

Ordinance 03-02

An ordinance for the Corporate Commission of the Mille Lacs Band to continue operations for the period beginning October 1, 2001 and ending September 30, 2002.

The District I Representative introduced the following bill on the 18th day of October, 2001.

Preamble

Be it 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 October 1, 2001 and ending September 30, 2002.

**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 October 1, 2001 and ending September 30, 2002.

**Section 2. Net Revenues.**

(a) One hundred percent (100%) of the net revenue shall be deposited in the General Fund of the Mille Lacs Band. Net Revenue is defined as 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.

- (1) Grand Casino Mille Lacs and Grand Casino Hinckley shall calculate and remit their net revenues for a fiscal month not later than the 20<sup>th</sup> day of the following month to the General Fund of the Band.
  - (2) All other businesses owned by the Corporate Commission shall calculate and remit their net revenue annually not later than November 30<sup>th</sup> to the General Fund of the Band.
- (b) For purposes of this Act 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;
- (7) interest on installment contract purchases by the facilities;
- (8) insurance and bonding;
- (9) advertising and marketing expenses;
- (10) professional fees not to exceed the approved annual budget;
- (11) security costs;
- (12) costs associated with gaming regulatory compliance;
- (13) equipment;
- (14) trash removal;
- (15) snow removal;
- (16) cost of goods purchased;
- (17) a reasonable operating reserve fund for expenditures that may arise periodically but not in a regular reoccurring manner; and
- (18) reasonable reserve and replacement fund, consistent with industry standards or required by any future debt instruments and as provided for in the annual budget.

(c) Fifteen percent (15%) of the Net Revenue from all revenues of the Corporate Commission, or any Corporate Commission entity shall be deposited in the Business and Economic Development Fund, and shall be held in an interest bearing account under the direction of the Office of Management and Budget from which expenditures shall not be made until expressly authorized by formal appropriation of the Band Assembly.

(d) Funds designated for the 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.

### **Section 3. Corporate Commission Budget.**

(a) **Corporate Commission Budget.** The Corporate Commission shall submit a budget to the Band Assembly for the next fiscal year by August 15<sup>th</sup>. 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.

(b) **Unused Funds.** Any and all funds previously appropriated and remaining in the Corporate Commission Business and Economic Development Fund and the cash on hand at the end of fiscal year 2001 are hereby appropriated and carried over to the 2002 fiscal year budget for expenditure by the Corporate Commission, not inconsistent with the provisions of this Act or other applicable law.

(c) **Fund Advances.** The Corporate Commission shall receive a prorated amount from the Business and Economic Development Fund quarterly, by the tenth day of the month following the end of the previous quarter.

### **Section 4. Administration Budget.**

Administration of the Corporate Commission subject to a limit of \$10,500,000.00 for fiscal year 2002.

(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) salaries of Corporate Commission personnel;
- (2) incentive programs to staff if paid in accord with reasonable policies and procedures expressly adopted by formal action of the Corporation Commission Board of Directors;
- (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 formal action of the Corporate Commission; and
- (9) administrative expenses spent which are necessary for the effective and efficient operation and performance of the duties of the Corporate Commission.

(b) **Modification of Administrative Budget.** The Board of Directors of the Corporate Commission shall also approve any modification to the previously approved Corporate Commission administrative budget that involves a change in any line item of ten percent (10%) or \$100,000 whichever amount is greater. The Secretary/Treasurer of the Mille Lacs Band shall be notified of any such change within five (5) business days of the Corporate Board action.

#### **Section 5. Projects Budget.**

(a) **Permissible Uses of Funds.** Permissible uses of Projects Budget funds include the following:

- (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 programs to assist Band members, and others when appropriate, who desire to start, acquire or expand their own businesses; and
- (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.

(b) **Projects equal to or less than \$500,000.** At least five (5) business days before expending money on a project equal to or less than \$500,000 the Corporate Commission shall provide written notice to the Band Assembly. If the Band Assembly fails to take action within five (5) business days the Corporate Commission may expend money on such Project.

(c) **Projects in excess of \$500,000.** The Corporate Commission may not expend more than \$500,000 of the total amount of the money appropriated in the Projects Budget for that 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.

(d) **Prohibited Projects.** The Corporate Commission shall not use funds for any business activity or venture which is illegal, or inconsistent with the values of the Mille Lacs Band.

(e) **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 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 6. Reporting Requirements.**

The Corporate Commission shall make quarterly reports to the Band Assembly and the Chief Executive at shareholder's meetings.

(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, the Corporate Commission shall report or cause to be reported to the Band Assembly the following information concerning the businesses:

- (1) Quarterly profit and loss statements of the businesses;
- (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) 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;
- (5) The Band Assembly may at any time, following reasonable notice, call a meeting with the Commissioner of Corporate Affairs to discuss any and all matters concerning any Corporate Commission owned businesses, subsidiary or investment;
- (6) The Band Assembly may at any time, and following reasonable notice, require the production of any record, statement, or other document in the possession or control of the Corporate Commission, subsidiary, or investment thereof not in violation of any Band, federal or state law. The Commissioner of Corporate Affairs shall be responsible for delivering the record, statement, or document to the Band Assembly in a timely fashion, but in any event, not later than ten (10) business days; and

- (7) The Corporate Commission will provide a monthly written summary of all contracts entered into during the previous month for Professional Services including Legal Services, Accounting or Other Consulting Services. The summary shall include:
- (a) Name of the professional service provider;
  - (b) Amount of the contract; and
  - (c) Services to be provided.

**Section 7. 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 in excess of \$500,000 without the prior approval by the Band Assembly.

**Section 8. Tax Revenue.**

All tax revenue collected by the Corporate Commission or an entity thereof on behalf of the Mille Lacs Band shall not be distributed or used for any purpose other than that expressly provided for by appropriation of the Band Assembly.

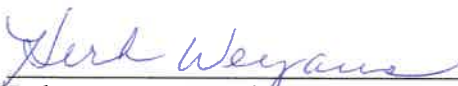
**Section 9. Maximum Funds.**

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

Ordinance 03-02

Introduced to the Band Assembly on this the eighteenth day of October in the year Two Thousand One.

Passed by the Band Assembly on this the eighteenth day of October in the year Two Thousand One.

  
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Herb Weyaus, Speaker of the Assembly

APPROVED

Date: 10/18/01


  
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Melanie Benjamin, Chief Executive

Date: \_\_\_\_\_

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Vetoed

FILED

Date: 10/22/07

  
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Tadd Johnson, Solicitor General

**OFFICIAL SEAL OF THE BAND**