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# TRIBAL BUSINESS COUNCIL MEETING NO. 17

## SPECIAL MEETING

DATE: October 01, 1999 TIME: 3:40 PM

### 01. Call Meeting to Order and Opening Prayer

The Special Tribal Business Council Meeting of October 1, 1999 was called to order by Chairman Tex Hall at 3:40 PM in the Tribal Council Chambers. A moment of silent prayer was held.

### 02. Roll Call

Chairman Tex Hall, Vice Chairman Mark Fox, Treasurer Marcus Wells, Jr., Secretary Daylon Spotted Bear, Councilman Austin Gillette, Councilman, Pete Hale, Councilman Tom Bird Bear (arrived at 4:55 PM – Mr. Bird Bear had been attending a FBHA meeting).

Recording Secretary Marlien Mossett Gillette.

### 03. Announcements

Tribal Business Council members reviewed and shared their itineraries and scheduled meetings.

#### Summary of Meetings:

9-27-99: Chairman Hall attended the National Indian Health Steering Committee meeting in Washington, DC. I.H.S. is allocated \$4 million dollars for 12 years.

9-28-30-99: Councilmen attended the hearings on the North Dakota Water Resource Bill in Washington, DC. Funds have been allocated for MR&I projects for the Three Affiliated Tribes. Attorney Dan Israel is assisting the Tribe in developing a resolution which would authorize amendments to the ND Water Resource Bill to prioritize Tribes, increase indirect cost funding under PL 93-638 contracts, and include funding for irrigation projects. Mr. Israel is also assisting the Tribe in developing strategies to secure funding for the replacement of the 4 Bears Bridge which is estimated at \$42.3.

9-29-99: Councilmen attended the Gaming Compact signing ceremony in Bismarck, ND where the Governor signed the Gaming Compact. The Compact was forwarded to Washington, DC for final review and is scheduled to be finalized and in effect within 5 weeks.

10-11-99: A joint community FSA meeting is scheduled to be held on October 11, 1999 at the 4 Bears Community Center to provide ranchers and farmers the opportunity sign up and participate in the class action lawsuit regarding FSA issues.

**04. Approval of Agenda**

**Motion** by Austin Gillette to approve the agenda as amended to add Carol Good Bear, bids for Aubol Lots and Buildings, Keplin Funeral Home, Andrew Reed, and Jackie Danks.

**Second** by Pete Hale.

**Vote:** 6/0/0/1

**Motion Carried.**

**05. Approval of Minutes**

**Motion** by Austin Gillette to approve the June 23, 1999 Special Tribal Business Council meeting minutes with corrections.

**Second** by Daylon Spotted Bear.

**Vote:** 6/0/0/1

**Motion Carried.**

**Motion** by Austin Gillette to approve the July 15 & 16, 1999 Regular Tribal Business Council meeting minutes with corrections.

**Second** by Marcus Wells, Jr.

**Discussion:** Marcus Wells, Jr. stated that the primary site for the 4 Bears Lagoon has been determined based upon environmental assessments and required surveys. The primary site is located on Snowbird land that consists of 160 acres. Councilman Wells noted that the 160 acres cannot be purchased with the \$1.3 million lagoon project grant money and other sources of funds will be used for the land purchase.

**Vote:** 6/0/0/1

**Motion Carried.**

**Motion** by Marcus Wells, Jr. to extend Jerry Nagel's Consultant Agreement to 10-15-99 to continue work on the 4 Bears Lagoon project.

**Second** by Austin Gillette

**Vote:** 6/0/0/1

**Motion Carried.**

**New Town Ambulance Discussion:** Fred Baker, Programs Manager, was assigned by the Council to contact Marilyn YB Baker for a follow up report on the New Town Ambulance Service issue as referenced on page 4 of the July 15 & 16, 1999 minutes. Mr. Baker will complete a final report to the Council.

**Motion** by Austin Gillette to approve the August 6, 1999 Special Tribal Business Council meeting minutes.

**Second** by Pete Hale.

**Vote:** 6/0/0/1

**Motion Carried.**

#### **06. Keplin Funeral Home**

Howard Frederick and Wayne Keplin established the Keplin Funeral Home in Rolla, ND and briefly discussed their desire to expand their services into Western North Dakota to include the New Town area. Keplin proposed to develop a business plan that would focus on Native American burial customs and traditions. Keplin discussed the use of the BIA Burial Funds and other burial funds to discount a percentage of the burial fee per individual funeral. Keplin discussed the possibility of coordinating services with Elbowoods Work Casket Manufacturing to develop discount burial packages. Keplin indicated their preference to utilize existing Tribally owned facilities to establish a funeral home.

