

# Mille Lacs Band Statutes Annotated

Amendments received through: December 03, 2021

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## TITLE 17 – BANKS AND BANKING

<u>Chapter</u>	<u>Section</u>
1. Revolving Loan Fund	1
2. Mille Lacs Band of Ojibwe Foundation	101
3. Institutional Investment Committee	201

### CHAPTER 1

#### REVOLVING LOAN FUND

##### Section

1. Reservation of Right Amendment.
2. Retrospective Law.
3. Loan Committee Establishment and Purpose.
4. Committee Membership, Terms of Office and Salary.
5. Officers.
6. Loan Committee Meetings.
7. Policies.
8. Powers and Duties of the Board.
9. Powers and Duties of the Office of Management and Budget.
10. Reports and Audits.
11. Suspension and Operation.
12. Court of Central Jurisdiction.
13. Solicitor General Obligation.
14. Fund Authorization.

##### Historical and Statutory Notes

The Preamble of Band Ordinance 41-98 provides: “Preamble. It is enacted by the Band Assembly of the Mille Lacs Band of Ojibwe for the purpose of creating a Revolving Loan fund for members of the Mille Lacs Band of Ojibwe. The Band Assembly determines that it is in the Band’s best interest to provide and create a Revolving Loan Fund governed by a Loan Committee to protect the assets of the Band. This Act repeals and replaces Title 17 of the Mille Lacs Statutes Annotated in it entirety.”

**§ 1. Reservation of Right of Amendment.**

The Band Assembly hereby fully reserves the right to alter, amend or repeal the several provisions of this Chapter, and all rights and privileges granted or extended hereunder shall be subject to such reserved right.

**Historical and Statutory Notes**

**Source:**

Band Ordinance 41-98, § 1.

**§ 2. Retrospective Law.**

This Chapter shall apply retroactively to all previous loans disbursed.

**Historical and Statutory Notes**

**Source:**

Band Ordinance 41-98, § 2.

**§ 3. Loan Committee Establishment and Purpose.**

- (a) The Loan Committee is hereby established for the purpose of consulting with, advising and making recommendations to the Secretary-Treasurer and Band Assembly in all matters pertaining to the loan policy.
- (b) The authority and responsibility of the Loan Committee shall be to report the Secretary-Treasurer and Band Assembly on problems concerning loans to Band members and to foster the interest and cooperation of the all concerned parties on improving their methods of operations.

**Historical and Statutory Notes**

**Source:**

Band Ordinance 41-98, § 3.

**§ 4. Committee Membership, Terms of Office and Salary.**

- (a) Existing Loan Committee members shall serve terms until September 30, 1998.
- (b) Effective October 1, 1998, the Loan Committee shall consist of six members who shall be nominated by the Chief Executive and confirmed by the Band Assembly.

- (c) The Band Assembly shall submit a list of not less than seven (7) names to the Chief Executive who shall nominate six (6) from among them to the Band Assembly for ratification. Staggered terms for the six (6) board members shall be as follows.
  - (1) Three-at-large board members shall initially serve two (2) year terms expiring September 30, 2000.
  - (2) Following the expiration of the two (2) year terms the at-large board members shall and then four (4) year terms expiring September 30, 2004, and every four (4) years hence.
  - (3) The three (3) board members from the respective districts shall serve four (4) year terms expiring September 30, 2002, and every four (4) years hence.
- (d) Board members shall be subject to removal pursuant to 4 MLBS § 15.
- (e) Board members of the Loan Committee may receive travel reimbursement and stipends for meetings attended not inconsistent with a Commissioner's Order from the Commissioner of Finance.

**Historical and Statutory Notes**

**Source:**

Band Ordinance 41-98, § 4.  
Band Ordinance 01-99, Title II.

**§ 5. Officers.**

The Chair and Secretary of the Loan Committee shall be elected annually by and from the members thereof.

**Historical and Statutory Notes**

**Source:**

Band Ordinance 41-98, § 5.

**§ 6. Loan Committee Meetings.**

- (a) Meetings may be called by the Chair of the Loan Committee. Four members of the Loan Committee shall constitute a quorum.
- (b) The Secretary shall ensure accurate record keeping of all meetings and transcripts thereof. Such records shall be prima facie evidence of the facts therein. Minutes

shall be approved by the Loan Committee and signed by the Chair of the Loan Committee at the next loan meeting.

- (c) Minutes shall be forwarded to Band Assembly and the Chief Executive within two weeks of their approval.

**Historical and Statutory Notes**

**Source:**

Band Ordinance 41-98, § 6.

**§ 7. Policies.**

Band Assembly shall ratify the policies for the loan committee.

**Historical and Statutory Notes**

**Source:**

Band Ordinance 41-98, § 7.

