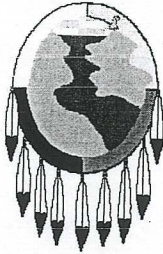


Accepted 4/2/03

Final Draft to
Approve
4/2/03
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LITTLE RIVER BAND OF OTTAWA INDIANS
TRIBAL COUNCIL
REGULAR MEETING
WEDNESDAY, NOVEMBER 20, 2002
LITTLE RIVER BAND COMMUNITY CENTER

OPEN SESSION
MINUTES

The Little River Band of Ottawa Indians held a meeting at the Little River Band Community Center on November 20, 2002. Following are the minutes of that meeting.

I. Opening Prayer

The Tribal Council engaged in a silent prayer.

II. General Business

A. Call To Order:

The regularly scheduled Tribal Council meeting of Wednesday, November 20, 2002, was called to order at 10:10 a.m.

B. Roll Call

C. Bennett – Present	C. Fisher – Present	T. Kleeman – Present
L. McCatty – Present	P. Medahko – Present	S. Parsons – Present
E. Porter – Present	P. Ruiter – Present	J. Sam – Present

Quorum established.

Others Present: Jo Anne House, Kathleen Block, Sheri Hunt, Bill Willis, John Bussey, Matthew Stratton, Steve Lewis, Michael Sprague, Pat Morris, Leatrice Castonia, Bob Whiteloon

C. Approval of Agenda

Porter asked to add New Business H Discussion Regarding Casino Audit.

**MOTION TO APPROVE AGENDA AS AMENDED,
ADDING NEW BUSINESS H – DISCUSSION REGARDING
CASINO AUDIT; by Kleeman; supported by Ruiter.**

Roll Call

C. Bennett – Yes	C. Fisher – Yes	T. Kleeman – Yes
L. McCatty – Yes	P. Medahko – Yes	S. Parsons – Yes
E. Porter – Yes	P. Ruiter – Yes	J. Sam – Yes

Motion carried (9-0-0-0)

D. Tribal Council Minutes

6/5/02

Sam stated she will have copied today for Council review 11 sets of minutes through August 28, 2002 and set up a work session for drafts. Sam asked that these be put on the agenda during the first week in December.

Lee Sprague, Jim Clements, Candace Chapman arrived at 10:16 a.m.

E. Public Comment Period

Parsons stated the Tribal Council engaged in an auditing firm to conduct a compliance audit of the Tribe. That audit has been completed and yesterday there was a meeting with the Council, Ogema, auditing firm, accounting staff and directors. Parsons stated the final report will be distributed next week. Parsons stated there were a number of items that were sobering. Parsons stated Council and the Ogema will be addressing these concerns.

Lee Sprague distributed written comments to the Council for the record. Statement reads as follows and is placed in italics to identify Mr. Sprague's statements for the record:

"I am Lee Sprague, Tribal Member, and currently the Director of Economic Development for the Little River Band.

Yesterday, I sat through a daylong meeting during which the independent audit firm delivered the results of the compliance audit recently conducted. As I sat through the presentation of a report that amassed 68 pages long, I found myself becoming furious. Today, I am still angry, so I ask the Council to bear with me as I address this public comment.

Yesterday, we were told that two "audits" performed by Robert F. Lewis, CPA was rejected by the Federal Government as not meeting federal standards. In addition, Joseph Eve, CPA, the firm that delivered the report, informed many of us, including the Council and the Ogema, that our accounting systems were severely deficient, and that the rejection of the audits will have a severe impact on the tribe, potentially affecting our 46 million dollar casino loan, all of our grants from the government agencies. I believe that

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the accounting issues may even result in the delay of implementing a per capita plan for tribal members.

I want to go on record and inform both the Council and the current Ogema that I have been raising issues about accounting systems since I arrived in 2000.

- *At that time as a Grant writer, I asked the Director of Grants and Contracts, John Bussey, for copies of the tribe's audited financial statements, as I knew audited financial statements have to be provided during the application phase for grants. I also asked for a copy of the organizational chart. None of the documents I requested was ever produced*
- *As Economic Development Director, my department has raised many concerns regarding the lack of audited financial statements, and the fact that the accounting department was unable to prepare any accurate financial information to support economic development projects of this tribe as authorized by the Tribal Council.*
- *These issues were raised time and time again to both John Bussey and Bob Davis, and even in some context, to the Tribe's General Council, Bill Brooks.*
- *Jessica Burger, Health Director, has also been raising similar issues for approximately the past year, also being ignored or shot down.*

Senior Management completely ignored any of our efforts to identify problems and improve the systems. We have a Management style that attacks the messenger and fails to hear the message.

