



**LITTLE RIVER BAND OF OTTAWA INDIANS  
TRIBAL COUNCIL  
REGULAR MEETING  
WEDNESDAY, DECEMBER 4, 2002  
LITTLE RIVER BAND COMMUNITY CENTER**

APPROVED  
12/11/02

**OPEN SESSION  
MINUTES**

The Little River Band of Ottawa Indians held a meeting at the Little River Band Community Center on December 4, 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, December 4, 2002, was called to order at 10:12 a.m.

**B. Roll Call**

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

Quorum established.

Others Present: Jo Anne House, Kathleen Block, Bill Willis, Pat Morris, Leatrice Castonia, Mark Knee, John Bussey

**C. Approval of Agenda**

Bob Davis arrived at 10:12 a.m.

**MOTION TO APPROVE AGENDA AS SUBMITTED;** by Kleeman; supported by Ruiter.

Gary Markowski arrived at 10:14 a.m.

**Roll Call**

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

Motion carried (8-0-0-1)

**D. Tribal Council Minutes**

Next Agenda.

**E. Public Comment Period**

Speaker Parsons indicated that speakers addressing the Council should use a microphone, as the microphone is needed to pick up the comments and if you are not near a microphone to please stand next to one if speaking.

Bob Davis thanked John Bussey, Steve Parsons, and Jo Anne House for their input on the revisions to the Personnel Manual. Davis indicated that the Human Resources Director was also involved in the process of the new manual.

**III. Continuing Business**

**A. Grants & Contracts**

**1. Resolution of Support for the Submission of Renewed Grant Funding for the Circle of Flight Project through the Bureau of Indian Affairs, U.S. Department of the Interior**

Action is requested to submit a grant application to the Bureau of Indian Affairs for renewal of the Circle of Flight program for 2003. The amount of the request is \$38,300. There is no match requirement, meaning the Tribe will not have to contribute Tribal money for this project. Bussey informed Council that this is a renewal of an existing grant.

Lisa McCatty arrived at 10:17 a.m.

Mike Sprague arrived at 10:17 a.m.

In the budget, the salary for the part time worker does not have a fringe amount attached, Bussey indicated a change would be required to include the fringe benefits expense. Mark Knee reviewed the new items included such as nesting structures, wild rice project for almost 100 acres. Possibly an educational trail through the wetlands, and purple loostrife project. Also included in the work plan are a frog study to substantiate wetland health, as well as a nesting structure study with the local ducks unlimited chapter.

**MOTION TO APPROVE RESOLUTION # 02-1204-01,  
RESOLUTION OF SUPPORT FOR THE  
SUBMISSION OF RENEWED GRANT FUNDING**



**FOR THE CIRCLE OF FLIGHT PROJECT  
THROUGH THE BUREAU OF INDIAN AFFAIRS,  
U.S. DEPARTMENT OF THE INTERIOR; by  
Kleeman; supported by Porter.**

Gary Markowski queried whether or not the Tribe is having problems complying with Grants stipulations, as he had been told the Tribe is not complying with grant contracts. Parsons answered that the audit was a compliance review of accounting practices and other policies of the Tribe, and that the focus of the audit was a policy review. Parsons noted that the responsible parties or employees for carrying out the grant contracts have been identified by the Ogema's office, and the department or individual responsible for implementing grants and compliance issues are now clarified. Parsons indicated that there is also a new form that has been implemented that was included with this agenda item that clearly identifies the responsible departments, the funding agency, and other matters. Markowski questioned whether or not the Tribe will have to pay back millions of dollars to the Federal Government. Parsons responded that the Tribe has not been notified that the Federal Government is requesting repayment of any funds. Discussion regarding the rejection of the audits for FY 1997 and 2000 ensued, and Parsons informed the members regarding the reasons why the rejections happened, and the letter sent by the Tribe including the corrective actions. Parsons clarified that the problems involved the audits themselves, and not grants specifically. Morris asked why the CFO was let go, and commented that other personnel should have been let go with him. Parsons stated that personnel matters cannot be discussed and closed discussion.

**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 business for the action by Council.

Mark Knee left at 10:29 a.m.



**IV. Old Business**

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

This item was postponed from the 11/20/02 Tribal Council Meeting pending further information from the Ogema's office. Parsons noted for the record that Council did meet with Joe LaPorte on December 3, 2002. It was noted that the purchase is being funded by a grant that was specifically designated for the purchase of snowmobiles. Mike Sprague commented that vehicles were purchased in the past and that there was confusion at that time whether or not the purchases were done appropriately, and is there any assurances that this purchase won't be the same situation again. Parsons clarified that the money for the trucks wasn't grant money, it was a question of budgeted funds, and whether or not the purchase was budgeted. Parsons commented further that the Accounting Department was the source of information regarding the prior purchases. Sprague commented that the Public Safety Department operation is a concern to him, regarding the growth of the department, the number of officers for the number of citizens. Sprague noted he is not opposed to the purchase, but the department growth needs to be monitored. Markowski suggested that a citizens board, similar to a Police Commission be considered. It was clarified that the Ogema is the person that oversees the Public Safety Department.