**§ 8. Powers and Duties of Board.**

The Mille Lacs Band of Ojibwe Loan Committee shall have the following powers:

- (a) To act on and approve applications for loans.
- (b) To recommend amendments to the Loan policies to Band Assembly.
- (c) To fill vacancies in the Loan Committee until successors are nominated by the Chief Executive and confirmed by the Band Assembly.
- (d) To approve loan applications of Loan Committee members subject to the concurrence of the Secretary-Treasurer.
- (e) In furtherance of promoting thrift among its members and creating a source of credit for them at legitimate rates of interest for provident purposes, and not in limitation of specific powers contained herein, to have all the powers enumerated, authorized and permitted by this Chapter and such other rights, privileges and powers as may be incidental to, or necessary for, the accomplishment of the objectives and purposes of the Loan Committee.

**Historical and Statutory Notes**

**Source:**

Band Ordinance 41-98, § 8.

**§ 9. Powers and Duties of the Office of Management and Budget.**

- (a) The Office of Management and Budget shall have the responsibility to administer the Revolving Loan Fund for the Mille Lacs Band of Ojibwe.
- (b) The Office of Management and Budget may contract with lending institutions for the purpose of loan servicing.
- (c) The Office of Management and Budget shall be responsible for initiating all delinquent loan proceedings.

**Historical and Statutory Notes**

**Source:**

Band Ordinance 41-98, § 9.

**§ 10. Reports and Audits.**

The Loan Committee shall annually file a report to the Chief Executive and Band Assembly for the purpose of giving such relevant information as may be required concerning the Loan Committee during the preceding year, although from time to time additional reports may be required. The Revolving Loan Fund shall be reviewed as part of the annual audit of the Mille Lacs Band of Ojibwe. A copy of the audit shall be forwarded to the Chief Executive and Band Assembly within sixty days after the completion of the audit.

**Historical and Statutory Notes**

**Source:**

Band Ordinance 41-98, § 10.

**§ 11. Suspension of Operation.**

- (a) Whenever the Band Assembly finds that the Loan Committee is engaged in unsafe or unsound practices in overseeing the Loan Fund or has knowingly or negligently permitted any of its committee members or employees to violate any material provision of any law, bylaw or regulation to which the Loan Fund is subject, the Band Assembly may suspend operation of the Loan Fund.
- (b) The Secretary-Treasurer, after formal action of the Band Assembly may suspend the operation of the Loan Fund by giving written notice to the Loan Committee. The notice shall include a list of reasons for said suspension and a list of any specific violations of law, bylaw or regulation and shall specify which operations, if any, may be continued during the period of suspension. The notice shall also fix a time and place for a hearing before the Band Assembly. The hearing shall be held within thirty

calendar days of the notice of suspension. Evidence may be produced at such hearing by any party thereto. The decision as to the continued suspension of operations of the Loan Fund shall be based upon the evidence presented. If the Band Assembly, by formal action, decides to continue suspension, they shall give written notice to the Loan Committee.

- (c) In lieu of the immediate suspension of the operation of the Loan Fund, the Secretary-Treasurer may submit a written notice with respect to practices or violations for the purpose of investigation and review so that the Loan Committee may have a reasonable time within which to correct any deficiencies. If corrections are not made within the time stated in the notice, the Band Assembly, by formal action, may suspend the operation of the loan fund in accordance with this section.

**Historical and Statutory Notes**

**Source:**

Band Ordinance 41-98, § 11.

**§ 12. Court of Central Jurisdiction.**

The Court of Central Jurisdiction is hereby granted exclusive original jurisdiction for any cause of action which arises from this Chapter or operations of the loan fund. Nothing in this chapter shall be construed as a waiver of sovereign immunity of the Mille Lacs Band of Ojibwe in any court of competent jurisdiction.

**Historical and Statutory Notes**

**Source:**

Band Ordinance 41-98, § 12.

**§ 13. Solicitor General Obligation.**

The Solicitor General may represent the interest of the Loan Committee in any matter before the Court of Central Jurisdiction.

**Historical and Statutory Notes**

**Source:**

Band Ordinance 41-98, § 13.

**§ 14. Fund Authorization.**

The Band Assembly hereby authorizes a maximum of \$650,000 for the Revolving Loan Fund. These funds shall remain reserved in the general fund to provide for the operations of the Revolving Loan Fund.

## Historical and Statutory Notes

**Source:**

Band Ordinance 41-98, § 14.

