

Tribal Council Meeting Notes by Tribal Attorney for August 9, 2007

Attending

Jim Peters

Pete Kruger
Russell Harper
Andy Whitener
Vince Henry
Will Penn

Ray Peters
Kevin Lyon
Melissa Puhn
Don Whitener

Absent

Charlene Krise

Minor revisions to the minutes for 7.12 and 7.26. Suggest to Melissa that she get a second set of eyes on the minutes. Follow through with sending her my notes or note excerpts.

August 15 – 2nd budget meeting

Executive Session re: bingo; employee matter (Brian Thompson); relinquishment, including option for barring enrollment for applicants who relinquish from another tribe. Affirmed that no meeting would be convened; election only.

Re referendum, received a message that Cal Peters does not believe that it is Constitutionally sufficient.

Re Washington State Parks property on Squaxin Island. Ray reported on his conversations with the Director Rex Derr and a willingness to further consider low impact seasonal non motorized use and Parks could assist with clearing, bathroom facilities, all green. Ray and Rex Derr began the conversation. One of many ideas discussed was a deed to SIT in exchange for a commitment from the Tribe for a use. Most likely the State would like a deed restriction in perpetuity that mimics the current “public use” deed restriction.

Do not want pets or motorized vehicle. Arnold inquired as to security issues, concern that visitors would go to all parts of the Island. Need to address security on the Island and protecting the natural resources. Arnold inquires whether state park rangers would be available. Ray noted it was all up for discussion and negotiation. Jim P., asked if Parks could provide funds for enforcement instead of enforcement. Noted that there is already an enforcement presence on Hope and Jarrel's Cove.

Jim comments on career path opportunity for tribal members in enforcement.
Ray to continue with discussions.

Jim notes that the significant reason not to renew that lease was lack of state's ability to enforce out there and conflicts between the rangers re members on the Island during fishing season, and unauthorized garbage dump.

Enrollment Committee – discussed and tabled committee draft to further consider the draft. Reviewed the role of the committee: advisory only; no delegation of authority; provide advice on policy and procedure; provide advise on a particular application. In general, the committee would not provide direction to enrollment, but would be available to assist enrollment, and available to make recommendations to Tribal Council.

Committee members will need to abide by the confidentiality. Need a strong statement and commitment to confidentiality.

Council agreed that the composition of the committee should include a person from each clan and a Tribal Council representative.

By laws set tabled.

By telephone message, on June 13, 2007, Vicki Kruger, presented to the Housing Board and requested eligibility re her daughter and remaining a MHO house. HB instructed Brian to look into it. Vicki is requesting TC support.

Council will revisit the question. Because of the clean up that home is still not yet available. Federal clean up regulation is quite expensive. Two standards for clean up: below threshold and above threshold.

Will notes, Board instructed Diane to write a letter re appeal of wait list. Still has not been done yet. Ray will check on the status.

Ruth Lopeman, presented figures re the economics of bingo facilities.

She disputes the \$600,000 loss for bingo. See handouts.

She contends that bingo players are slot players: for example, 2 people spending in slots, at 20k each, because they prefer to play bingo and slots at the same time.

Bingo players are slot players are valuable players – pull tab, keno, dinners. She argues that LCCR lacks the system to separately track Class II games like Cadillac Jack.

Not allowed to have 30% payouts. Suggests niche, don't kill us, that space is worth millions of dollars, take Class III. Wants to find some space for bingo activity.

\$150k to make it into Class III. Use the 150k to put a wall in some place.

As to bingo staff, out of 23 employees, 18 are Native American. She recognizes that bingo is overstaffed. She and others express the view that they want to work, not to be overstaffed. Inquiries whether hires on freeze right now.

Argues that LCCR is pushing all of the Squaxins out of LCCR right now.

She relates that Steve Sigo said a long time ago that the Tribe is going to keep this operation for a few tribal members. Council wanted actual numbers from Marianne, and it has still proven to be a break even operation.

Jim P., notes that a business decision made by management about floor space was to move. Need to look at the numbers. TC will look at the numbers and will make no decision at this time, and respect the work that you put into this. Can then call you back and casino managers and walk through this. One thing clear from day one is that bingo was losing a great deal of money, and losing bc there were no slots. Options are still there.