- *In fact, I am aware that Mr. Bussey personally tried to convince the Tribal Council to send in the bogus audit for FY 2001, in support of the indirect cost proposal. Thankfully, members of the Tribal Council researched the issue, and withheld that audit, otherwise the Tribe may have been a position with far deeper issues than we are today. While we have raised these issues consistently with Mr. Bussey for close to two years during our weekly meetings, Mr. Bussey's response has been to characterize our concerns as without merit. We were not team players. We were prohibited from speaking directly to Council about our concerns.*
- *When Mr. Davis would be confronted with concerns, he would adamantly defend the CFO and accounting. In addition, my department paid a price for not "going along" with the Director of Operations Management style. Every Economic development project that we worked on this year, the Gas Station, Walters Fisheries, was either assumed by the unauthorized "Project Management Team" that was a creation of Mr. Davis, Mr. Broton, Mr. Bussey and a few other key individuals, suffered the abuse of Mr. Broton's financial analysis.*
- *All the while, the very department that Mr. Broton was to oversee was not preparing any valid accounting information-for over two years.*
- *At the last Council meeting this past Saturday, when I again raised these issues to Council, Mr. Davis again defended Accounting and Mr. Broton. When I called into question Broton's lack of attendance at management meetings, Mr. Davis raised issue with my lack of attendance at the very next management meeting,*

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which I missed to be at the birth of my baby daughter (binojees ndaunis.) Rather than open his eyes, he spun the issue around, once again, attacking the messenger.

- *Walters Fisheries-as of this day, even if the Council and Ogema wanted to purchase Walters Fisheries-the Tribe would not be able to because we still don't know if there is any money in the account to pay for it. Why? Because the CFO never ensured or produced accurate financial information.*
- *When issues arose with Mr. Brooks over Walters Fishery, even he characterized my legitimate concerns as "juvenile passive-aggressive bullshit games" between my department and Accounting, rather than look to the validity and merit of the issues we raised.*

This entire situation angers me. This accounting department doesn't operate in a vacuum. It does not operate in isolation. My assessment is that we have good people, good tribal members working in that department, but they were never given the leadership or direction to realize their full potential.

This situation could only result from the following issues:

- *The Director of Operations and Ogema, both past and current Ogemas had no inclination to investigate and correct the severity of the problems before us. Even though members of Tribal Council stated the financial statements were not accurate and did not meet Governmental Accounting Standards.*
- *The "leadership of the Tribe", Director of Operations, Ogema, General Counsel, and the Director of Grants and Contract or Director of External Resources, were all more concerned with their personal relationships to the CFO than addressing real problems when raised. We pay these individual well over a quarter of a million dollars to prevent the kind of financial chaos that we find ourselves in today.*

The questions that need to be answered are:

Can we, the government and membership, afford a management style that attacks the messenger and fails to listen to the message?

Is the management style currently in place capable of leading the necessary changes to correct the problems before us today?

*I want to applaud the elected leadership for their diligence in getting to the truth of the failure of operations in the Tribe. However, given the failure of the key personnel whose job it is to prevent this from happening, can we trust these same individuals to lead?"-
End of Written Statement submitted for the Record.*

Richard Sprague arrived at 10:23 a.m.

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Lee Sprague stated that through the elected leadership pro-active steps have been taken by the Council. Sprague stated there is a solution at hand and his department would like to help facilitate that change. Sprague does not understand how this could have happened.

Candace Chapman asked if there is money in the bank and if we are covered if the bank goes under. Parsons responded that the first he had heard of the collateralized deposit issue was yesterday.

Kenny Pheasant and Mark Sundberg arrived at 10:29 a.m.

Richard Sprague spoke of the Saturday meeting and the amount of persons that were needed in accounting. Richard Sprague asked if embezzlement may have happened and knows that Council may not be able to answer that. Sam responded that this was a policy and procedure compliance audit.

Michael Sprague voiced his opinion that he hopes the Council is looking at getting that audit done. Michael Sprague stated that if there are any criminal doings, those matters need to be addressed by someone other than Tribal police. Michael Sprague expressed his lack of faith in the Tribal police at this time and does not know if there are any enforcement issues out there. Sprague noted there are approximately 23 officers.

Parsons stated Joseph Eve is the audit firm out of Montana. Parsons informed the membership that Council did reject the previous 2001 audit, as it was deficient. Parsons stated Health and Human Services Audit Office has rejected two prior audits, which were conducted by the Bob Lewis firm. Parsons noted corrective action steps have begun and will continue to be taken. Parsons stated this will be an expensive endeavor and an appropriation is later on the agenda today to fund many of the steps necessary to correct the conditions.