**MOTION TO APPROVE RESOLUTION # 02-1204-02,  
APPROVAL OF EXPENDITURE FOR PURCHASE OF  
SNOWMOBILES AND TRAILER BY PUBLIC SAFETY  
DEPARTMENT;** 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. Approval of Expenditure for Purchase of ATV, Trailer and Side Racks by the Public Safety Department**

This item was postponed from the 11/20/02 Tribal Council Meeting pending further information from the Ogema's office. Again it was noted that the Director met with Council to clarify the issues. Parsons noted that this item was budgeted, and is on the Council agenda due to the amount of the purchase. Parsons indicated that Mr. LaPorte informed Council that the ATV will be used in areas that regular vehicles cannot access. It was further noted that the department does not have an ATV, nor had one in



the past. Sprague questioned if the specific need was given for the purchase. Porter indicated that the ATV will be used when a truck cannot be used. Kleeman noted that there were 4 wheelers on Tribal lands tearing up the Tribe's land in the past.

Bridget Cole and Yvonne Parsons in at 10:30 p.m.

Discussion regarding the patrol cuts in Mason County by the sheriff department ensued. Markowski asked about realistic patrols for Tribal property. Markowski requested clarification regarding items included in the tribal budget. Parsons clarified that the amount of the ATV purchase was planned for and budgeted, and approved last year with the adoption of the Tribal budget. Sprague noted that the Public Safety Department is patrolling the lands but not protecting the human resources. Sprague commented further that our lands and natural resources are important but the Tribe needs to protect our human resources. Bennett stated our members should understand that the prior grant purchase she supports but she cannot support this purchase just because it is in the budget and does not approve of spending it. Porter responded to protecting the people comment made by Sprague earlier. Porter indicated that the land is important to her, and the mounds must be protected and doesn't understand the comments that we aren't doing things for the people. Markowski expressed his concern of the mounds, taking care of the people and being respectful of the burial that has happened at the Custer property. Sprague agreed with Porter and commented on leadership for departments. Discussion regarding priorities ensued. Markowski voiced his dissatisfaction regarding his view that the cemetery is not being taken care of, and the baby is buried in an empty field. Bennett noted that this purchase could be put into the 2003 budget, rather than spending this money today. Cole commented on the Custer Cemetery noting that the cemetery is paid for by tax dollars, the cost of the lots are paid for by the people that purchase them, and it does take money to maintain a cemetery. Ruiter commented that it is disrespectful to not address the Tribal cemetery issues and not do something. Ruiter admitted she did not know what to do about the cemetery, but that something does need to be done.

**MOTION TO DENY THE APPROVAL OF EXPENDITURE  
FOR ATV PURCHASE BY PUBLIC SAFETY** by Janine Sam,  
support by Lisa McCatty.

**Roll Call**

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

Motion carried (5-4-0-0)



**C. 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.**

This item was postponed from the 11/20/02 Tribal Council Meeting pending creation of a resolution for acceptance. Bob Davis informed the Council that there will be a coordinator hired for one year for this particular grant. Sprague queried if the current staff in family services will be utilized. Davis responded yes, noting the coordinator position is limited to one year.

**MOTION TO APPROVE RESOLUTION # 02-1204-03, APPROVAL OF “MEMORANDUM OF UNDERSTANDING BETWEEN THE LITTLE RIVER BAND OF OTTAWA INDIANS, MANISTEE COUNTY PROSECUTOR’S OFFICE, CHOICES OF MANISTEE COUNTY, INC., AND REGION FOUR COMMUNITY SERVICES INC.”;** by Medahko; supported by McCatty.

