

Ordinance 08-01

An Ordinance for Appropriation for the Corporate Commission of the Mille Lacs Band to continue operations for the period beginning December 1, 2000 and ending December 31, 2000.

The District III Representative introduced the following bill on the 30th day of November, 2000.

Preamble

It is enacted by the Band Assembly of the Mille Lacs Band of Ojibwe for the purpose of appropriating funds for economic development and operations of the Corporate Commission for the period beginning December 1, 2000 and ending December 31, 2000.

Section 1: Economic Development and Operations.

The Band Assembly hereby appropriates and authorizes expenditures not inconsistent with this Act or other applicable Band law for the Corporate Commission of the Mille Lacs Band for the period beginning December 1, 2000 and ending December 31, 2000.

Section 2. Net Revenues.

(a) One hundred percent (100%) of the net revenue as defined in § 2(c) of this Act, of the Corporate Commission, shall be deposited in the General Fund of the Mille Lacs Band for appropriation.

- (1) Thirty percent (30%) of the Net Revenue from Grand Casino Mille Lacs, Grand Casino Hinckley and all other gaming related ventures including management or consulting agreements or other funds carried is appropriated to a fund known as the Corporate Commission Business and Economic Development Fund, to be used in accordance with this Act; and
- (2) Ten percent (10%) of the Net Revenue from Grand Casino Mille Lacs, Grand Casino Hinckley and all other gaming related ventures including but not limited to management or consulting agreements and all other non-gaming ventures or investments of the Corporate Commission or funds carried over is appropriated to the Corporate Commission Business and Economic Development Fund to be used for the development and construction of residential housing.
- (3) Thirty percent (30%) of the Net Revenue from all other businesses, ventures or investments of the Corporate Commission not otherwise accounted for in § 2(a) of this Act, is appropriated to the Corporate Commission Business and Economic Development Fund to be used in accordance with this Act; and

- (b) Grand Casino Mille Lacs and Grand Casino Hinckley shall calculate and remit their net revenues for a fiscal month not later than the 20th day of the following month to the General Fund of the Band. Funds appropriated from the General Fund and designated for the Corporate Commission Business and Economic Development Fund shall be transferred to the Corporate Commission Business and Economic Development Fund by the Commissioner of Finance within 30 days of the end of the month.
- (1) Commencing May 15, 1999 or at the expiration of the Management Agreement, Grand Casino Hinckley shall calculate and remit their net revenues for a fiscal month not later than the 20th day of the following month to the General Fund.
 - (2) All other businesses owned by the Corporate Commission shall calculate and remit their net revenue annually not later than November 30th to the General Fund of the Band.
- (c) For purposes of this Act “Net Revenue” shall mean the gross revenue from any and all departments, units, and all other sources of the integrated casino-hotel-entertainment facilities known as the Grand Casino Mille Lacs and the Grand Casino Hinckley, and the gross revenues from all other businesses owned by the Corporate Commission less reasonable and proper operating expenses for those facilities, and businesses, including a reasonable capital reserve, consistent with industry standards, to ensure the continuous up keep and maintenance of the facilities and the continued improvement of the facilities necessary to assure that they remain premier destination entertainment facilities. Such reasonable operating expenses may include, but not be limited to; (1) repayment of principal and interest for debt acquired to maintain and improve the gaming facilities (2) payment of wages, salaries, benefits, training and educational programs for employees of those facilities; (3) prizes; (4) materials and supplies for those facilities; (5) utilities; (6) repairs and maintenance of the facilities; interest on installment contract purchases by the facilities; (7) insurance and bonding; (8) advertising and marketing expenses; (9) professional fees not to exceed the annual budget (10) security costs; (11) costs associated with gaming regulatory compliance; (12) equipment; (13) trash removal; (14) snow removal (15) cost of goods purchased; (16) a reasonable operating reserve fund for expenditures that may arise periodically but not in a regular reoccurring manner; (17) reasonable reserve and replacement fund, consistent with industry standards or required by any future debt instruments and as provided for in the annual budget required in §3(b) of this Act.

Section 3. Permissible Uses.

- (a) **Permissible Uses of Funds.** Monies in the Corporate Commission Business and Economic Development Fund may be expended by the Corporate Commission for any of the following purposes;

(1) Administration of the Corporate Commission, including;

- (1) salaries of Corporate Commission personnel;
- (2) incentive bonuses to staff if paid in accord with commercially reasonable policies and procedures expressly adopted by resolution of the Corporate Commission;
- (3) fees paid for professional services provided that there is a valid and binding contract between the Corporate Commission and the professional service provider;
- (4) rent for Corporate Commission office space, storage space, and any other uses the Corporate Commission may have for building space;
- (5) supplies and equipment;
- (6) utilities;
- (7) costs for meeting expenses;
- (8) travel expenses if disbursed in full accord with travel policies and procedures adopted by the Corporate Commission;
- (9) administrative expenses spent which are necessary for the effective and efficient operation and performance of the duties of the Corporate Commission.