Gary Markowski arrived at 10:35 a.m.

Michael Sprague voiced an issue with the lack of enforcement by Tribal Police. Sprague stated he brought an issue of missing tools to the Tribal Police and they chose not to investigate the complaint. Sprague expressed his concern with Tribal police buying snowmobiles and ATV's.

John Shepard arrived at 10:38 a.m.

Richard Sprague asked why Public Safety top officials issues are not being addressed and asked why the Director has not been asked to step down. Sprague expressed concern of Joe LaPorte being on a commission and understands he has applied for appointments to every commission.

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Parsons stated LaPorte does not sit on any commission and he currently sits on the Little River Maintenance and Construction Company Board. Richard Sprague stated it does not make sense to have our Public Safety official sit on any board.

Lee Sprague stated there is a provision within the charter of the Little River Maintenance and Construction Company to conduct an audit yearly. Sprague stated the charter has not been followed.

Matthew Stratton mentioned the positive items that came out of the meeting regarding the results of the compliance audit. Stratton expressed the good things that were noted in the HR Department. Stratton stressed the importance of looking at the positive. Stratton had a concern with the way the meeting was opened up and having the auditors state "what does it take to get fired around here." Sam voiced she agreed with the tone set for the meeting, given the severity of the issues. Sam commented she will not sugar coat the seriousness of the situation for anyone. Sam stated there is a two-year period with severe deficiencies in operations and management identified and those deficiencies have the potential to impact this Tribe for millions of dollars. Sam stated herself, Parsons and the Ogema are planning to fly to Washington to meet with federal officials regarding the audits that did not meet the standards. Sam stated we are in a containment mode now and we should not have to be. Sam stated her trust in other people's judgment is very minimal. Sam stated a potential impact to the Tribe is the casino loan is in jeopardy of being reviewed, which is a \$46 million loan. Sam stated she does not deny her own accountability but does rely on the Executive Branch and staff that items are being handled and finding out later that they are not. Sam stated the leadership of the Tribe should be on the same side. Sam stated there were strong statements made after the meeting. Sam stated she knows what her obligations are for financial oversight. Sam stated there is a possibility of losing grants, which are one-third of the Tribal budget. Sam stated this continued for two years and was never corrected by the Executive Branch. Sam stated both Ogemas have allowed this to happen. Sam stated she did take note of the positives, but would not minimize the negatives.

Chapman stated she looked at the positives also but we also have to look at the negatives. Chapman stated we cannot continue to sweep it under the carpet. Michael Sprague stated it appears there is not an appropriate system of checks and balances and whose responsibility is it to watch over others. Lee Sprague stated there are a lot of positives going on and the compliance audit was proactive act by Tribal Council.

Jessica Burger and Sheri Ivens arrived at 10:54 a.m.

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Lee Sprague stated there was a positive message by Sitting Bull: 'Strategic thinking requires the willingness to consider all alternatives, to share information to develop them, and to commit to follow through with a plan of action that best serves the interest of the whole community.'

Lee Sprague stated Council did have this information brought to the table and will serve the best interest of our community.

Michael Sprague stated when he brought up issues to his past employer Little River Maintenance and Construction Company, about some other employees, he got laid off indefinitely and now wants to know who is watching over them.

Gary Lewis stated within the 100 to 120 years our people had such an efficient way of dealing with problems and then the Tribal Police were developed by the federal government. Lewis stated there are Tribes that protect our people from the outside and protect our Tribal people.

Matthew Stratton believes we should not forget about the negative stuff but he wants us to put the same weight on the positive stuff for more balance.

Bridget Cole arrived at 10:59 a.m.

Gary Lewis stated other Tribes have public safety departments to protect our people from the outside, which is a system that was around 100 years ago.

Porter thanked the many good people that the Tribe has. Porter responded to "who is watching the watcher" and stated it will probably be Council. Porter stated the Council needs to work with the Ogema to get things back on track. Porter stated Council has had issues for quite some time. Porter stated Council is not going to sit back and will be in the offices and will be asking for papers.

Michael Sprague feels blessed that he has been held accountable for every action he has taken. Michael Sprague stated those are hard lessons to learn but believes the Tribe can get through this. Medahko agreed with Michael Sprague. Medahko stated per cap may be delayed because of the issues identified by the audit. Medahko stated prior elected officials and the prior Ogema had a hand in letting this happen. Medahko stated Council was discussing how traditions and customs have been lost and are being handled with non-Native thinking and we should be thinking as a sovereign nation. Medahko stated we need to remember respect, honor and integrity. Medahko stated even if we don't agree with someone, no one should be afraid of speaking out. Medahko stated there were more than directors and Council in the meeting yesterday, there were staff

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persons. Medahko stated Council are the ones who were out on the limb yesterday. Medahko thanked the Speaker, her brother, for the work that he does everyday. Medahko stated we are a sovereign nation and we need respect, courtesy, honor, and integrity and demand that corrective action is taken.