## CHAPTER 2

### MILLE LACS BAND OF OJIBWE FOUNDATION

**Section**

- 101. Definitions.**
- 102. Establishment of the Advisory Committee.**
- 103. Composition of the Advisory Committee.**
- 104. Chairperson of the Advisory Committee.**
- 105. Vice-Chairperson of the Advisory Committee.**
- 106. Powers and Duties of the Advisory Committee.**
- 107. Limits on Distributions.**
- 108. Null and Void Recommendations.**
- 109. Advisor to the Advisory Committee.**
- 110. Sovereign Immunity.**

**§ 101. Definitions.**

Unless otherwise provided in this section, all words in this chapter shall be construed according to their ordinary meaning. The following terms are defined for purposes of this chapter:

- (a) **“Distribution”** means a disbursement of monies or other assets from the Fund in accordance with this chapter and Advisory Committee bylaws.
- (b) **“Fund”** means the Mille Lacs Band of Ojibwe Foundation.
- (c) **“St. Paul and Minnesota Foundation”** means the St. Paul and Minnesota Foundation or its successor organization.

## Historical and Statutory Notes

**Source:**

Band Ordinance 25-21.

**§ 102. Establishment of the Advisory Committee.**

The Mille Lacs Band of Ojibwe establishes the Advisory Committee to the Fund for the purpose of recommending to the Foundation distributions from the Fund to qualifying organizations.

**Historical and Statutory Notes**

**Source:**

Band Ordinance 25-21.

**§ 103. Composition of the Advisory Committee.**

The Advisory Committee shall consist of the Chief Executive, the Secretary-Treasurer, and the three (3) popularly elected District Representatives. All five (5) members of the Advisory Committee shall be voting members.

**Historical and Statutory Notes**

**Source:**

Band Ordinance 25-21.

**§ 104. Chairperson of the Advisory Committee.**

The Secretary-Treasurer shall serve as the Chairperson of the Advisory Committee. The Chairperson shall have the following duties:

- (a) to preside over the meetings of the Advisory Committee;
- (b) to communicate to the St. Paul and Minnesota Foundation in writing the name and address of the Chairperson;
- (c) to communicate to the St. Paul and Minnesota Foundation in writing all recommendations for distributions from the Fund passed by a majority vote of the Advisory Committee;
- (d) to communicate to the St. Paul and Minnesota Foundation in writing the name and address of the incoming Chairperson at least two (2) weeks prior to the seating of an incoming Chairperson;
- (e) to be solely responsible for all other communications to and from the St. Paul and Minnesota Foundation; and

- (f) to perform any other duties laid out in the bylaws of the Advisory Committee.

**Historical and Statutory Notes**

**Source:**

Band Ordinance 25-21.

**§ 105. Vice-Chairperson of the Advisory Committee.**

The Chief Executive shall serve as Vice-Chairperson of the Advisory Committee. The Vice-Chairperson shall have the following duties:

- (a) to preside over meetings of the Advisory Committee in the absence of the Chairperson; and
- (b) to perform any other duties laid out in the bylaws of the Advisory Committee.

**Historical and Statutory Notes**

**Source:**

Band Ordinance 25-21.

**§ 106. Powers and Duties of the Advisory Committee.**

- (a) The Advisory Committee shall:
  - (1) adopt bylaws by majority vote that are consistent with the provisions of this chapter;
  - (2) consult with the Commissioner of Finance prior to recommending any distribution from the Fund;
  - (3) communicate in writing, through the Chairperson, recommendations for distributions from the Fund to the St. Paul and Minnesota Foundation;
  - (4) announce or otherwise publish the name of each recipient organization and the purposes for which each approved distribution will be used;
  - (5) evaluate all applications that meet the standards established by the Advisory Committee, provided that the Advisory Committee has elected to solicit applications for distributions; and

- (6) determine by majority vote which complete applications shall be recommended for distributions from the Fund and in what dollar amount and priority, provided that the Advisory Committee has elected to solicit applications for distributions.
- (b) The Advisory Committee may:
- (1) solicit applications for distributions from the Fund; and
  - (2) establish procedures for solicitation of applications for distributions from the Fund, which if created shall specify:
    - (i) the information that applicants shall provide to the Advisory Committee before the application shall be considered complete;
    - (ii) the deadline for the receipt of the applications;
    - (iii) the timeframes in which the Advisory Committee shall consider applications;
    - (iv) the eligibility requirements to apply for distributions from the Fund established by the Advisory Committee or by rule of law; and
    - (v) the purposes for which distributions may be made from the Fund, including educational, cultural, environmental, or any other permissible charitable purpose under law.

**Historical and Statutory Notes**

**Source:**

Band Ordinance 25-21.

**§ 107. Limits on Distributions.**

The Advisory Committee may establish in its bylaws an aggregate annual limit on distributions from the Fund and limitations on the maximum allowable distribution to any single applicant.

**Historical and Statutory Notes**

**Source:**

Band Ordinance 25-21.