(2) Corporate Commission business and economic development projects, including:

- (1) start-up costs or the acquisition of Corporate Commission businesses;
- (2) expansion of existing Corporate Commission businesses including the addition or improvement of amenities consistent with the purpose of those businesses;
- (3) establish and operate loan and grant funds to assist Band members, and others when appropriate, who desire to start, acquire or expand their own businesses;

- (4) purchasing in whole or in part, any ownership interest, be it shares of stock, partnership interest, joint venture interest, membership in a Limited Liability Company or similar entity, or any other business ownership where money invested in that business has a reasonable chance to produce a return on the investment;
- (3) Concomitant with the authority to expend funds for the purposes set forth in this section, the Corporate Commission and the Commissioner of Corporate Affairs, not inconsistent with Band statute or Corporate Commission by-laws or resolutions, is fully authorized to execute and enter into contracts, agreements, or other documents or instruments necessary to complete any activity or transaction the Corporate Commission elects to engage in under the terms and conditions of this Act.
- (b) **Corporate Commission Budget.** At least one month prior to the beginning of the Band's fiscal year the Corporate Commission, by majority vote of the Board of Directors, with a quorum present, shall approve and submit a budget for the fiscal year to the Band Assembly. The budget shall be in such form and contain such supporting detail in accord with general custom and usage for similar types of business budgets and shall be specific in detail to allow the Band Assembly to reasonably discern the proposed actions and expenditures of the Corporate Commission. The proposed budget shall consist of two component parts, Administration and Projects. The Administrative Component shall be in a form approved by the Band Assembly and contain specific activity levels by line item. The Projects Component shall contain a list of current and proposed projects with the approximate cost of each. The budget shall also include a statement showing project revenues and expenditures of the Corporate Commission and the projected balance at the end of the fiscal year.
- (c) **Approval of Corporate Commission Budgets.** The annual administrative budget of the Corporate Commission and a budget setting forth the amount of money targeted for and a preliminary list of projected Corporate Commission projects shall be approved by a majority vote of the Board of Directors of the Corporate Commission. The Board of Directors of the Corporate Commission must also approve any modification to the previously approved Corporate Commission administrative budget that involves a change of ten percent (10%) or more in any given line item within the applicable budget.
- (d) **Approval of Individual Projects; Notice.** Prior to expending money from the Corporate Commission Business and Economic Development Fund on a project, the Board of Directors of the Corporate Commission shall approve of any such project budget. The Corporate Commission shall provide notice to the Band Assembly of the approval of any project within 10 working days of any such approval. The Board of Directors may approve of any project whether or not that project is listed among the annual projected Corporate Commission projects. If the

Board of Directors approves a project that was not included on the list of annual projected projects submitted to the Band Assembly, the notice to the Band Assembly of such an approval shall contain an explanation as to why the approved project was not included in the list of projected projects.

(e) **Spending Limitation on a Single Project**

The Corporate Commission may not expend more than fifty percent (50%) of the total amount of money appropriated for Corporate Commission projects in any given fiscal year on any single project without prior authorization from the Band Assembly. Such authorization shall be in the form of a resolution adopted by the Band Assembly.

(f) **Prohibited Projects**

No funds of the Corporate Commission shall be used in any business activity or venture whose activities are illegal, or wholly inconsistent with the values of the Band.

(g) **Unused Funds**

Any and all funds previously appropriated and remaining in the Corporate Commission Business and Economic Development Fund at the end of the fiscal year or appropriated to the Corporate Commission shall remain in that fund or be transferred to that fund and be automatically carried over to the next fiscal year for use by the Corporate Commission, not inconsistent with the provisions of this Act or other applicable law.

(h) **Budget Amendment.**

The Corporate Commission may not expend any money from the Corporate Commission Business and Economic Development Fund for any purpose that is not authorized or permissible under this Act or exceeds the dollar amounts or limitations contained in section 3 for the Projects budget without first receiving prior authorization in the form of a budget amendment or spending waiver for such spending adopted by a resolution of the Band Assembly.

Section 4. Reporting Requirements.

The Corporate Commission shall make quarterly reports to the Band Assembly concerning businesses and other activities as follows:

- (a) **Reporting on Business Participation.** The form of the required reporting shall be consistent with the Corporate Commission's ownership interest in the business and as the Band Assembly desires in order to maximize the value of the information contained therein. At a minimum, unless otherwise unlawful, the Corporate Commission shall report or cause to be reported to the Band Assembly the following information concerning the business;

- (1) Quarterly profit and loss statements of the business;
- (2) Quarterly balance sheet and cash flow statements of the businesses;
- (3) Submit annual audited financial statements of the business within 120 days of the end of the fiscal year;
- (4) Unless waived by the Band Assembly, the Commissioner of Corporate Affairs shall appear before the Band Assembly no fewer than four times a year for the purpose of reporting on the condition and operations of each of the Corporate Commission businesses, subsidiaries or investments;
- (5) Band Assembly may at any time, following reasonable notice, call a meeting with the Commissioner of Corporate Affairs, or his/her designee to discuss any matter concerning any Corporate Commission owned businesses, subsidiary or investment.

(b) **Other Matters.** The Corporate Commission and the Corporate Commissioner shall regularly report to the Band Assembly on all other activities it is engaged in such as but not limited to, business regulation, gaming compliance and the Entrepreneur Program which shall be informational, beneficial, and acceptable in form to the Band Assembly.

Section 5. Corporate Commission Loans.

The Corporate Commission of the Mille Lacs Band shall not borrow, lend or enter into any loan agreement or establish any line of credit with funds other than those described in § 2(a) of this Act.

Section 6. Maximum Funds.

All funds appropriated are maximum amounts and shall not be exceeded.

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Introduced to the Band Assembly on this
thirtieth day of November in the year
Two thousand.

Passed by the Band Assembly on this
thirtieth day of November in the year
Two thousand.

APPROVED

Date: 11-30-00

Date: _____

FILED

Date: _____

OFFICIAL SEAL OF THE BAND

Herb Weyaus
Herb Weyaus, Speaker of the Assembly

Melanie Benjamin
Melanie Benjamin, Chief Executive

Vetoed

Jay Kanassatega, Acting Solicitor General