The Tribal Business Council assigned Austin Gillette to coordinate future meetings with Wayne Keplin and Howard Frederick so they can present their funeral home business plan to the Council.

#### **07. Carol Good Bear**

Carol Good Bear, a member of the Gaming Commission, requested assistance from the Council to resolve problems that have developed among members of the Gaming Commission due to the absence of standard operating procedures. Ms. Good Bear summarized a series of events that have occurred over the past year and a half. As a result of these events, Ms. Good Bear requested that \$375.00 in court fees be reimbursed to her, that \$35.00 in filing fees be reimbursed to her, that she be paid 2 weeks and 10 hours of back pay, that standard operating procedures be developed for the Gaming Commission, and that one of the Gaming Commission members be removed.

**Motion** by Austin Gillette to schedule a Special Council meeting date with Carol Good Bear and the other Gaming Commission members, and detail the Legal Department to examine the development of standard operating procedures for the Gaming Commission.

**Second** by Pete Hale.

**Discussion:** A tentative date of October 15, 1999 was scheduled, subject to the length of the Regular Tribal Business Council meeting that is scheduled for October 14, 1999.

**Vote:** 7/0/0/0

**Motion Carried.**

**08. Tribal Budgets FY2000**

**Motion** by Mark Fox to grant a continuation of the FY99 General Fund Budget and to allow the Council to review and analyze the proposed FY2000 General Fund Budget until the next Regular Tribal Business Council meeting on October 14, 1999.

**Second** by Pete Hale.

**Discussion:** Council members discussed that it was necessary to deduct funds from the General Fund accounts to supplement program shortfalls. The amount of program shortfalls has been progressively increasing over the past few years. Council members suggested that all funds used from the General Fund accounts to cover program shortfalls be listed in a report and forwarded to Al Nygaard, JTAC Consultant, to be included within the four categories under the JTAC plan for possible reimbursed back to the General Fund.

**Vote:** 7/0/0/0

**Motion Carried.**

**Motion** by Austin Gillette to authorize Chairman Hall and Fred Baker, Programs Manager, to research the process to secure additional BIA Burial Funds.

**Second** by Tom Bird Bear.

**Discussion:** Fred Baker was assigned to research the remainder of the I.H.S. and BIA functions to be reviewed for possible contracting by the Tribe.

**Vote:** 7/0/0/0

**Motion Carried.**

**09. Legal Department**

- a. Proposed Agreement with SHP Engineering & Architecture for Construction Management of Fort Berthold Agency Headquarters FI&R Project – Robert Young Bird and Kip Quale.**

**Motion** by Mark Fox to approve the construction management agreement with SHP Engineering & Architecture for the renovation of Fort Berthold Agency BIA headquarters FI&R project and residential quarters.

**Second** by Marcus Wells, Jr.

**Discussion:** To protect the interests of the Tribe, section 13.4, page 10, Reimbursable Expenses, was deleted and the start date was revised from September 28, 1999 to reflect the actual start date of the project.

**Vote:** 7/0/0/0

**Motion Carried.**

**b. Construction by McKenzie Electric Cooperative of Extended Electric Overhead Service Lines to Residence – Ambrose Phelan and Kip Quale.**

**Discussion:** The cost to extend electric overhead services to Ambrose Phelan's home would cost \$14,000. The Council recommended that Mr. Phelan relocate his mobile home to the Mandaree Trailer Court while other options to decrease costs are researched.

**10. 4 Bears Casino Refinancing**

**a. Miller Schroeder Refinancing Proposal – Patricia Fredericks**

Patricia Fredericks presented a proposal to refinance the balance of the existing casino loan that was made by the Tribe to buyout the Bruce Lien management contract in 1997 and to extend a new loan for the renovation and expansion of the casino as well as a working capital loan to the Tribe.