**§ 108. Null and Void Recommendations.**

- (a) Recommendations for distributions from the Fund shall be null and void if the recommendation meets any of the following criteria:
  - (1) a recommendation the recipient of which is an organization that does not meet the eligibility requirements for distributions from the Fund set by the Advisory Committee or by rule of law;
  - (2) a recommendation that is communicated to the St. Paul and Minnesota Foundation by any person other than the Chairperson of the Advisory Committee; or
  - (3) a recommendation that was approved in violation of the procedures established in this chapter, the bylaws of the Advisory Committee, or the policies of the St. Paul and Minnesota Foundation.
- (b) The Chairperson may not knowingly communicate to the St. Paul and Minnesota Foundation any recommendation that is null and void. If the Chairperson does communicate to the St. Paul and Minnesota Foundation a recommendation that is null and void, the Chairperson shall, immediately after learning that the recommendation is null and void, communicate to the St. Paul and Minnesota Foundation that such recommendation is null and void.

**Historical and Statutory Notes**

**Source:**

Band Ordinance 25-21.

**§ 109. Advisor to the Advisory Committee.**

The Commissioner of Finance shall maintain financial records relevant to the deliberations of the Advisory Committee and advise the Advisory Committee as to the remaining amount of distributable funds prior to any vote by the Advisory Committee on any application for a distribution from the Fund.

**Historical and Statutory Notes**

**Source:**

Band Ordinance 25-21.

## **§ 110. Sovereign Immunity.**

Nothing in this chapter, nor any communication from the Advisory Committee to applicants or the St. Paul and Minnesota Foundation, shall be construed as waiving the sovereign immunity of the Mille Lacs Band of Ojibwe.

### **Historical and Statutory Notes**

**Source:**

Band Ordinance 25-21.

## **CHAPTER 3**

### **INSTITUTIONAL INVESTMENT COMMITTEE**

#### **Section**

- 201. Investment Principles.**
- 202. Establishment and Purpose.**
- 203. Definitions.**
- 204. Composition.**
- 205. Duties; Resources and Authority.**
- 206. Chief Investment Officer.**
- 207. Investment Budget.**
- 208. Meetings.**
- 209. Ethical Responsibilities.**
- 210. Limitation of Liability; Indemnification; Insurance.**
- 211. Compensation; Expenses.**

#### **§ 201. Investment Principles.**

The Band hereby establishes the following principles to guide its investment responsibilities:

- (a) The Band is a long-term investor whose primary mission is to provide for the well-being of current and future generations of enrolled Band members and their descendants;
- (b) The Band's Investment Policy Statement is the primary determinant of the investment portfolio's risk and long-term returns;
- (c) Although the Band can sacrifice some short-term liquidity to pursue a greater long-term return, the investment portfolio's net cash flows, ability to provide for the health

and well-being of enrolled Band members, and the ability to fund the Band's government are key risk considerations;

- (d) Diversification improves the risk-adjusted return of the Band's investment portfolio;
- (e) There are long-term benefits to the Band managing investment costs;
- (f) Despite variations over time, the equity risk premium is significantly positive over a long-term investment horizon and overall exposure should therefore be managed accordingly;
- (g) The Band benefits significantly when roles and levels of authority between the Institutional Investment Committee and Chief Investment Officer are clearly defined and followed;
- (h) The Institutional Investment Committee delegates implementation of the Investment Policy Statement to the Chief Investment Officer and exercises oversight with respect to the Chief Investment Officer's implementation activities;
- (i) The Institutional Investment Committee ensures that adequate resources are available to the investment staff to perform their statutorily prescribed duties;
- (j) The Chief Investment Officer's key role is implementing the Investment Policy Statement and setting the portfolio's active risk level in a prudent manner to meet or surpass policy benchmarks; and
- (k) Utilizing engagement initiatives to address environmental, social, and governance-related issues can lead to positive portfolio and governance outcomes.

#### **Historical and Statutory Notes**

**Source:**

Band Ordinance 15-22, § 1.

#### **§ 202. Establishment and Purpose.**

The Institutional Investment Committee shall be established to:

- (a) Assist the Secretary-Treasurer in fulfilling her or his oversight responsibilities of all investment-related matters in accordance with Title 3 of Mille Lacs Band Statutes, to include monitoring the performance of the Band's investment assets;
- (b) Adopt bylaws in accordance with § 205(a)(2) of this chapter no later than September 30, 2022;

- (c) Review, discuss, and assess potential transactions proposed by the Chief Investment Officer, ensuring compliance with the Band’s Investment Policy Statement;
- (d) Review the Band’s Investment Policy Statement at least annually and revise as needed; and
- (e) Review and evaluate the performance of individual investment managers and recommend actions regarding their retention or termination as deemed necessary and appropriate.

### **Historical and Statutory Notes**

**Source:**

Band Ordinance 15-22, § 1.

