



Waganakising Odawak

Little Traverse Bay Bands of Odawa Indians

Fred Kiogima, Tribal Chairman

Debbie De Leon, Tribal Vice Chair

7500 Odawa Circle, Harbor Springs, Michigan 49740

Phone 231-242-1401 • Fax 231-242-1411

November 14, 2013

Re: Veto of TR #101513-01

Please be advised that I am returning **Tribal Resolution #101513-01 Appropriation of Funds for the 2015 Operating Budgets and Funding Allocation for the 2015 Fiscal Year.**

This resolution sets allocation percentages for FY2015 budget year at an estimated level of 25.56% for General Welfare and 49.28% of the Tribal Government split to the Executive Branch. This allocation seriously and critically reduces funding overall for the Executive Branch, which is the Branch responsible to provide all the services and programs to Tribal Citizens.

It is my understanding that although expenditures have significantly increased over the last ten years due to the growth in program creation and funding, that the overall budget itself has not reflected that growth. During this same time period, both the Judicial and Legislative Branches have significantly increased, thus seriously reducing the split of that pool of funding to the Executive Branch.

The *Supplemental Funding* process has created an environment that reinforces a misconception mentality that there will always be funds to cover whatever is requested. A budget gets developed that basically is not one that requires any adherence by anyone...because they can always "ask for Supplemental Funding". Some items have been short term expenditures and others have been long term (ongoing) expenditures which increases the burden on the annual budget.

The current LTBB governmental operation has grown to a level that is unsustainable into the foreseeable future unless we get aggressive in identifying and/or creating alternative revenue streams.

The table below compares the growth and spending by branch since 2010:

General Fund Dollars Only

	Executive Branch	Legislative	Court	Prosecutor	Election	Overall	
2010	\$11,172,985	1,387,280	814,011	171,879	63,491	13,609,646	SPENT
2011	7,550,974	1,786,135	767,420	150,157	119,868	10,374,554	SPENT
2012	9,283,451	3,962,431 (MC)	914,766	138,925	79,065	14,378,638	SPENT
2013	\$9,508,148	1,887,927	1,049,949	195,635	148,305	12,789,694	BUDGET
2014	\$9,866,967 (debt repayment)	1,601,348	1,113,231	160,834	87,686	12,830,067	BUDGET (not counting)
2015	\$9,724,000	1,400,000	\$1,100,000	156,000	120,000	\$12,500,000	BUDGET

Please note Legislative Includes Legal in the historical data for comparison purposes.

Regardless of their varying degrees of value, examples of the additional programs that have been mandated by the Legislative Branch include, but are not limited to the following:

- Michelle Chingwa Education Assistance program is budgeted at \$1 million dollars annually but, with increased usage, an additional \$500K is transferred in supplemental general funds. The program has no restrictions on the number of degrees a person may earn, the Tribe never tries to recoup misused funds from students and no career planning required before receiving scholarship funding.
- The minimum 4% annual COLA has been at a much higher rate than the rest of the world. The COLA for the public sector has dipped down to 0%, .5% and 1% for many in recent years. This annual mandate has increased salaries for employees at a higher rate contributing too many prematurely reaching (by comparisons to the public sector) the top limit of their salary ranges.
- Many grant funded positions never ended when the grants ended; those personnel costs (including benefits) were just assumed into the ongoing annual budgets without due diligence and consideration for the ongoing sustainability;
- Foster Care Assistance was added at \$50,000 annually;
- Dental Services were expanded which increased staffing obligations;
- Elder's Dental Assistance Program;
- Hearing Aid Assistance \$100,000 annually;
- Funeral/Burial Assistance at \$200,000/\$225,000 annually;
- Hatchery Operations (about \$180,000 of General Funds);
- OFI Property Tax payments (which used to be paid by Bell's) \$35,000 annually;
- Per Cap payments go up every year as the citizenship grows, \$2.8M at \$599 pp;
- Additional Charter entities;
- Annual Supplemental funding to OFI at approx. \$150,000 annually (\$3M to date);
- Additional property acquisitions which mandates an additional burden on the budget with property taxes, utility payments, facility maintenance, which also raises the space costs all around;
- The Indirect Cost Rate has also risen with the addition of Legal and Treasury to the pool and council increasing their spending significantly as the table reflects. This increased rate affects ALL departments;

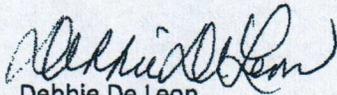
This is by far not an all-inclusive list, nor should this list be interpreted as the Executive Office taking a position *for* or *against* any of them. Other costs have increased such as the need for program support, as more and more granting agencies require a match, the increased salaries for Level 1, 2 and 3 employees due to the minimum wage and related wage grid changes as well as program support for Law Enforcement and NRD as BIA has not increased funding in these areas. In fact, BIA officials have advised participants at the recent workshop to expect that BIA budgets WILL be cut each of the next three years! I am attaching Supplemental Funding Requests and Balances for the last six years (2008-2013).