The first option presented included financing with a general obligation pledge:

The taxable loans to refinance the balance of the existing casino loan in the amount of \$4.2 million and to finance the casino hotel expansion project in the amount of \$3.28 million were offered at an interest rate floating at prime plus 75 basis points or 9% for 3 years and a reset rate at prime after the 3 years. Estimated monthly payments were \$87,048 amortized over 12 years.

The tax-exempt loans for Tribal working capital in the amount of \$3 million and for the casino convention center in the amount of \$1.72 million were offered at an interest rate of 6.5% or a maximum of 7%. Estimated monthly payments were \$49,681 amortized over 12 years.

The second option presented included financing with a pledge of JTAC:

The taxable loans to refinance the balance of the existing casino loan in the amount of \$4.2 million and to finance the casino hotel expansion project in the amount of \$3.28 million were offered at an interest rate floating at prime or 8.25% for 3 years and a reset rate at prime after the 3 years. Estimated monthly payments were \$83,489 amortized over 12 years.

The tax-exempt loans for Tribal working capital in the amount of \$3 million and for the casino convention center in the amount of \$1.72 million were offered at an interest rate of 6% or a maximum of 6.25%. Estimated monthly payments were \$47,770 amortized over 12 years.

Total cost of issue for all loans in the amount of \$12.48 million was \$280,000.

The Tribe has the option to prepay the loans at no additional cost and can make an interim loan prior to closing.

**b. Government Capital Corporation – Terry Walters**

Terry Walters presented the following finance proposal.

Promissory Note for a total amount of \$12.490 million.

The first option to finance the taxable loans included the refinancing of the existing casino loan in the amount of \$4.2 million and to finance the hotel expansion in the amount of \$3.3 million, plus placement fees at 1.75% or \$131,250 and Bond Counsel fees in the amount of \$22,500 for a total taxable loan in the amount of \$7,653,750 at an interest rate of 8.859% over 12 years with monthly payments of \$86,495.36.

The first option to finance the tax exempt loans included the financing of the convention center in the amount of \$1.74 million and Tribal reimbursements in the amount of \$3 million, plus placement fees at 1.75% or \$82,950 and Bond Counsel fees in the amount of \$14,220 for a total tax exempt loan in the amount of \$4,837,180 at an adjustable interest rate of 5.659% over 12 years with monthly payments of \$46,354 or at a fixed interest rate of 6.393% over 12 years with monthly payments of \$48,193.

The Tribe can prepay the loans at 101.25% in month 36 declining to PAR at month 84 to maturity.

Taxable Bond for a total amount of \$7.795 million.

This included refinancing the existing casino loan in the amount of \$4.2 million and financing the hotel expansion project in the amount of \$3.3 million, plus Placement fees at 2% or \$150,000 and Miscellaneous at \$10,000 and Bond Counsel at \$22,500 for a total taxable bond of \$7.795 million at a fixed rate of 8.42% over 12 years with a monthly payment of \$86,183.

The Tribe can prepay the bond at 102% of outstanding principal in 84 months.

**c. John G. Kinnard & Co.**

The first option included financing the taxable portion of the loan with a revenue note in the amount of \$7.670 million at a fixed rate of 8.35% amortized over 12 years. Monthly payments were not established.

The cost of issuing the loan is \$250,000. The Tribe can prepay the loan at 102% declining to 100% after the 10<sup>th</sup> anniversary of the closing date.

The first option included the financing of the tax exempt portion of the loan with Bonds in the amount of \$4.865 million at a fixed rate of 6.87% over 20 years. Monthly payments over the 20-year period were not established.

The cost of issuing the loan is \$250,000. The Tribe can prepay the loan at 102% declining to 100% after the 10<sup>th</sup> anniversary of the closing date.

The second option included collateralizing funds equal to the amount of the loan in the amount of \$7.670 million at a fixed rate of 6.7% over 12 years. Monthly payments were not established.

The cost of issuing the loan is \$250,000. The Tribe can prepay the loan at par after the 5<sup>th</sup> anniversary date of closing.

The second option included collateralizing funds equal to the amount of the loan with Bonds in the amount of \$4.865 million at a fixed rate of 6.53% over 20 years. Monthly payments over the 20-year period were not established.

The cost of issuing the loan is \$250,000. The Tribe can prepay the loan at 102% declining to 100% after the 10<sup>th</sup> anniversary of closing.

