs and total wins as well as deductions of state compact cost, expenses for slots, table games, bingo poker, off track betting, etc. From that amount more deductions are taken for customer service, administration with state compact, accounting, compliance, shuttle, marketing, etc. which brings that number down even further.

Went over the 4.5 percentage of gaming compact fees for 2008-2013 and how other tribes are paying up to 13%.

Explained the marketing and advertisement programs and how they reach millions of people annually and national audience exposure which is a good leverage for the tribe. It generates unsurpassed advertising exposure through different signage which created awareness of Oneida and our cultural diversity as well to tourist and local visitors who are continually exposed to Oneida.

The Walk of Legends is for the same basis of extensive marketing exposure. It's one of the best marketing exposures you could get due to them being enduring. They also honor Oneida's past as well as future advertising to help us continue to grow through advertising.

Discussion

- Eugene Williams** Asked the Controller if we do get the \$5-\$10 thousand, when will we get back to present debt and with lost interest, what will this actually cost?
- Controller** The General Reserve will be 100% depletion. If we annually deposited \$2M into the General Reserve, the estimate to recover the \$78M will take until 2026.
- Eugene Williams** \$4 million in interest would be lost, correct?
- Controller** Currently, it's \$6M annually.
- Eugene Williams** That would take 13 years to get back to where we are now.
- Controller** If we annually deposited \$2M annually in the General Reserve.

- Eugene Williams** How much actually are we going to lose, with the interest?
- Controller** Interest all together is \$6.8 million annually for 13 years.
- Madelyn Genskow** Spoke of how IHS's open door policy, the Oneida Health Center must provide any type of in-house services to anyone who could provide proof of enrollment or descent. She felt this per capita should be paid out and in the future when stipends are started for attending GTC meetings, people will start taking interest in our future investments. In the past, \$108M was lost on shaky investments. We can make sure that money is spent on sound investments. She also asked if the gaming general management and upper management received profit sharing?
- Chair** No. They have an approved process of receiving bonuses at the end of the year. The tribe has a bonus program for gaming and administration that are overseen by the general managers.
- Brian Doxtator** Their facts haven't been provided to GTC through this whole process. He felt the positive and negative impacts should have been provided by management. He felt negative impacts will occur with this per capita. We seem to be losing who we are and what we're suppose to be about. He has listened to hundreds of people with many organizational concerns. There are issues in management, employee base and services. He didn't think that was justification to clean out the reserves. All we wanted was for you to listen to the facts and make a decision to vote. If you are still in support of the August 11th decision, that's the way it is, we respect that. Keep in mind all the negative stuff that will occur and what do we do to fix that then? How do we come together and fix the issues? Per capita will not fix the issues.
- Susan White** Spoke of the two resolutions in the packet. Basically the main portion of the second resolution is the plan to create an endowment fund. Spoke of how other tribes utilize endowment funds. If we have an Oneida per capita endowment fund, this issue would no longer be political. Think toward the future.
- Linda Dallas** Our Business Committee and management team failed to do their jobs prior to August 11, 2007, that's why we are here. They received John Powless' petition 5-1/2 months before the meeting occurred. She supported the per capita payout. We do have a constitutional right to call this meeting. We wasted a lot of money because the Business Committee and management haven't done their jobs the first time. I've been speaking on wasteful spending for 15 years. If you don't take the money and use it for your family needs, that money will go back to them.
- Chair** Three minute time frame is up.
- Privileged Question** The GTC did not limit the time that we can speak, you did. I ask the people if I
Linda Dallas can continue speaking.

- Chair** I specified to the assembly that the chair exercise discretion to limit the time to 3 minutes which has been our practice for many past GTC meetings. Asked the GTC what was their preference.
- Note** Points of order, privileged questions and discussion occurred until GTC agreed that Linda Dallas could continue speaking beyond the three minutes.
- Linda Dallas** Haven't seen good investments for us. The gaming incentive plan, she disagreed with the Chair. To her, it's a profit sharing plan and it states specifically for management and above which breaks down to 45 people. 170 managers and above was clarified by the Gaming General Manager, that's frustrating. The other day an email was shared with her on the Business Committee retirement plan. Felt Brian Doxtator should apologize for calling people greedy.
- Sherrole Benton** Point of order. The discussion is suppose to be on the petition, not personal attacks or personalizing any issues. We will not accept personal attacks on anyone, including you Linda.
- Linda Dallas** Thank you Sherrole, I think you owe an apology also. People know why they are here, let's vote.
- Steve Mittag** He was in favor of this profit sharing plan. He had contacts in Washington. He explained that it doesn't take one dime from gaming tribal revenues. The lawyer in Washington stated if it doesn't have anything to do with Gaming net revenue, they don't really care. It could be paid out at any time. You are tough enough to stick it out until December 12th.
- Regarding the community meeting, he was accused and attacked for feeding false information to GTC that he was providing incorrect information on the budget. Documentation, if it's one thing you'll learn from the tribe, it's documentation. Proceeded to read passages from the FY02 and FY08 budget resolutions, etc. Why did the budget go up? A private plan approved on December 29, 2006 and signed by the tribal chair that went into effect January 2007 for "highly compensated employees of the tribe and senior management only." They make the determination who fits that definition. I have the paperwork to prove it. In closing, it's not how hard you are hit, it's about how hard you get hit and keep moving forward.
- Laura Manthe** I came to support the plan and voice of reason for this plan. It's fiscally responsible, we need a plan before we spend money.
- Ed Delgado** Encouraged GTC to vote no on the reconsideration. He was in support of the per capita. He agreed that we need to quit pointing fingers. At the August 11th meeting, it was stated you need to get over the loss of \$100-200M investments, I don't think you need to get over it. You're the governing body of this tribe. Once we pay out the per capita, the tribal leadership needs to get over it and know they need to be responsible in their investments.