Richard Sprague stated when we are looking for answers to hard questions, it might appear to some to be less honorable.

Michael Sprague relayed to Council his experience with the hiring and interviewing process of the Tribal government. Michael Sprague asked what pool of elders are to be involved in the hiring process because he does not believe he should have been interviewed by two Human Resources persons. Gary Lewis agreed with Michael Sprague. Parsons stated there were concerns brought up yesterday regarding hiring, payroll and policy compliance, and the Council knows this should be addressed.

Jessica Burger thanked the Council for sitting in on the exit audit discussion. Burger stated she takes ownership of some of the issues that were raised because she has been raising the same concerns in management meetings, as she may have not spoken loud enough for some issues that were mentioned. Burger stated there are ways to respond to the audit letters that were sent. Burger believes we need outside guidance in regards to the audits but believes this is a re-birth. Burger stated we should define the issues and we should have a mission statement.

Joe LaPorte arrived at 11:23 a.m.

Burger respects Medahko in her comments. Burger stated we are not a business but a Tribe that owns a business. Burger stated she sees people everyday that need our help but this cannot happen without a vision. Burger stated the letters from HHS rejecting the audits are a "status" issue meaning the Federal status of the Tribe is at risk. Burger stated if the Tribe's recognition is revoked we would have to shut down, we have people who are in dire straights. Burger stated there have been some critical issues that have been outlined. Burger stated we need to be realistic in our timeline. Burger stated we have had a new Ogema for seven or eight months and it is impossible to fix six or seven years of problems in six months; the Council cannot fix it in three months. Burger stated we should have some common ground and she does have faith in our leadership because if she doesn't the Tribe will not exist. Burger stated the issues that were raised in the audit meeting were mentioned over and over again—we need values, vision, strategic planning and strong leadership. Burger stated we should give credence to information that is brought to the Council.

Jessica Burger stated one of the items that was barely touched on was training but believes that is critical. Burger stated Council needs training as well as staff but the commitment has to be there. Burger stated she read through her notes from yesterday and stated she is committed to helping the Council fix it as this is about our nation and our people. Burger stated time is of the essence and will require some focus. Burger went on to state that this should be a unified focus with the Ogema and Council united. Burger thanked the Council for listening to what was in her heart.

Richard Sprague spoke of the issues with law enforcement and the need to have trust and faith in our own public safety officers. Richard Sprague stated our top law enforcement officials should not be on any boards as it is a conflict of interest in the event crimes need to be investigated.

Richard Sprague, Michael Sprague, Gary Lewis and John Shepard left at 11:35 a.m.

III. Continuing Business

A. Grants & Contracts

Language CD-RAM

Medahko stated after yesterday's audit meeting she may not be as liberal as she may have been regarding grant issues. McCatty asked the total amount of this project. Pheasant stated the total amount is approximately \$79,000 and is broken into four sections. Pheasant stated we can recoup the price of this project by selling the CD-rom. Pheasant stated Tribal members would be allowed this CD at no cost but other Native people can purchase it. Sam asked if there is a licensing or copyright. Pheasant stated this would come to the Tribe and the Tribe would be the owner of the program.

**MOTION TO APPROVE RESOLUTION # 02-1120-01,
AUTHORIZING EXECUTION OF A PRODUCTION
AGREEMENT WITH JS INTERACTIVE FOR
PRODUCTION OF AN INTERACTIVE LANGUAGE CD; by
Porter; supported by Kleeman.**

Roll Call

C. Bennett – Yes	C. Fisher – Yes	T. Kleeman – Yes
L. McCatty – Yes	P. Medahko – Yes	S. Parsons – Yes
E. Porter – Yes	P. Ruiter – Yes	J. Sam – Yes

Motion carried (9-0-0-0)

B. CMT Business

No agenda items listed.

IV. Old Business

A. Acceptance of Financial Statement

This item was postponed from the 10/19/02 Tribal Council Meeting pending follow-up from the Ogema's office and legal opinion from Jo Anne House.

Sam stated there was a legal opinion that was submitted to the Council by Jo Anne House. Sam asked that this legal opinion be accepted by the Council. McCatty noted a correction in the opinion that the financial report was submitted by the Ogema and not the CFO. House stated Councilor McCatty is correct but this was the way it was in the past.

MOTION TO ACCEPT FOR FILING A LEGAL OPINION THE FINANCIAL REPORT SUBMISSION; by Porter; supported by Kleeman.