Governments exist to provide services to citizens and it is the Executive Branch that must bear the cost of ALL direct services to citizens. As costs increase and more citizens seek services, we need to be appropriately funded.

Therefore, on behalf of the LTBB Tribal Chairman and the LTBB citizens that depend on current service levels, I am compelled to VETO this Resolution. We have met on this budget many times already and simply cannot maintain the level of services. Our focus was on trying to maintain services and jobs. If we are to cut any further, on the Executive side, it will mean elimination of services and/or jobs. If you wish to consider an alternative amount, I would recommend a budget of at least \$12,750,000, with the additional \$250,000 going to the Executive branch to cover the increased services provided by the Executive to the citizens since 2010. This is the absolute bare minimum.

And, in closing, I would be remiss if I did not express my disappointment in the lack of funding for a contingency fund so that this office could work and stay within an accepted and approved annual budget.

Respectfully Submitted,



Debbie De Leon
Vice Chair

Michael Smith

From: Michele LaCount
Sent: Friday, November 15, 2013 8:51 AM
To: Michael Smith
Cc: Tribal Council
Subject: re: Veto Statement with attachment
Attachments: 6 Years of Appropriations Balances 2008-2013 100613.xlsx

Please see attached for veto statement.

Michele LaCount
Legislative Office Manager
231-242-1404

From: Rebecca Fisher
Sent: Friday, November 15, 2013 8:22 AM
To: Michele LaCount
Subject: Veto Statement with attachment

To go with the Veto statement.

Rebecca Fisher
Assistant to the Tribal Chairman
7500 Odawa Circle
Harbor Springs, MI 49740
231-242-1418 Phone
231-242-1411 Fax

	B	C	D	E	F	G	H
1	Appropriations Balances from Prior Year Funds						
2							
3		Unobligated Prior Period Funds 2007:					
4							
5							
6							
7		Pre-audit Unobligated at 1/01/08					
8							
						Type of Appropriation	
9		2008 Activity:	Account #	Department	Operations	Econ Dev and Non-Operations	
10	4/6/2008	Burt Lake Band of Ottawa and Chippewa Bldg Fund				\$	3,000
11	4/20/2008	Northern Shores Loan fund, Inc				\$	100,000
12	5/4/2008	Victories Site analysis and feasibility study				\$	35,000
13	5/18/2008	NRD fish hatchery construction				\$	300,000
14	5/18/2008	Elders food assistance and utility assistance			\$	38,000	
15	5/18/2008	Michelle Chingwa Education Assistance			\$	163,650	
16	6/8/2008	Berg farm lease			\$	9,825	
17	6/22/2008	Elders shuttle vehicle				\$	55,000
18	6/22/2008	Pellston School co-op housing project				\$	90,000
19	6/22/2008	Homecoming Jiingtamok			\$	7,000	
20	8/17/2008	Legislative branch supplement			\$	129,000	
21	8/17/2008	Elders program hosting of MIEA conference				\$	20,000
22	9/7/2008	Anishinaabemowin language teacher			\$	22,987	
23	9/7/2008	Youth Services NCIA annual conference				\$	10,600
24	9/7/2008	Adult vocational training program			\$	21,000	
25	10/5/2008	Purchase of land # 28					
26	10/5/2008	McClurken and Associates legal historical research				\$	198,000
27	10/5/2008	Per capita distribution			\$	94,500	
28	10/5/2008	Detention cost supplement for law enforcement			\$	10,000	
29	11/16/2008	Winter Solstice children's party			\$	15,500	
30							
31							
32							
33							
34							
35							
36		Total 2008 Tribal Council Appropriations			\$	511,462	\$ 811,600
							\$1,323,062