### **§ 203. Definitions.**

Unless otherwise provided in this section, all words in this chapter shall be construed according to their ordinary meaning. The following terms are defined for purposes of this chapter:

- (a) **“Agenda packet”** means the agenda and all pertinent materials prepared by the Chief Investment Officer to be discussed during the Committee meeting.
- (b) **“Annual Report”** means a document that the Secretary-Treasurer, or a designee thereof, presents to the Band Assembly in executive session once per year, typically in February, detailing the performance of the Band’s investment portfolio during the previous calendar year. The Annual Report is presented on behalf of the Committee.
- (c) **“Band”** means the Non-Removable Mille Lacs Band of Ojibwe.
- (d) **“Band Member Representative”** means the adult Band member serving a four-year term on the Committee pursuant to § 204(b)(3) of this chapter.
- (e) **“Benchmark”** means a standard generally accepted within the investment management industry against which the performance of a security or investment manager can be measured.
- (f) **“Capital”** means financial assets, such as funds held in deposit accounts or funds obtained from special financing sources.
- (g) **“Cash flow”** means the net amount of cash and cash-equivalents being transferred into and out of a company.
- (h) **“Chairperson”** means the Secretary-Treasurer in her or his role as presiding officer of the Committee.

- (i) **“Chief Investment Officer”** means the executive, or other appropriate fiduciary entity, charged under this chapter to manage the Band’s investment portfolio and oversee a team of professionals who have the responsibility of monitoring and managing the Band’s investment activities.
- (j) **“Committee”** means the Institutional Investment Committee established under this chapter.
- (k) **“Committee Secretary”** means the individual appointed in accordance with this chapter to perform secretarial functions for the Committee.
- (l) **“Comprehensive Performance Report”** means a document that the Secretary-Treasurer, or a designee thereof, presents to the Band Assembly in executive session twice per year, typically in February and August, detailing the performance of the Band’s investment portfolio during the preceding six months. The Comprehensive Performance Report is presented on behalf of the Committee.
- (m) **“Conflict of interest”** means, notwithstanding any other definition provided by Band law, a vested interest of a Committee member, which may include money, status, knowledge, relationships, or reputation, which puts into question whether the Committee member’s actions, judgment, or decision-making can be unbiased. The mere ownership by a Committee member of the same publicly traded security or type of security that is owned or proposed for ownership by the Band shall not by itself be considered a conflict of interest.
- (n) **“Directors and Officers Insurance”** means a type of liability insurance that protects the personal assets of Committee members and officers, and their spouses, in the event they are personally sued by employees, vendors, investors, customers, or other parties, for actual or alleged wrongful acts in the execution of duties under this chapter.
- (o) **“Diversification”** means a risk-management strategy that integrates a wide variety of distinct asset types and investment vehicles in an attempt at limiting exposure to any single asset or risk.
- (p) **“Duty of confidentiality”** means the duty of any individual who obtains information about the Band’s investments under this chapter to refrain from sharing that information with others, except with the express consent of the Committee.
- (q) **“Environmental, Social, and Governance Standards”** means a set of standards that the Band, as a socially conscious investor, uses to screen potential investments, taking into account how companies perform as a steward of nature; how companies approach issues of health and safety; how companies manage relationships with employees, suppliers, customers, and communities where the companies operate; and how companies are structured with regard to leadership, executive pay, audits, internal controls, and shareholder rights.

- (r) **“Equity risk premium”** means an excess return that investing in the stock market provides over a comparatively risk-free rate.
- (s) **“Executive session”** means a meeting of the Band Assembly that is conducted in private for the purpose of protecting sensitive information.
- (t) **“Exposure”** means the amount of financial value the Band stands to lose in an investment should the investment fail.
- (u) **“General ledger”** means the Band’s main accounting record for governmental operations.
- (v) **“Investment agreement”** means a contract between the Band and a separate entity which states the rights and responsibilities of each party and sets forth the parameters of a proposed investment, to include required services and fees.
- (w) **“Investment budget”** means the annual operating budget of the Chief Investment Officer and investment staff, including salaries, manager fees, custodial fees, trading costs, and other expenses necessary to carry out their duties.
- (x) **“Investment manager”** means a person or organization that makes investments in security portfolios on behalf of the Band.
- (y) **“Investment Policy Statement”** means a document drafted and approved by the Committee that outlines general rules for the Chief Investment Officer to follow, including specific information on matters such as asset allocation, risk tolerance, and liquidity.
- (z) **“Investment principles”** mean a set of standards established under this chapter that guide the Committee’s investment decision-making process and the development of the Investment Policy Statement.
- (aa) **“Investment professional”** means an adult with an extensive background in the financial industry serving on the Committee pursuant to § 204(b)(4) of this chapter.
- (bb) **“Investment staff”** means qualified professionals hired and supervised by the Chief Investment Officer to implement the Band’s Investment Policy Statement.
- (cc) **“Joint Session of the Band Assembly”** means a meeting with the four members of the Band Assembly and the Chief Executive, convened pursuant to 3 MLBS § 25.
- (dd) **“Liquidity”** means the ease with which an asset or security can be converted into ready cash without affecting its market price.