Angie, inquired how well banquets is doing.

Employee argues that they are Interested in wherever whatever for bingo. They are all committed.

Angie argues that of all the casinos, only 3 casinos have a marketing director; there is no need for that expense here. She said it is a waste to pay \$75,000 and to receive events that don't sell out. Last two concerts were give-aways. Marketing director at Lucky Eagle only has 6 to 8 events per year, unnecessary to have an entertainment director.

She asks that TC review the org chart prior to Doug Boon.

Why is bingo the one to always get pushed out?

Anyone who is here is willing to do whatever and break their back in order to keep the options.

Russell, there is no goal to get rid of bingo. Response, going to quarterly, will actually kill it.

Angie, still trying to get to break even.

Lot of elders are playing at the casino. Concern re accuracy of the numbers. Bingo has greater involvement with the Community than any other aspect of gaming.

Jim, will evaluate. Assured re job security. Comments on importance of, and passion for, bingo and its players.

Noted that he wants Mark and Cameron to meet with Angie and others. Most likely will revisit next Wednesday. Wants the team to meet together and return to Tribal Council

Cameron brought copies from July 11 session. Wanted to be clear then that they took of the payroll costs. Wanted to discuss the opportunity costs v. what bingo sells and what bingo pays.

He notes that Angie is right that there are payroll costs there that are not that large. 2 or 3 to go through that session. Still came back to two proposals: open bingo room or quarterly session. Evaluate where else to go. See July 11 hand out.

To go outside: \$500,000 – 1 million to build new space. Also considered Steamboat and upstairs.

Concern re displacing banquets.

Discussed monthly and quarterly options for event center. Now dedicating people to sell that space. Discussed use of Sah he wamish space. Opportuntiy to sell. If you move bingo it conflicts with something else. That is why quarterly was adopted.

Ray, bingo players are contributors on the floor. Suggests some look back on that.

Mark wants to look at the reports. He is not sure, and it isnot his experience. Total play in is not equal to revenue. 92 – 98 percent play in, only translates into 2 – 8 percent.

3:47 Executive Session (remained in Council hall)

Jim, concern that you had not meet with the managers despite specific request. Met with managers and then go back to talk to all of bingo. Heard that the meets were by telephone. Did not want bingo to be surprised by what happened. Sounds like they were surprised.

Invites others to add to his comments.

Arnold, 2 or 3 meetings back given direction to talk to managers and rest of the crew down there.

Mark, AC asked if he had spoken to them. Spoke to them face to face. Then called them. Spoke with the rest of crew after Council's action. BUt had told the managers about the options.

Cameron didn't meet with them, not for lack of effort. When we got into the meetings they acted shocked but when we got into the discussions they understood. Mark had spoken to them earlier.

Get together prior to decision. Then Mark did a face to face with manager.

AC has a problem bc there was direction to get together. Cameron, understood it to be, meet with them if when we make a decision. Hadn't made a decision and therefore did not meet with them.

Jim, wants Angie to participate in the discussions as we go forward. Jim not sure what the schedule or handouts from Angie might mean. They did their homework and have the passion but have total disconnect and interpretations, phone calls may not work. Emphasize the need that they must come onto the property and attend a meeting.

Ray asks to clarify: Mark met with them face to face with Angie. Mark confirms.

Jim says that Council is hearing that it didn't happen. [Russell makes no comments]. We have different stories. Need to review and assess their numbers. Jim does not want to dismiss the numbers and needs to figure out what to believe. At the end it may still be the same decision. He owes it to them to look at. Wants them to look at it.

At meeting last Monday, mandatory meeting, only 4 showed up. Called everyone for the next day.

What happened to the no shows. Cameron not sure that he wants to challenge them on those matters given all that is occurring. If you turn your back on that, will not take it seriously. Consider a minor disciplinary action. Could go away in a few weeks. Serious and cannot ignore. Wanting to be involved in a process. C is not sure that the employees knew that it was mandatory.

Pete, is bingo or the people a problem. C says the people are great. C says that insubordination rings true, not really their fans. Aware of the impact on the family/community. He took it.