**Motion** by Mark Fox to seek an interim loan in the amount of \$452, 000 with Community First Bank of Dickinson to be secured with the Debt Reserve Account that was set aside by the Casino under the existing Miller Schroeder finance agreement.

**Second** by Pete Hale.

**Vote:** 6/0/0/1

**Motion Carried.**

#### **11. Aubol Properties - Resolution**

**Motion** by Tom Bird Bear to pass a resolution to authorize the expenditure of \$252,500 from available tribal funds to close the purchase of Aubol properties located in New Town, subject to successful financial arrangements by Tribal Chairman and Tribal Treasurer to secure a loan in the amount of \$252,500.

**Second** by Austin Gillette.

**Vote:** 7/0/0/0

**Motion Carried.**

**Resolution No. 99-186-DSB**



**12. Andrew Reed – Financial Request**

**Motion** by Marcus Wells, Jr. to approve a loan in the amount of \$500.00 to Andrew Reed to cover educational expenses, subject to qualifying with the Small Loans Program criteria.

**Second** by Tom Bird Bear.

**Vote:** 7/0/0/0

**Motion Carried.**

**13. Mary Wells – Community Issues**

**Motion** by Marcus Wells, Jr. to add Mary Wells to the agenda.

**Second** by Tom Bird Bear.

**Vote:** 6/0/1/0

**Motion Carried.**

Mary Wells and her son Kenny Wells discussed with the Council domestic disputes that are affecting staff within the Parshall Tribal office.

For the record the, the disputes will be handled in Tribal Court and not by the Tribal Business Council.

**14. Ambrose Phelan - Relocation**

**Motion** by Pete Hale to authorize the MR&I staff to move Ambrose Phelan's mobile home to the Mandaree Trailer Court.

**Second** by Austin Gillette.

**Vote:** 7/0/0/0

**Motion Carried.**

**14. JTAC Update**

**Discussion:** The Council briefly discussed options to reinvest various percentages of JTAC funds over long-term periods and use the interest payments averaging \$11 million to fund immediate needs. Investors will develop proposals for future consideration.

**15. Physician and Physician Extender Services Employment Agreement**

**Discussion:** The Council reviewed a proposed amendment to the employment agreement between Larry J. Sokolic, MD, Terrilyn Nelson, and Cory Arcelay, MD, that related to excess liability coverage in addition to coverage already provided under the Federal Tort Claims act. No action was taken to amend the original agreement.

**16. Jody Breik – Resolution**

**Motion** by Austin Gillette to add Jody Breik to the agenda.

**Second** by Tom Bird Bear.

**Vote:** 6/0/0/1

**Motion Carried.**

**Motion** by Pete Hale to approve the amended resolution authorizing a \$3,000 loan and a \$3,000 grant to Jody Breik for business development and to authorize Ed Hale to repay the \$3,000 loan at \$150.00 bi-weekly at 8.25% APR over a period of 8 months.

**Second** by Daylon Spotted Bear.

**Vote:** 5/1/1/0.

**Motion Carried.**

**Resolution No. 99-187-DSB**

**17. Adjournment**

**Motion** by Pete Hale to adjourn the Special Tribal Business Council meeting of October 1, 1999 at 9:35 PM.

**Second** by Tom Bird Bear.

**Vote:** 7/0/0/0

**Motion Carried.**

**CERTIFICATION OF MINUTES**

I, the undersigned, as Executive Secretary of the Tribal Business Council of the Three Affiliated Tribes of the Fort Berthold Reservation, hereby certify that the Tribal Business Council is composed of seven (7) members, of whom five (5) members constitute a quorum. \_\_\_\_\_ Members were present at a \_\_\_\_\_ Meeting thereof duly called, noticed, convened, and held on the \_\_\_\_\_ day of \_\_\_\_\_, 1999 whereupon the foregoing minutes were presented for approval by the Three Affiliated Tribes Recording Secretary.

Said minutes were duly approved by the affirmative vote of \_\_\_\_\_ members, and have not been amended in any way, except as noted by council when approved.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 1999.

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Daylon Spotted Bear, Executive Secretary  
Tribal Business Council, Three Affiliated Tribes

**ATTEST:**

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Tex Hall, Chairman  
Tribal Business Council, Three Affiliated Tribes