- (ee) **“Minutes”** means notes that are recorded during Committee meetings, which shall serve as an official record of the proceedings and as evidence of a prudent decision-making process.
- (ff) **“Non-voting member”** means a member of the Committee pursuant to § 204(c) of this chapter who is *not* entitled to vote.
- (gg) **“Other appropriate fiduciary entity”** means any organization specializing in institutional investment management that the Band has appointed to act as Chief Investment Officer in accordance with this chapter.
- (hh) **“Security”** means a fungible, negotiable financial instrument that holds some type of monetary value and represents either an ownership position in a publicly traded company via stock, a creditor relationship with a governmental body or corporation represented by owning that entity’s bond, or rights to ownership as represented by an option.
- (ii) **“Speculation”** means the act of investing funds in such a manner that seeks unusually high returns while accepting a substantial risk of loss or failure.
- (jj) **“Voting member”** means a member of the Committee who is entitled to vote pursuant to § 204(b) of this chapter.

#### **Historical and Statutory Notes**

**Source:**

Band Ordinance 15-22, § 1.

#### **§ 204. Composition.**

- (a) **Membership.** The Committee shall be composed of a maximum of eight voting members and one non-voting member.
- (b) **Voting members.** The voting members shall consist of:
  - (1) The Secretary-Treasurer, who shall not serve on the Committee beyond the length of her or his elected term as Secretary-Treasurer;
  - (2) The Commissioner of Finance, who shall not serve on the Committee beyond the length of her or his term as Commissioner of Finance;
  - (3) One adult Band member who possesses a Master of Finance or Master of Business Administration degree, or has other appropriate investment or financial background; and

- (4) A minimum of three and a maximum of five investment professionals possessing diverse financial backgrounds.
- (c) **Non-voting member.** The Chief Executive shall serve on the Committee as a non-voting member.
- (d) **Chairperson.** The Secretary-Treasurer shall serve as Chairperson of the Committee and shall also retain a vote in all matters coming before the Committee. The Chairperson shall:
  - (1) Preside over Committee meetings;
  - (2) Ensure that agenda packets have been distributed; and
  - (3) Encourage input and discussion from Committee members during meetings.
- (e) **Vice-Chairperson.** The Secretary-Treasurer may designate a Committee member as Vice-Chairperson who, in the absence of the Secretary-Treasurer, shall act as Chairperson and perform all duties thereto. Whether the Vice-Chairperson may vote depends on her or his status as either a voting member or non-voting member of the Committee.
- (f) **Band Member Representative.** The Band Member Representative shall serve a four-year term on the Committee, beginning on January 1, 2022. Each successive Band Member Representative shall also serve a four-year term, with the term always beginning on January 1 and ending on December 31.
  - (1) The Band Member Representative must:
    - (i) Be nominated by the Secretary-Treasurer;
    - (ii) Possess a Master of Finance or Master of Business Administration degree, or have other appropriate investment or financial background; and
    - (iii) Be confirmed by a majority vote of the Band Assembly.
  - (2) The Band Member Representative can only be removed for cause by a majority vote of the Joint Session of the Band Assembly.
- (g) **Investment professionals.** The investment professionals shall serve staggered terms on the Committee. Each investment professional must possess financial and investment backgrounds that are diverse from one another, be nominated by the Secretary-Treasurer, and be approved by a majority vote of the Band Assembly. Although lawful to have only three investment professionals serving, the Committee should strive to fill all five investment professional positions. An investment

professional can only be removed for cause by a majority vote of the Joint Session of the Band Assembly.

- (1) One investment professional shall serve a one-year term, beginning on January 1, 2022. Each successive investment professional serving in this position shall serve a four-year term, with the term always beginning on January 1 and ending on December 31.
  - (2) The second investment professional shall serve a two-year term, beginning on January 1, 2022. Each successive investment professional serving in this position shall serve a four-year term, with the term always beginning on January 1 and ending on December 31.
  - (3) The third investment professional shall serve a three-year term, beginning on January 1, 2022. Each successive investment professional serving in this position shall serve a four-year term, with the term always beginning on January 1 and ending on December 31.
  - (4) The fourth and fifth investment professionals shall serve four-year terms, beginning on January 1, 2022. Each successive investment professional serving in either of these positions shall serve a four-year term, with the terms always beginning on January 1 and ending on December 31.
- (h) **Committee Secretary.** The Committee members shall appoint a Committee Secretary, whether from its members or otherwise. The Chief Investment Officer is permitted to serve as the Committee Secretary, in whole or in part, if appointed by the Committee.
- (1) The Committee Secretary shall not vote on the Committee's decisions if she or he is not already a voting member of the Committee.
  - (2) The Committee Secretary shall be responsible for meeting organization, administrative and logistical support, and the drafting of agendas, resolutions, and meeting minutes.
  - (3) The Committee Secretary shall communicate with Committee members as needed to address issues that may arise, legal or otherwise, in the course of the Committee's business.
- (i) **Resignation.** The Secretary-Treasurer, Chief Executive, and Commissioner of Finance may not resign from their positions on the Committee except in connection with resignation from their respective offices. Any other Committee member may resign at any time by providing written notice to the Committee. The resignation is effective when the Committee receives the notice, unless a later date is specified in the notice. Acceptance of the resignation is not necessary to make it effective.