- Hugh Danforth** First of all, thanked everyone. We are all important. He supported the repealing of the August 11th meeting mainly because there was a lot of misinformation and a lot of information that wasn't provided. Asked people to support the repealing of the August 11th per capita.
- Judy Cornelius** Wanted to know what is going to happen with the payment to individuals who owe for child support or tribal debt.
- Chair** Those are two provisions in the Per Capita Ordinance that state garnishments can occur. This particular payment fell outside of the time frames the ordinance provides for. Obviously, some time frames cannot be met. There are currently some actions filed before the Appeals Commission seeking injunction on certain individuals for tribal debt, but I don't know about child support cases.
- Judy Cornelius** The law office or committee itself should have been looking at this to make sure the wording was right so those people are covered who are covered by the original ordinance as it stands because right now, they are not. Single parents, whatever the vote is, should have monies coming from that vote will not get it. Am I correct?
- Chair** I don't know, I think that's a question that has to be presented before the Appeals Commission.
- Patty Hoeft** The current Per Capita Ordinance says that per capita payments are to be garnished. The question is over the time lines, deadlines the current Per Capita uses and who is interpreting those deadlines. The current debate is about should per capita payments be garnished for child support? That is the question. Some people say no, some people say yes. The current ordinance says if you do not submit your request for garnishment by July 1st, then this per capita payment is not eligible to be garnished. But it all depends if it's July 1st of the fiscal year or calendar year. It's complicated to go over with this group. It all comes down to does the tribe want per capita payments to be garnished for child support.
- Bobby Doxtator** Wanted clarification on no flexibility for start up cash flow on major construction projects. If that reserve fund is there for the future if something happens, is money taken out of there to be used for start up construction funding?
- Controller** The flexibility on some of your major construction funds before they start to realize their revenue, if we start to have short falls, we'd have that available to sustain current operations should that occur while were waiting for that development phase to come to revenue generation. It's there for the safe guards against dips in revenue when your doing construction phase on major projects. The principal stays intact.
- Bobby Doxtator** I was proud of Oneida in terms of goods and services. We should be all be proud of that. When you do make that vote, think of what good it will do for you as a people. That includes those off the reservation, not just on. We are a part of it too. Let's not destroy all the benefits of what we have now. Vote with your conscience not just for the day, but for the future.

- Carol Smith** It's obvious that this last hour of discussion has been worthless because of the way people are going to vote. What programs or future planned projects are going to be seriously affected or eliminated by this payment?
- Mercie Danforth** In abiding by the August 11th motion, there are some projects being delayed. The major project delayed is Assisted Living because we reduced the debt payment to accommodate it. It is a balancing act to get those funds. One area looked at was Food Distribution plan and the number of people who will get that and how it will affect that service. It will vary.
- Sherrole Benton** Point of clarification, please name the endowments and what the purpose of what each endowment was that will be eliminated because of this per capita.
- Bernadine Vigue** She supported this. We might not have gaming forever. The benefits are great. I urge you to go see how much others have to pay for prescriptions, doctor appointments, surgeries. We need a safety net. There's a lot of complaints about leadership and how they managed our resources. If you don't like what they did, go to the polls and vote.
- Mercie Danforth** Endowments eliminated are the General Reserve, depreciation fund for equipment for operations, fund set aside for Four Fires administration, Oneida Health Center construction, Udag fund urban development fund, elderly pharmaceutical done back in the 90's, operational contingencies set asides, Children's Trust fund established in the early 90's. Those have all been eliminated along with few operational areas that we reduced.
- Joyce Skenandore** Many are angry of the waste and excess spending. The \$25,000 profit sharing bonuses per year, Housing Authority spending. Seven Generations Funds is secret that we're not allowed to know along with the Business Committee. Ever since I was a child, the majority of elders were waiting for the New York Land Claims, I say they deserve it, it will make their life easier. The tribe has come a long way over the last 40 years. If you as a Business Committee and upper management focused more on spending less, more money would be for the people. Remember, without GTC, there would be nothing. We are important and need to know what's going on.
- Chair** We are at the agreed upon time of discussion.
- Madelyn Genskow** Motion by Madelyn Genskow that the August 11, 2007 GTC motion stands and not be repealed, seconded by Patricia Olszusk.
- Ed Delgado** Point of order. Does this meet the same standard of needing a 2/3 vote?
- Chair** Asked the parliamentarian if the motion currently would only require a simple majority.
- Parliamentarian** A simple majority vote is needed.

Linda Dallas Point of clarification. There is confusion with the way the motion is written.

Madelyn Genskow Clarified her motion to reject the resolution on the floor and sustain the August 11, 2007 decision. The seconder agreed.

Chair Restated the motion and what it will do. A yes vote will sustain the August 11, 2007 action.

Vote **Motion by Madelyn Genskow to reject the resolution on the floor and sustain the August 11, 2007 decision, seconded by Patricia Olszusk.**
Motion carried.

Action **Motion by Vince Dela Rosa to adjourn, seconder not identified.**

Adjourned at 12:04 p.m.