Roll Call

C. Bennett – Yes	C. Fisher – Yes	T. Kleeman – Yes
L. McCatty – Yes	P. Medahko – Yes	S. Parsons – Yes
E. Porter – Yes	P. Ruiter – Yes	J. Sam – Yes

Motion carried (9-0-0-0)

Sam stated the Council cannot be assured that there are any accurate financial statements since the year 2000 and believes we should inform the membership and postpone accepting any further financial statements. House stated her recommendation is to waive the requirement of inadequate financial statements of presentation of financial statements that do not meet the standards and that there be some identification of when those financial statements could be submitted. House suggested a resolution may be a more formal process of this.

MOTION TO REJECT THE FINANCIAL STATEMENT SUBMITTED BY THE TRIBAL OGEMA AND DIRECT THE OGEMA TO WORK WITH OUR LEGISLATIVE ATTORNEY TO DETERMINE AT WHAT POINT AN ACCEPTABLE FINANCIAL STATEMENT MAY BE FORTHCOMING; by Sam; supported by Kleeman.

Roll Call

C. Bennett – Yes	C. Fisher – Yes	T. Kleeman – Yes
L. McCatty – Yes	P. Medahko – Yes	S. Parsons – Yes
E. Porter – Yes	P. Ruiter – Yes	J. Sam – Yes

Motion carried (9-0-0-0)

B. Approval of Supplemental Appropriation, and Creation of Program Budget, for Internal Audit Department for Fiscal Year 2002

This item was postponed from the 10/30/02 Tribal Council Meeting pending work session. Sam stated in light of yesterday's audit meeting, she recommended postponing this item until adopting the 2003 budget and identifying ordinances, policies and procedures that should be in place. Parsons recommended removing this item from the agenda

MOTION TO REMOVE FROM THE AGENDA THE SUPPLEMENTAL APPROPRIATION, AND CREATION OF INTERNAL AUDIT PERTINENT, PENDING CONSTRUCTION OF LEGAL DOCUMENTS NECESSARY TO IMPLEMENT ORDINANCES AND POLICIES AND PROCEDURES TO SUPPORT THAT DEPARTMENT; by Sam; supported by Medahko.

Roll Call

C. Bennett – Yes	C. Fisher – Yes	T. Kleeman – Yes
L. McCatty – Yes	P. Medahko – Yes	S. Parsons – Yes
E. Porter – Yes	P. Ruitter – Yes	J. Sam – Yes

Motion carried (9-0-0-0)

C. Acceptance of Housing Commission Report

This item was postponed from the 11/16/02 Tribal Council Meeting due to late submission of report. Parsons stated the report was given that morning but there was no opportunity for Council to review it.

Lee Sprague, Bridget Cole and Jim Clements left at 11:51 a.m.

Medahko asked when we received the resignation from Phillip Memberto. Parsons stated there was a separate letter sent by Ruth Bussey. Medahko had a concern with Memberto listed as being absent ~~during~~ minutes instead of him actually being resigned. House stated the resignation was accepted by the Housing Commission during the first week in November. McCatty asked if the resignation is effective when one of the Commissioners received it rather than it being accepted by the Commission. House stated this is correct. House stated this was an oversight in the ordinance.

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MOTION TO ACCEPT FOR FILING THE HOUSING COMMISSION REPORT; by Kleeman; supported by Porter.

Roll Call

C. Bennett – No	C. Fisher – Yes	T. Kleeman – Yes
L. McCatty – No	P. Medahko – No	S. Parsons – Yes
E. Porter – Yes	P. Ruitter – No	J. Sam – No

Motion failed (4-5-0-0)

V. New Business

A. Discussion regarding change in Tribal Council meeting format and frequency for 2003

Sam informed the public that the Council is seeking direction for the Saturday meeting schedule. Sam noted a potential change could eliminate Saturday meetings and go to quarterly Saturday meetings with a format similar to a recent public hearing to get Membership input on government functions.

Sam stated due to the recent attendance at the recent hearings, she would like to establish quarterly meetings on Saturdays. Sam stated this would be a business meeting with the Ogema submitting quarterly reports to the membership.

McCatty stated the reason for the Saturday meetings was to accept reports and copy those for the membership. McCatty believes we should not have less meetings and it should be mandated that these reports be submitted. Sam reiterated Cornelius Deverney's statements from Saturday regarding the business of the Tribe. Medahko stated there are a lot of people who cannot be here for Wednesday meetings and these Saturday meetings should continue on. Sam suggested an amendment to the Meeting Procedures Ordinance and to make it mandatory that staff be present at the meetings. McCatty believes there is too much information and too many items that are acted on and is in favor of the Saturday monthly meetings.