- (j) **Removals and Vacancies.** The Secretary-Treasurer, Chief Executive, and Commissioner of Finance may not be removed from their positions on the Committee except in connection with removal from their respective offices. In the event that one or more of the Secretary-Treasurer, Chief Executive, or Commissioner of Finance positions are vacant, the vacant position or positions may be filled on a temporary basis in accordance with Band law. If the Secretary-Treasurer position is left vacant, the Vice-Chairperson shall be elevated to Chairperson until a new Secretary-Treasurer is elected. If any other position is left vacant, the position shall be filled in accordance with this chapter.

#### **Historical and Statutory Notes**

**Source:**

Band Ordinance 15-22, § 1.

#### **§ 205. Duties; Resources and Authority.**

- (a) **Duties.** The Committee shall:
- (1) Review the Band's Investment Policy Statement no later than December 31 of each year, provided that any revisions shall not conflict with the Band's investment principles established in § 201 of this chapter;
  - (2) Establish bylaws consistent with this chapter that determine the rules of procedure and operation of the Committee;
  - (3) Authorize the Chief Investment Officer to take prudent actions through the issuance of resolutions;
  - (4) Review the quality, performance, and risk characteristics of the Band's investment portfolios;
  - (5) Review market trends and implications for investment risk and portfolio management;
  - (6) Review significant new investment asset classes and strategies;
  - (7) Retain and terminate the Chief Investment Officer as the Committee deems appropriate;
  - (8) Monitor the performance of the Chief Investment Officer, providing input on investment strategy and philosophy;
  - (9) Develop a thoughtful rebalancing policy, under which the Chief Investment Officer will have specific rebalancing duties;

- (10) Review and approve the investment budget or contract, as appropriate, with ratification by the Band Assembly;
- (11) Establish a payment procedure whereby the investment budget is paid in accordance with § 207;
- (12) Select the Band's external managers, consultants, custodians, and investment advisors, with ratification by the Band Assembly;
- (13) Monitor the performance of any external managers, consultants, custodians, and investment advisors and terminate their services when appropriate;
- (14) Identify a hierarchy of individuals who can sign investment agreements, provided that the initiator of a transaction shall never be the same person approving the transaction on behalf of the Committee;
- (15) Review and discuss with the Chief Investment Officer any investment issues or considerations relating to Environmental, Social, and Governance Standards;
- (16) Participate in periodic discussions with the Chief Investment Officer, as appropriate, in connection with human resource and succession planning matters;
- (17) Prepare an Annual Report for presentation to the Band Assembly in executive session;
- (18) Prepare semi-annual Comprehensive Performance Reports for presentation to the Band Assembly in executive session; and
- (19) Take other actions within the general scope of its responsibilities under this chapter.

(b) **Resources and authority.** The Committee:

- (1) Shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to retain legal counsel and other experts or consultants;
- (2) May conduct or authorize investigations into, or studies of matters within, the scope of the Committee's duties and responsibilities;
- (3) May form and delegate authority, consistent with this chapter, to subcommittees or to one or more designated members of the Committee; and

- (4) May approve a limited waiver of the Band's sovereign immunity in carrying out its statutorily prescribed duties.

#### **Historical and Statutory Notes**

**Source:**

Band Ordinance 15-22, § 1.

#### **§ 206. Chief Investment Officer.**

- (a) The Committee shall hire, and have the authority to terminate at will, a Chief Investment Officer to implement the Band's Investment Policy Statement.
- (b) The Chief Investment Officer shall:
  - (1) Hire, supervise, and manage investment staff to assist in the carrying out of her or his duties;
  - (2) Report to and make investment management recommendations to the Committee;
  - (3) Prepare all supporting documentation for the Committee's agenda packet, with the exception of the agenda itself; and
  - (4) Execute the Committee's decisions and update the Committee about overall progress of the Band's investment function in each meeting.

#### **Historical and Statutory Notes**

**Source:**

Band Ordinance 15-22, § 1.