Appropriations Balances from Prior Year Funds

Unobligated Prior Period Funds 2008:

Pre-audit Unobligated at 1/01/09

2009 Activity:	Account #	Department	Type of Appropriation	
			Operations	Econ Dev and Non-Operations
9/7/2008 Anishinaabemowin language teacher			\$ 67,351	
10/5/2008 Detention cost supplement for law enforcement			\$ 12,000	
5/17/2009 Berg Farm Lease			\$ 8,000	
7/26/2009 Michelle Chingwa Education Assistance			\$ 70,000	
8/9/2009 Elders food and utility assistance			\$ 10,000	
10/25/2009 Per capita distribution			\$ 76,000	
11/8/2009 Winter Solstice party and monetary gift			\$ 17,000	
Total 2009 Tribal Council Appropriations			\$ 260,351	\$ -
Balance Remaining			-\$260,351	

Appropriations Balances from Prior Year Funds

Unobligated Prior Period Funds 2009:

Pre-audit Unobligated at 1/01/10

2010 Activity:	Account #	Department	Type of Appropriation	
			Operations	Econ Dev and Non-Operations
2/21/2010 Elders dental program			\$ 15,000	
3/20/2010 Odawa Homecoming Jiingtamok Pow-Wow Committee			\$ 18,000	
5/16/2010 Protect MI vote campaign				\$ 20,000
6/6/2010 Michelle Chingwa Educational Assistance			\$ 225,000	
6/6/2010 Berg farm lease for hunting and gathering			\$ 8,000	
6/6/2010 Michigan Indian Family Olympics			\$ 4,700	
6/27/2010 Michelle Chingwa Educational Assistance			\$ 110,000	
7/11/2010 Elders dental program			\$ 20,000	
8/8/2010 Elders food and utility assistance			\$ 110,800	
8/8/2010 Rehmann Robson retainer				\$ 12,500
9/12/2010 Elders Association donation				\$ 6,900
10/10/2010 Judiciary branch			\$ 33,000	
11/7/2010 Per capita distribution	1401-8-00		\$ 45,000	
11/7/2010 Elders dental program			\$ 25,000	
11/7/2010 Winter Solstice party	2104-2-00		\$ 20,000	
12/5/2010 Election board supplement	1103-0-38			\$ 5,000
3/20/2010 Funding for LTBB Election Board add'l elections				\$ 60,000
9/12/2010 911 Spring Street loan payoff				\$ 87,000
9/12/2010 DF King & Co, Information Agent and Depository				\$ 7,500
12/19/2010 Amicus brief, Madison County case				\$ 5,000

Total 2010 Tribal Council Appropriations

\$ 634,500 \$ 203,900 \$838,400

* Does not include any funding that may have been obligated as the result of a confidential memo
 ** These items are questions because they weren't included in the original appropriation spreadsheet from Accounting

Appropriations Balances from Prior Year Funds

Unobligated Prior Period Funds 2010:

Pre-audit Unobligated at 1/01/11

2011 Activity:	Account #	Department	Type of Appropriation		
			Operations	Econ Dev and Non-Operations	
12/19/2010 Election board legal counsel, Carlos Alvarado				\$ 10,000	
1/23/2011 Legislative Office summer intern			\$ 9,500		
2/20/2011 Elders dental program			\$ 25,000		
2/20/2011 Odawa Homecoming Jiingtamok Pow-Wow Committee			\$ 27,000		
4/17/2011 LTBB Foster Care Assistance			\$ 100,000		
5/1/2011 Michelle Chingwa Educational Assistance			\$ 500,000		
5/1/2011 Biindigen employee insurance			\$ 100,000		
6/12/2011 Election board supplement				\$ 20,000	
6/12/2011 Odawa Fishery, Inc start up costs				\$ 125,000	
9/25/2011 Creating budget for Office of Treasury, 2011 exp			\$ 50,000		
10/9/2011 Odawa Fishery outstanding debts				\$ 20,000	
10/23/2011 Michelle Chingwa Educational Assistance			\$ 100,000		
11/6/2011 Rehmann Robson mgmt consulting fees				\$ 10,000	
12/8/2011 Odawa Fishery taxes				\$ 6,000	
Total 2011 Tribal Council Appropriations			\$ 911,500	\$ 191,000	\$1,102,500

* Does not include any funding that may have been obligated as the result of a confidential memo