B. Acceptance of Grant Funds from the United States Department of Agriculture (USDA) – Food Distribution Program and amending FY2002 Operating Budget to include funds in the amount of \$45,105

Tribe has been awarded grant funds from United States Department of Agriculture (USDA) – Food Distribution Program. Funds need to be formally accepted and FY2002 Budget needs to be amended to include these funds.

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Willis stated the Tribe had agreed to a match for this grant. Parsons stated the start date is listed as beginning October 1. McCatty stated the Tribe submitted the application on July 26, 2002 but that it was received by the federal agency on August 2, 2002. Willis stated there is a copy of the letter from the funding agency dated August 2, 2002, which indicates the grant has been awarded and the Tribe's financial obligation under this. Willis believes the grant has been formally awarded.

Michael Sprague applauded Yvonne Theodore that she is in compliance within her department.

**MOTION TO APPROVE RESOLUTION # 02-1120-02,
ACCEPTANCE OF GRANT FUNDS FROM UNITED
STATES DEPARTMENT OF AGRICULTURE (USDA) AND
APPROVING A MODIFICATION TO THE OPERATING
BUDGET FOR FISCAL YEAR 2002 IN THE AMOUNT OF
\$45,105; by Porter; supported by Medahko.**

Roll Call

C. Bennett – Yes	C. Fisher – Yes	T. Kleeman – No
L. McCatty – Yes	P. Medahko – Yes	S. Parsons – Yes
E. Porter – Yes	P. Ruiter – Yes	J. Sam – Yes

Motion carried (8-1-0-0)

C. Approval of Supplemental Appropriation for USDA – Food Distribution Program in the Amount of \$46,910 from the General Fund and amending FY2002 Operating Budget to Include these funds.

Tribe has been awarded grant funds from United States Department of Agriculture (USDA) – Food Distribution Program. Funds need to be formally accepted and FY2002 Budget needs to be amended to include these funds.

Sam asked if it would be necessary to appropriate money for expenses in the 2003 budget year, this is for two separate budget years. Sam believes we should also accept funds that will be used in this fiscal year. House responded that the comparisons are slightly different. House does not know how we can get out of the full matching amount, which was agreed to. House would recommend a recognition that their fiscal year is different than ours and this grant is for FY2002 and FY2003. House believes we should agree to the full amount of the match. Willis agrees with Sam regarding multi-year grants and only obligate what funds the Tribe is required to match. McCatty stated that if we go this route, we would need to do a budget modification every time a draw down is needed on a grant.

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Bussey asked McCatty to restate her statement. McCatty stated we may have funds awarded to us that may not be actually in our budget and we would have to do resolutions for drawdowns. House stated there a couple of concepts that are overlapping. House stated when awarded a grant there are funds that are brought into the budget. House suggested that this is not something that can be done by a different type of resolution. House suggested that the Tribal Council request Mr. Willis, Ms. Carter working with Mr. Bussey to determine what is the most appropriate way to note the supplemental appropriation and budget modification so it can be tracked appropriately. House suggested a process in writing and not stalling the current process in front of us.

Sam recommended the Tribal Council modify the resolution and the last WHERE AS. Bussey suggested authorizing the Tribal match without getting involved in the cross years. Bussey does not know how to do this. Parsons believes Sam's recommendation to the resolution does clarify the process. Sam asked if this money was coming from the gaming proceeds account. Mr. Willis believes that is correct. Bussey stated that if we are going forward with the alternative resolution that a new resolution would need to be done in January. Parsons stated this is correct.

MOTION TO APPROVE RESOLUTION# 02-1120-03, AS AMENDED, APPROVING SUPPLEMENTAL APPROPRIATION FOR USDA FOOD DISTRIBUTION PROGRAM FOR FY2002 IN THE AMOUNT OF \$46,910 FROM THE GENERAL FUND FROM GAMING PROCEEDS ACCOUNT; by Porter; supported by Sam.

Michael Sprague had a concern that this resolution was approved without identifying the account it is coming from. Sam stated it was identified in the resolution.

Roll Call

C. Bennett – Yes	C. Fisher – Yes	T. Kleeman – No
L. McCatty – Yes	P. Medahko – Yes	S. Parsons – Yes
E. Porter – Yes	P. Ruiter – Yes	J. Sam – Yes

Motion carried (8-1-0-0)

D. Approval of Expenditure for Purchase of Snowmobiles and Trailer by Public Safety Department

Needed to patrol Tribal land that is not accessible by vehicle.