#### **§ 207. Investment Budget.**

- (a) The investment budget consists of certain expenses that may be paid from the Band's general ledger and certain expenses which may be paid directly from investment assets at the direction of the Chief Investment Officer.
- (b) Expenses which may be paid directly from investment assets include underlying manager fees, custodial fees, and trading expenses.
- (c) Expenses which may be paid from the Band's general ledger include any costs that were pre-approved as part of an annual budgeting process, including compensation for the Chief Investment Officer and investment staff.

- (d) Any expense not authorized under this section must be approved by the Committee.

### **Historical and Statutory Notes**

**Source:**

Band Ordinance 15-22, § 1.

### **§ 208. Meetings.**

- (a) **Frequency.** The Committee must meet at least once per year, but shall strive to meet four times per year. The Chairperson may call special meetings of the Committee as she or he deems necessary or appropriate.
- (b) **Quorum.**
  - (1) A quorum of the Committee exists when at least four voting members are present in person or by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other.
  - (2) The Committee may only act by a majority vote of its members present at the meeting where a quorum exists, except that the Committee may also conduct business via electronic mail without a meeting. A tie vote is insufficient to constitute a majority.
  - (3) When the Committee is conducting business via electronic mail, the vote of a majority of the Committee's voting members by such medium shall constitute the action of the Committee.
  - (4) In the absence of a quorum, a lesser number of Committee members may adjourn the meeting.
- (c) **Agenda packets.** Members of the Committee will be provided an agenda and all pertinent materials to be discussed during the meeting at least three business days in advance.
- (d) **Bylaws.** The Committee shall have the power to adopt bylaws consistent with this chapter for the conduct of its business.
- (e) **Minutes.**
  - (1) The Committee Secretary shall draft and maintain minutes of Committee meetings, recording the time and date of the meeting, the names of present and absent Committee members, vote tallies, and the names of Committee members voting for or against each agenda item.

- (2) The minutes shall be circulated amongst all Committee members within five business days after the meeting date and approved within 15 business days.
- (f) **Attendees.** The Committee, in its discretion, may invite the following individuals to the Committee's meetings to provide pertinent information:
  - (1) Staff members working in support of the Chief Investment Officer;
  - (2) Legal counsel;
  - (3) Outside investment advisors; and
  - (4) Band officials or administrative support personnel.
- (g) **Subcommittees.** The Committee may form subcommittees of no fewer than two members for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority, consistent with this chapter, as the Committee deems appropriate. The Committee shall not delegate to the subcommittee any power or authority required by law to be exercised by the Committee as a whole.

#### **Historical and Statutory Notes**

**Source:**

Band Ordinance 15-22, § 1.

#### **§ 209. Ethical Responsibilities.**

- (a) **Prudent person.** When making decisions, the Committee members, Chief Investment Officer, and the investment staff must act in good faith and must exercise that degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived therefrom.
- (b) **Conflicts of interest.** All members of the Committee shall be free of any conflict of interest with respect to the matters before the Committee. Committee members shall recuse themselves from any deliberations or votes when a conflict of interest exists.
- (c) **Punctuality.** Committee members must strive to be present at and on time for all meetings.
- (d) **Duty of Confidentiality.** Any individual who obtains information about the Band's investments under this chapter shall not disclose that information to unauthorized personnel, except with the express consent of the Committee.

### Historical and Statutory Notes

**Source:**

Band Ordinance 15-22, § 1.

### § 210. Limitation of Liability; Indemnification; Insurance.

- (a) **Limitation of liability.** Each member of the Committee shall, in the performance of such member's duties, be fully protected in relying on information, opinions, reports, or statements prepared or presented by any person as to matters the member reasonably believes are within such other person's professional or expert competence, to the extent permitted under Band law.
- (b) **Indemnification.** The Committee members may be indemnified for any and all liabilities and reasonable expenses incurred in connection with any claim, action, suit, or proceeding arising from present or past service on the Committee, in accordance with this chapter and resolutions adopted by the Committee.
- (c) **Directors and Officers Insurance.** This section shall not be construed as obviating the need for Committee members, the Chief Investment Officer, or any other director or officer working under this chapter to obtain Directors and Officers Insurance, which may be purchased by the Band.

### Historical and Statutory Notes

**Source:**

Band Ordinance 15-22, § 1.

### § 211. Compensation; Expenses.

- (a) **Compensation.** Committee members may not be compensated for their service on the Committee. If the Committee Secretary is employed by the Band but not a Committee member, the Committee may address in its bylaws whether the Committee Secretary should receive additional compensation from her or his regular employment with the Band.
- (b) **Expenses.** The Committee may address in its bylaws the reimbursement of any expenses incurred by Committee members in carrying out their duties, provided that any expenses claimed must be appropriate and reasonable.

### Historical and Statutory Notes

**Source:**

Band Ordinance 15-22, § 1.