Appropriations Balances from Prior Year Funds				
Pre-Audit Unobligated Funds available, 12/31/11				\$8,540,427
Beginning Post Audit Balance				\$17,460,555
Less:				
BIA Roads Bank Account				\$ 1,500,000
Real Estate				\$ 86,268
Merrill Lynch Investments - Fair Market Value				\$ 4,608,026
Restricted, Committed, and Assigned Funds				\$ 3,537,528
Post-Audit Unobligated Funds available, 12/31/11				\$7,728,733
			Type of Appropriation	
2012 Activity:			Operations	Econ Dev and Non-Operations
Account #	Department			
9/25/2011	Creating budget for Office of Treasury, 2012 exp		\$ 170,000	
1/8/2012	Land Purchase (Conf. Memo dated 12/20/11)			\$ 519,976
1/8/2012	Grant Writer		\$ 96,300	
1/8/2012	NAGPRA/MACPRA		\$ 18,000	
2/5/2012	OFI Taxes			\$ 17,283
2/5/2012	Enrollment Server			\$ 9,400
2/5/2012	Waste Water Technician		\$ 86,650	
2/5/2012	Land #48 (Appleyard Daycare)			\$ 200,000
2-19-12*	Pro Forma			\$ 39,000
3/18/2012	Tribal Judiciary #1			\$ 5,000
3/18/2012	Tribal Judiciary #2		\$ 129,710	
3/18/2012	Tribal Judiciary #3		\$ 2,500	
3/18/2012	Tribal Judiciary #4		\$ 15,000	
3/18/2012	Legislative Consultants - Rescinded 7/18/12			
4-22-12#	Appropriation by Confidential Memo			\$ 388,500
5/6/2012	911 Renovation			\$ 674,935
5/6/2012	Apple Yard Expenses		\$ 49,148	
5/6/2012	OFI			\$ 25,000
5/20/2012	Planning Department	2315-0-00		\$ 25,000
6/10/2012	Leg. Capital Project Fund - Rescinded 7/08/12			
6/10/2012	Legislative Consultants			\$ 16,254
7/8/2012	Michigan Indian Family Olympics (MIFO)		\$ 7,500	
7/8/2012	Office of Treasury - 2012 Budget	1101-0-00	\$ 73,500	
7/8/2012	Legislative Capital Project Fund	2315-0-01		\$ 115,000
7/13/2012	Land Survey and Planning Study			\$ 15,000
7/13/2012	Legislative Capital Project Fund	2315-0-01		\$ 31,000
8/5/2012	Senior Financial Analyst-2012			
8/5/2012	Senior Financial Analyst-2013			
8/5/2012	OFI - Hiring of a General Manager - 2012	N/A		\$ 34,000
8/19/2012	Land Survey and Planning Study Budget	2315-0-00		\$ 22,000
8/19/2012	OFI - To remove the refrigeration trailer	N/A		\$ 1,112
8/19/2012	Legal Fees - Jodi Doak - Case #C-120-0411	1101-0-00		\$ 10,000
8/5/2012	Senior Financial Analyst-2012		\$ 56,000	
8/5/2012	Senior Financial Analyst-2013		\$ 140,430	
9/9/2012	Land Purchase approp. for up to \$1,500,000			\$ 1,500,000
9/10/2012	Audit			\$ 10,000
9/23/2012	Preconstruction Appropriation	2315-0-01		\$ 970,000
10/7/2012	Administrative Assistant I	1101-0-00 / 2000-0-01	\$ 44,334	
11/4/2012^	Additional Per Cap per Tribal Citizen = 4,534		\$ 455,000	
11/4/2012	Odawa Fishery fillet machine and fall run			\$ 47,000
11/4/2012	Judicial Branch associate judge travel exp		\$ 24,000	
11/4/2012	Judicial Branch furniture and Indigent Fund supplement		\$ 11,000	
11/18/2012	Election Board for Stipends, Travel etc.		\$ 22,225	
11/18/2012	Purchase of land parcel # 59			\$ 10,000
12/16/2012	2013 Traditional Burial Grounds Board		\$ 25,000	
Total 2012 Tribal Council Appropriations			\$ 1,426,297	\$ 4,685,460
Balance Remaining			\$6,111,757	
			\$1,616,976	
* This appropriation was completed inside of a confidential memo and is not reflected in the minutes of 2/19/12 as an appropriation, only an approval of an action step. FYI				
# This appropriation was completed inside of a confidential memo and is not reflected in the minutes of 4/22/12 as an appropriation, only an approval. FYI				
^Approved in TC phone poll 10/24/12				