Leatrice Castonia recommended public safety use snowshoes to patrol where vehicles cannot travel. Castonia is offended that Joe LaPorte comes

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into a meeting wearing his gun. Markowski asked if Little River was not patrolling by snowmobiles before, who did and why isn't Manistee County patrolling. Sam stated the State cannot patrol Tribal lands. Markowski asked if there is already cooperation with the State of Michigan. Sam stated there is not. Parsons stated there was a cross-deputation with the BIA and Mason County. Jessica Burger stated there was an important court decision that was released. Burger stated that the State of Michigan has no jurisdiction over the Tribes. Burger stated she would be in favor of the snowmobiles for Public Safety in light of this information. Parsons stated there are parcels along the Manistee River that is not accessible by vehicle. Kleeman stated she spoke with La Porte and he stated that the snowmobiles would be purchased through a grant and the snowmobiles would be used to patrol the Custer Property.

Sam stated in the past there was representation that prior vehicle purchases were budgeted and they were not. Sam stated she does need more information if items were actually budgeted as vehicles and were purchased in the past because that was not done by Tribal policy. Medahko stated she cannot support this item at this time until these questions are answered. Medahko asked House what happens if items are not purchased during the budget year. House spoke of cross-deputation agreement and how this does go both ways. House spoke of the TOMAC litigation and that Tribes in certain areas have sole jurisdiction and she does have a copy of that for Burger if she is interested.

**MOTION TO POSTPONE D & E UNTIL FURTHER
INFORMATION IS GIVEN TO US; by Ruiter; supported by
Kleeman.**

McCatty spoke of a van that was purchased and that it was stated that policies need to be put in place before using the van and is not aware that that policy was ever written.

Roll Call

C. Bennett – Yes	C. Fisher – Yes	T. Kleeman – Yes
L. McCatty – Yes	P. Medahko – Yes	S. Parsons – Yes
E. Porter – Yes	P. Ruiter – Yes	J. Sam – Yes

Motion carried (9-0-0-0)

- E. Approval of Expenditure for Purchase of ATV, Trailer and Side Racks by the Public Safety Department**
Postponed by previous motion.

F. Inter-Agency Agreement Between the Little River Band of Ottawa Indians, Manistee County Prosecutor's Office, Choices of Manistee County, Inc., Region Four Community Services, Inc.

Sheri Ivens stated the Tribe received the award letter late on this item. Ivens stated the department has not even started working on this grant and will be posting this position by the end of this week. Sheri Ivens stated there is a formal commitment that the agencies will work together until April 2003. Bussey stated the grant was sent in October 2001. Ivens stated we didn't know we were receiving this award so there will be an extension into 2003. Bussey stated the memo of agreement stands for the life of the grant. Sheri Ivens stated some of the grants are fiscal year grants. Medahko directed a question to Bussey about the time period of the grant and asked about office space.

Burger stated the memorandum of understanding shall come to affect upon notification to the Little River Band by the Department of Justice. Burger is not sure there is a resolution needed with this wording. Sam asked how all of the agencies know the processes with the grant and what has been awarded. Sam asked if the other agencies have been notified that the funds have been awarded. Ivens stated there has been no formal notification of the award. Sheri Ivens stated she would be happy to do a formal notice that the money has been awarded. Sam does not know how much it will cost the Tribe or the cost to the other agencies and that is her concern. Burger stated she was a part of the initial contact with this. Parsons stated there is a timing issue of when this will take effect. Sheri Ivens stated the planning will continue. House stated this is an agreement that needs to stand on its own even if the document had been done on its own. House stated it is the Council's responsibility to ratify these agreements and would legitimize the action but would not need to be resigned to be entered into.

Carol Bennett left the room at 12:59 p.m.

MOTION THAT THE MEMORANDUM OF UNDERSTANDING BE POSTPONED PENDING CREATION OF A RESOLUTION TO BE PREPARED FOR COUNCIL RATIFICATION FOR THE AGREEMENT; by Sam; supported by Kleeman.

Roll Call

C. Bennett – Absent	C. Fisher – Yes	T. Kleeman – Yes
L. McCatty – Yes	P. Medahko – Yes	S. Parsons – Yes
E. Porter – Yes	P. Ruiter – Yes	J. Sam – Yes

Motion carried (8-0-0-1)

G. Approving a Supplemental Appropriation for Tribal Council to Conduct Audits

The Tribal Council has received the initial series of invoices from Joseph Eve Co, which identify that another supplemental appropriation is necessary now that the potential costs for the remainder of the Fiscal Year can be more accurately forecasted. Parsons stated this appropriates \$200,000 for this item. Pat Morris asked the amount of the current bills. Parsons stated thus far the bills are totaling \$75,000 to \$80,000. Markowski asked about the earlier audit that was not acceptable. Parsons responded that is correct and the Tribe received a formal letter that two prior audits the Tribe had contracted were submitted for 1997 and 2000 and they have been rejected. Leatrice Castonia asked how we found this firm. Parsons responded they came highly recommended by other Tribes. House stated the amount in the resolution is on the side of caution.