Ray, at LCOB shared how that meeting went. Ray advised about limits on inappropriate employee responses.

Ray suggests that C needs to be, needed to be, at that meeting. [C asked R to be more critical.] Had a chance to speak to 2 of them, or not the manager, and then all came apart on Tuesday.

Surprised them that they could hear and not react to the employees emoting.

Ray notes that this decision was not going to be easy.

Mark agrees that greater transparency will assist. Mark notes that when they spoke to the entire group, that the decision was Cameron's.

C if you want us to cancel the banquets and dedicate a room to them, anything can be done. Hope that we have shown that there is a good business reason.

Arnold, sees it as give and take. They would like the gym. C how can it work to give them a sprung structure in the parking lot. Put some machines in there to make it work. If we had cash, then I would have brought them. At 200 person mark we get to break even.

She knew how valuable that space is. And how expensive it is to build space. Every time we look at a \$500k investment, what sort of return do you want to look it.

Jim, if they are patient. C, can shift into other rooms, give some time.

They turned it on them, can't you give us time. They are flush with ideas what to do now.

For Wednesday, to review financials.

R still sees it as C's decision in the end. Wants to test for cross tracking.

C, at this point we will hold off on conversations with Korsmo and Advance. Going to put machines down into the bingo. We are still putting machines down on the floor. The question is the evolution of bingo.

C will get back to TC. Going to move some place.

Approval re renovation. Korsmo can do the construction. Presented to LCOB, no more construction, look at ways to get that construction via vendors, offer you exclusive machine space, etc. Ray, checking in on status - from TC no more construction. Will, we will put out RFPs. Toby is calling Advanced Native, and an engineer.

MGAM and Ballys cost of \$150k, have not approached IGT or Ballys. No feedback from IGT or Ballys. Also considered folding it into the lease agreement, and pay that construction via the machines. Haven't done that with IGT bc no decision yet re going forward with IGT.

Haven't explored all options yet –

Do offer to any other vendors other than MGAM, would have to use the mezzanine. Still two more bids to look at, and the question of how to have it financed.

Discussed other options for use space. Move to upstairs.

Jim, need to have that discussion in two weeks.

Re Veterans. Glenn Parker, new schedule being adopted. While still wet, behind schedule. Time to break ground any day now. Here looking for advise, some sort of ground breaking ceremony. Doesn't know protocol. Smudge, what?

Request from Will Penn. States that yesterday he found out that he was terminated. Requested to go on full time status and with benefits.

Jim, inquires whether Will is asking TC to vote on that today, willing to take up at the next session.

Will wants to be the second person. Council's are all paid position. Wants to be a paid full time Council position.

Re housing concerns. Will notes that on the canoe journey, he learned that the dryer vents go into the walls and nothing that lets the air out, and goes into the insulation. Ray will check, specifically designed to go out. On the aunt's house no outside vent, nothing to separate it. Dryer vents usually go straight out. Ray will look into it.

Legal presented:

Class III X2 submission to the lab status report dated August 6, 2007.

NIGC August 3 Class II and III distinctions memo.

Memorandum of Incorporation of Most Favored Nation Amendment to the State Tribal Gaming Compact including Colville Appendix. Council approved and authorized the Chairman to sign and submit.

Draft letter from Frank Miller, attorney for MGAM, re triggering the dispute resolution process for the pooled wagering poker game under the Colville Appendix. Kevin authorized to present, and to advance the dispute resolution process with the state.

Shared status of motor vehicle fuel excise tax negotiations and August 8 email exchanges re Swinomish and Squaxin responses.

Shared copy of the Notice of Referendum mailed to members. Received 3 returns for poor or unknown addresses. Council confirmed that no meeting would be convened; rather, event would be an election only. Advised the TC received a call from Cal Peters indicating the referendum was legally insufficient – no particulars provided however.

Presented enrollment committee by-laws second review. After discussion, agreed to table. Return with recommendations for committee membership. Need strong statement and commitment to confidentiality.

Presented Agreed Order on Identification and Relocation of human remains from the Manke site. Importantly, Tribe and Manke cooperatively decide all matters.