LITTLE TRAVERSE BAY BANDS OF ODAWA INDIANS
7500 Odawa Circle
Harbor Springs, MI 49740

TRIBAL RESOLUTION # 101513-01

**Appropriation of Funds for the 2015 Operating Budgets and Funding Allocation for the
2015 Fiscal Year**

WHEREAS The Waganakising Odawak Nation, known as the Little Traverse Bay Bands of Odawa Indians, and its citizens are vested with inherent sovereignty and right to self-governance;

WHEREAS the Little Traverse Bay Bands of Odawa Indians ("LTBB" or "Tribe) is a federally recognized Indian Tribe under Public Law 103-324, and is a party to numerous Treaties with the United States the most recent of which being the Treaty of Washington of March 28, 1836 (7 Stat. 491) and the Treaty of Detroit of 1855 (11 Stat. 621);

WHEREAS Waganakising Odawak Statute 2007-003 states that "By October 15 of each year the Tribal Council shall adopt the Tribal Government priority funding allocation which shall set forth the allocation of funds among the five divisions, (Executive, Legislative, Judicial, Prosecutor, and Election Board), for the fiscal period budgets that will begin 14 1/2 months from this date. Prior to approval of this allocation the Tribal Council may hold public hearings."

WHEREAS in the phone poll dated October 10, 2013, the Tribal Council set forth a priority allocation that requires adjustment in accordance with the allocation of the funds as set forth in the operating budgets presented by the Appropriations and Finance Committee;

WHEREAS in accordance with the Constitution, The Tribal Council shall enact an annual budget for the upcoming fiscal year. The budget shall identify all funding

Tribal Resolution # 101^{MS}13-01 Appropriation of Funds for the 2015 Operating Budgets and Funding Allocation for the 2015 Fiscal Year

sources, appropriations of operating funds and Tribal enterprises. The Budget shall be a Tribal document, dispersed to Tribal members at the annual meeting of the Tribal Membership, or made available by mail as requested by Tribal members;

WHEREAS pending the outcome of Case No. A-022-1212, Tribal Council, to conform with the lower Court decision, Tribal Council approves the FY 2015 budget in the form of a Resolution.

THEREFORE, BE IT RESOLVED that priority allocation percentages for FY 2015 be allocated to the Tribal Government at 18.42%, Economic Development at 7.40%, General Welfare at 25.56%, Distributions at 11.66%, Donations at 0.30%, and Repayment of Debt/Tribal Priorities at 36.66%;

THEREFORE BE IT FURTHER RESOLVED that the Tribal Government percentage allocation from above is to be split among all Divisions, based on an anticipated amount of \$19,734,207 as follows: Legislative 7.09% and Repayment of Debt/Tribal Priorities 36.66%, Judicial 5.57%, Prosecutor 0.79%, Election Board 0.61%, and Executive Branch 49.28%,

CERTIFICATION

As the Tribal Council Legislative Leader and Tribal Council Secretary, we certify that this Tribal Resolution was duly adopted by the Tribal Council of the Little Traverse Bay Bands of Odawa Indians by a Phone Poll of the Tribal Council conducted on October 15, 2013 at which a quorum was present, by a vote of 7 in favor, 2 opposed, 0 abstentions, and 0 absent as recorded by this roll call:

	In Favor	Opposed	Abstained	Absent
Bill A. Denemy	X			
John W. Keshick III		X		
Beatrice A. Law	X			
Michael J. Naganashe	X			
Aaron Otto		X		
Winnay Wemigwase	X			
Marcella R. Reyes	X			
Julia A. Shananaquet	X			
Regina Gasco Bentley	X			

Date: 10-15-13

Regina Gasco Bentley

 Legislative Leader Regina Gasco Bentley

Date: 10-15-13

Julia Shananaquet

 Secretary Julia A. Shananaquet

Received by the Executive Office on 10-15-13 by *[Signature]*

Pursuant to Article VII, Section D, Subsection 1 of the Little Traverse Bay Bands of Odawa Indians Constitution adopted on February 1, 2005 the Executive concurs in this action of the Tribal Council.

VETO

Date: 11-14-13

Fred Kiogima, Tribal Chairperson