Sam stated she would like to correct the resolution in the "Now therefore be it resolved..." that the Tribal Council approves the supplemental appropriation to be made to the Tribal Council in the line numbers in the amount of \$200,000.00 and we should identify that its coming from the Gaming Proceeds account.

Carol Bennett returned to the room.

MOTION TO APPROVE RESOLUTION # 02-1120-04, APPROVING A SUPPLEMENTAL APPROPRIATION FOR TRIBAL COUNCIL TO CONDUCT AUDITS, AS AMENDED, ADDING IN THE "NOW THEREOFRE IT IS RESOLVED" AND ADDING "FROM THE GAMING PROCEEDS ACCOUNT IN THE GENERAL FUND"; by Kleeman; supported by Ruiter.

Roll Call

C. Bennett – Yes	C. Fisher – Yes	T. Kleeman – Yes
L. McCatty – Yes	P. Medahko – Yes	S. Parsons – Yes
E. Porter – Yes	P. Ruiter – Yes	J. Sam – Yes

Motion carried (9-0-0-0)

H. Discussion on Casino Audit

Porter asked about the status of the casino audit. McCatty stated this has already been addressed at the Business Board level and demanded that audits be conducted which occurred when Porter was traveling and not in attendance.

VI. Concluding Business

A. Next Meeting Date(s) – December 4, 2002

B. Public Comment Period

Ruiter stated this is a lot of money to pay for this auditing firm but there is the potential to lose millions and millions of dollars, due to grants that may be lost if the Tribe does not correct the problems. Michael Sprague stated that he is in full support of audits so this does not happen again.

Richard Sprague stated the issue he has with Public Safety is not his own personal agenda. Richard Sprague stated that the word that was used by the Director of Public Safety earlier in this meeting was “idiot” in reference to Sprague and states this comment by the Director of Public Safety was very inappropriate. Bennett stated this was a very inappropriate statement and would never address a Tribal member in this manner. Michael Sprague stated that this official’s duty is to uphold the law and not to publicly cut people down, this is not professional.

Bob Whiteloon spoke about the loopholes that need to be gone through during his employment at the Casino. He spoke of the problems he has had in regards to this. He stated he has been a recovering alcoholic and has been very active. Whiteloon stated a white person was hired and he had to train her.

Bob Whiteloon spoke of problems with the cart because of the weight of the coin cart. Whiteloon stated he still has a concern with the 10-bag limit that Don James was presenting as this is still top heavy.

The Speaker informed the membership that the Council would be going into closed session. The purpose of closed session is to discuss business matters considered privileged or confidential, involving consideration of bids/contracts, pending legal issues, and/or personnel matters.

MOTION TO ADJOURN OPEN SESSION; by Kleeman; supported by Ruiter.

Roll Call

C. Bennett – Yes	C. Fisher – Yes	T. Kleeman – Yes
L. McCatty – Yes	P. Medahko – Yes	S. Parsons – Yes
E. Porter – Yes	P. Ruiter – Yes	J. Sam – Yes

Motion carried (9-0-0-0)

DRAFT

Open Session was adjourned at 1:20 p.m.

MOTION TO RETURN TO OPEN SESSION; by Fisher,
supported by Bennett.

Roll Call

C. Bennett – Yes	C. Fisher – Yes	T. Kleeman – Absent
L. McCatty – Yes	P. Medahko – Yes	S. Parsons – Yes
E. Porter – Yes	P. Ruiter – Absent	J. Sam – Absent

Motion carried (6-3-0-0)

MOTION TO ADJOURN; by Bennett, supported by Medahko.

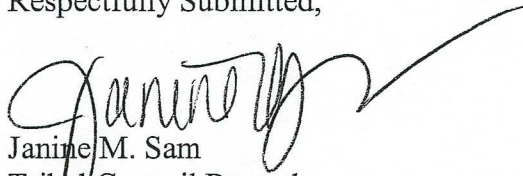
Roll Call

C. Bennett – Yes	C. Fisher – Yes	T. Kleeman – Absent
L. McCatty – Yes	P. Medahko – Yes	S. Parsons – Yes
E. Porter – Yes	P. Ruiter – Absent	J. Sam – Absent

Motion carried (6-3-0-0)

The meeting adjourned at 5:57 p.m.

Respectfully Submitted,



Janine M. Sam
Tribal Council Recorder