**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)

**V. New Business**

**A. Re-Establishment of Education Committee**

Volunteers have come forward to participate on the Education Committee. Parsons indicated that this Committee was established by Council resolution several years ago and new volunteers have come forward to serve on this Committee. McCatty noted that there were two Committees in the past, an Education Committee and a Parent Committee to oversee the JOM funds. Cole indicated that one of the tasks would be to designate a sub committee to oversee the JOM and youth activities. Yvonne Parsons clarified that the volunteers are also parents, which meet the requirements of a Parent Committee under Johnson O’Malley Act. Norbert Kelsey, Martha Kase, Steve Lewis, Candace Chapman, Lee Sprague, Brian Medacco, and Judy Neadeau all volunteered to serve on the Education Committee. Yvonne Parsons indicated that all people have had a background check, as required to work with children, which is a federal requirement. McCatty questioned the Committee Procedures Ordinance reference in the resolution. It was clarified that the Committee Procedures *policy* should be referenced in the resolution. Council designated Steve Parsons as the Tribal Council contact person. The Staff Liaison was



designated as Yvonne Parsons. Markowski queried why children are being discussed at length and what is the impact of the children on the Committee membership. Steve Parsons clarified that parents of Indian children are required to be members of an Education Committee that oversees spending of the Johnson O'Malley funds earmarked for Indian children. It was noted that the resolution number on page two of this resolution needs to be corrected.

Two-year terms were determined at random by drawing of names. Norbert Kelsey was the first name drawn at random. Brian Medacco was the second two-year term drawn. Candace Chapman was the third random selection for the two-year term. Martha Kase, Lee Sprague, Steve Lewis and Judy Nedeau were designated as the four-year term selections.

Sam noted for the record that she intends to abstain due to her husband volunteering for appointment.

**MOTION TO APPROVE RESOLUTION # 02-1204-04  
 APPOINTMENT OF EDUCATION COMMITTEE  
 MEMBERS AND DIRECTION TO CREATE UPDATED  
 WORK PLANS; by Kleeman; 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. Ruiter – Yes	J. Sam – Abstain

Motion carried (8-0-1-0)

**B. Acceptance of Grant (Carry-Over) Funds from Indian Health Service – Special Diabetes Program In the amount of \$21,466 and approval to amend FY2002 Operating Budget to include these funds**

Tribe has been authorized to carry-over grant funds from Indian Health Service (IHS) – Special Diabetes Grant Program. The Tribe needs to formally accept the funds and amend the FY2002 Operating Budget to include these funds. Bill Willis noted that the Tribe did receive approval from the funding agency to carry over the funds.

**MOTION TO APPROVE RESOLUTION # 02-1204-05  
 ACCEPTANCE OF GRANT (CARRY-OVER) FUNDS  
 FROM INDIAN HEALTH SERVICE (IHS) AND  
 APPROVING A MODIFICATION TO THE OPERATING  
 BUDGET FOR FISCAL YEAR 2002 IN THE AMOUNT OF  
 \$21,466; by Porter; supported by Kleeman.**



Porter noted that the letter authorizing the carry over from the Federal Government was attached to the record.

**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)

**C. Authorizing Execution of an Engagement Letter with Egghart & Associates to Perform Audit of Books and Records of Little River Casino Resort for Fiscal Years 2002-2004 and to Perform Internal Audit for Fiscal Year 2002**

Joan Spalding arrived at 11:15 a.m.

The Gaming Commission has selected this firm and is requesting Council approval. Bob Davis questioned how long Egghart has been contracted. Sam responded that the firm has worked for the Tribe for three years. Davis commented that independence standards might be better met with the selection of another firm. Spalding noted that the Gaming Commission had five firms respond to the RFP for the Casino Audit. Markowski commented that there are problems with audits for the Tribe and suggested that another firm be selected because of the past three-year contract. Spalding commented that a change, just for a change, is not responsible and to discuss Egghart in the same context with Bob Lewis' firm is not correct. Bennett noted that the Council had been satisfied with Lewis's firm in the past, but found out later that there was reason to change.

Sprague commented that status quo and complacency is not a good attitude. Sprague went on to state that Casino auditor selection should have been on the Council's table a month ago and the Gaming Commission failed by not forwarding this earlier. Sam commented that the NIGC requires the audit to be submitted within a specific timeframe for the close of the fiscal year. Sam noted that in prior audits Egghart found discrepancies that resulted in the Management Company repaying the Tribe for thousands of dollars for misapplied pre-opening expenses.

Porter commented that Bob Lewis was relieved of his duties before. Porter went on to state that Council members do not attend their own work sessions. McCatty asked Spalding about the process and if she recalled the names of the other firms. Spalding responded, Joseph Eve Company, EJ Egghart, Crowe Chysick, and two others that she could not name. References were checked on the top two firms. Ruiter stated we all



complained about having to make a decision on this today and there is no time to do this now. She will not do this any more.

Spalding noted that according to the Tribal law, the Gaming Commission is to arrange for the audit and the Gaming Commission did complete that task. Spalding noted that another auditor will not check the prior auditor's work, they will check randomly the work at the Casino. Bennett noted that we have no problem with Egghart's work but that if we get a new auditor, maybe other issues could be uncovered. Parsons clarified that the Tribe engaged Eve to look at prior years due to the insufficiency of prior audits. Sprague noted that submitting this issue now at this late date has rendered the Council ineffective because the Council cannot make an informed decision. Bennett apologized to Spalding and stated that the Council also knows about auditing and was not trying to be offensive. Markowski noted that they did a fine job for three years, but it is time for a change. House made comments that the Gaming Commission made an informed decision regarding this issue.

Medahko noted it is not Council's decision, but Council does have the responsibility to determine if this firm is re-engaged for another three-year term. Markowski asked about the timeframes involved that Sam was commenting on. Parsons clarified Sam's point that the audit needs to be completed and forwarded to the NIGC by a specific due date in 2003.

Porter queried what steps would be required to complete this process. Bennett stated that a work session is not needed and the Gaming Commission needs to bring the five bids to the next meeting, or get the copies to Council before the next meeting.

Sam expressed that she does not support Joseph Eve for the contract, due to current obligations with the Tribal Government. Fisher stated he does not have enough information to make the decision and would prefer a work session.

**MOTION TO APPROVE # 02-1204-06, AUTHORIZING EXECUTION OF AN ENGAGEMENT LETTER WITH EGGHART & ASSOCIATES TO PERFORM AUDIT OF BOOKS AND RECORDS OF LITTLE RIVER CASINO RESORT FOR FISCAL YEARS 2002-2004 AND TO PERFORM INTERNAL AUDIT FOR FISCAL YEAR 2002;**  
by Porter; supported by Fisher.

**Roll Call**

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



Motion FAILED (3-6-0-0)

Ruiter expressed her concern with the same firm doing the audit and asked to select from one of the other three. Fisher queried that need to look at the entire package at this point. Bennett stated Council needs to look at all of them and could have time to look at them. Parsons noted that the central question is not are we going to look at the RFP's, the question is if Council is going to take over the selection process. Fisher would like the Council and Gaming Commission to do this jointly. Porter asked to get volunteers involved, there are many things involved, the two people involved would welcome involvement of other people. Ruiter again expressed that we have had the same firm too many years in a row. Bennett asked if there is any way that the Gaming Commission could make another selection? Or possibly could less than three years, do a one or two year contract.

**GAMING COMMISSION HAS PRESENTED THE FIRM THAT WAS REJECTED, GAMING COMMISSION TO SUBMIT A SECOND AND THIRD SELECTION FOR NEXT WEEK; by McCatty; supported by Kleeman.**

Parsons asked Council if the RFP's must be reviewed and if this is a three-year engagement? Just the firms? Spalding stated she will bring the proposals prior to the meeting.

**Roll Call**

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

Motion carried (7-1-1-0)

**VI. Concluding Business**

- A. Next Meeting Date(s) – December 11, 2002**
- B. Public Comment Period**

Bob Davis asked for clarification from Councilor Sam regarding the audits. Sam clarified the comments and believes there were no engagement letters and all of the correspondence for the 1997, 1998, 1999 and 2000 audits was done at one time and paid for in the last nine months to a year. Porter noted that not one of the audits were submitted to the Tribal Council.

*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)

This portion of Open Session was adjourned at 12:40 p.m.

Council reconvened in Open Session at 6:30 p.m.

The following items were placed in Open Session from the Closed Session.

**MOTION TO MOVE RESOLUTIONS 02-1204-06 AND 02-1204-07 AND THE ROLL CALL VOTES INTO OPEN SESSION;** by Parsons; 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 – Absent

Motion carried (7-0-2-0)

**MOTION TO APPROVE 02-1204-06, RATIFICATION OF CONTRACT WITH DAN W. TAYLOR, CPA FOR THE PROVISION OF ACCOUNTING SERVICES;** by Porter; 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)

**MOTION TO APPROVE RESOLUTION # 02-1204-07, AUTHORIZING THE TRIBAL OGEMA, OR IN THE ABSENCE OF, THE TRIBAL COUNCIL SPEAKER TO EXECUTE AN ADVERTISING AGENCY AGREEMENT WITH MARSHALL FENN COMMUNICATIONS, LTD., AND AGREEING TO A LIMITED WAIVER OF SOVEREIGN IMMUNITY IN SUCH AGREEMENT;** by Porter; 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

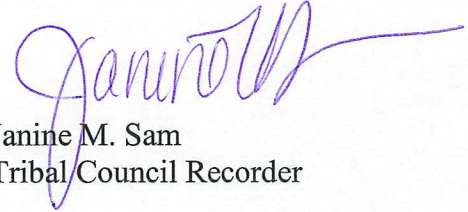
Motion carried (8-0-0-1)

The meeting was adjourned at 6:38 p.m.

Respectfully Submitted,



Kathleen Block  
Transcribing Assistant



Janine M. Sam  
Tribal Council Recorder