

Pyramid Lake Paiute Tribal Council

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**PYRAMID LAKE PAIUTE TRIBAL COUNCIL
SPECIAL MEETING MINUTES
Tribal Chambers ~ Nixon, NV
December 2, 2020**

Members Present:

Sherry Ely-Mendes, Vice Chairwoman
Judith Davis, Councilmember
Janet Davis, Councilmember
Cassandra Darrough, Councilmember
Carolyn Harry, Councilmember

William Miller, Councilmember
Irwin Mix, Councilmember
Michele Smith, Councilmember
Georgina Wadsworth, Councilmember

Members Absent: Anthony Sampson Sr., Tribal Chairman

Note: Due to COVID-19 Tribal Council meetings are closed to the public to ensure the health and safety of attendees. Councilmembers attended in person, keeping to 6-foot distancing, and via audio conferencing.

CALL TO ORDER

Vice Chairwoman Ely-Mendes called the December 2, 2020 Special Tribal Council meeting of the Pyramid Lake Paiute Tribal Council to order at 5:01 p.m.

ROLL CALL

Roll call was taken by Brenda A. Henry, Tribal Secretary. Councilmember Darrough connected at 5:12 p.m. All other Councilmembers were present at roll call and a quorum was established for this meeting.

APPROVAL OF AGENDA

Vice Chairwoman Ely-Mendes said there are no changes to agenda.

Councilmember Judith Davis made a motion to *approve the agenda*. Councilmember Smith seconded the motion. Votes were seven (7) **for** and zero (0) **opposed** with zero (0) **abstentions**. **Motion carried.**

NEW BUSINESS

1. Approval/Discussion of 2021 Budget. Jill Mix, Comptroller

Ms. Mix confirmed with Councilmembers they received the summary information and a spreadsheet with the current R&E for now with the general fund programs, broken down by revenue and expenditures. The 2021 carry forward right now is only \$5146.99 to carry over to 2021. Normally there is a million that they are carrying forward. This is not the final numbers these are just estimates currently. The permit revenue which is what she pulled directly from the bank because they do not have it all entered the general ledger. It is what was made in a month. The estimated expenditures for December \$289,000., which can do down, she took the expenditures and divided by 12, but it may go down and they will have a little more carry forward. The estimated 2020 tax collections are \$1.5, estimated 2021 permit revenue is \$1.5. She took \$125,000 times 12 months because that what they have done in the past, they may make more or not, this is just estimated. The program income is also an estimated number she took from the average of what the programs make and put the average amount. To balance the budget, they must use CEMEX funds in the amount of \$177,000., but right now the CEMEX funds are sitting at \$969,000.

Councilmember Harry asked if it would benefit to overestimate our permit revenue in the event we are hit with another closure. Ms. Mix said if we keep our prices where they are now, we will make more revenue than what we have because we are not selling seasonal permits. We made \$213,000 since we opened within the past month, so she is underestimating the permit revenue. She only has the one month to go off the new prices. Councilmember Harry added permanent prices, correct?

Ms. Mix said with the lack of revenue that we have we are only looking at \$3.6 for our tribally funded programs. The only way she could make that work is to fund the essential departments. She took the 2020 budget and took a 25% cut in all the budgets, which is significant because it is a fourth of their budgets. But that is the only way she could make the expenditures match the revenue, she had to take a big cut. She has not talked to the department directors to ask them to make a budget because she needed guidance from Council saying it was okay to do or what's their other options.

Councilmember Harry asked her to give them a background on her approaches to the Economic Development Committee (EDC) and the health department on what difference that would have made. Would they have still be looking at \$36 million every \$3.6 million or would they have been able to increase the budget.

Ms. Mix said they approached the health Department with taking over EMS and parks and Recreation because to her they were health related. Know the clinic's annual budget they can put in for the EMS funds, but at the time when they asked them, they were not interested in taking. Said they might want to take over EMS's if it is under their control. Parks and Recreation is not included because they are not essential. But that would have saved \$572,000 for EMS.

Vice Chairwoman Ely-Mendes asked if Jill had a conversation with Don Pelt, EMS Director because she thinks there is some related issues. They cannot go under healthcare because of some of their funding. So, they need to get together and discuss what the options are. There are some funding issues if you take it under the emergency response and put it under the health clinic. Need to have further conversation with them before it is decided. Must find out the other side to see if it can be

done. She would not count on that one right now. Need to have a meeting with both department heads which would be respectful of the process and then bring it back. Mr. Pelt shared with her a specific about his funding sources. She is not certain for sure but there may be issues.

Councilmember Janet Davis said if she remembered correctly, she thought the conversation was not necessarily those departments going under it, but it was about using third party billing funds. That is how he approached it and the health department, and the board said no, because basically those funds must be spent at the clinic, under program that are existing through the health clinic. They also had their Indian Health Service person from Phoenix on the phone line that also stated that. Ms. Mix said they did not talk to the funding agency, if they were on the line, they did not ask any questions. Ms. Mix said they also looked at the clinic's annual funding agreements and it says they can apply for EMS dollars, and the EMS must work with a medical provide with the clinic anyways. That was as far as they got with the conversation because health board did not sound like they wanted to take on the program. It was just one of the options they were looking at. It is a needy program in the community, and they do not want to just give it up. It is just that the Tribe cannot afford it, it's very expensive.

Councilmember Harry said she could not understand why they could not take it under them, the health clinic but she could understand third party billing. What about indirect cost.

Vice Chairperson Ely-Mendes said that is an issue they need to sit down as a team and hash it out before it comes to the Council where they will have the questions of why or why not.

The reason why it was rejected by the health board was because it was approached by as a third-party billing and it jeopardizes their funding.

Councilmember Janet Davis said it would be like them going into the housing authority and using their indirect which is specifically for that departments. It is the same with the health department, they have their parameters as well.

Councilmember Harry ask it is always going to be a need, so how do they improve upon it now and move forward, it goes hand in hand with the health department.

Vice Chairwoman Ely-Mendes said her proposal to get funding for this year from the Economic Development one time and work with a real budget would certainly be the answer to that question. Apparently, we are going to make plenty of funds to fund the next year. 2022/2021 is the one they are worried about. They had a conversation with Leilani Walkush, Breakwater, the Tribe's Investment firm. She went over the investment funds and did point out to them the interest is the interest funds that can be spent or can be allocated by the Tribe. They can make the decision to do what needs to be done to get the process rolling. The justification is good governance, which is something that Ms. Walkush is doing with her Tribe to get them off projected income. Which is her goal to get the Tribe off projected income. We do not touch anything that we're making or what we have in the bank now. We would do this continually and change the cycle of a projected income. She is hopeful to have a proposal for the Economic Development Committee based on these premises so they can work in unison and draw that money down and go into the new year. If we do that, they should base it on a real year budget, not a shortfall or not

a furloughed year, but a full year budget with all programs fully functioning and move forward from that point. Regarding the conversation with Ms. Walkush, it was interesting to be able to use the funds but also to mirror the Economic Development Plan (EDP), which in Ms. Walkush's opinion would be prudent and feasible.

Ms. Mix said upon Council's directive at the last meeting, for them to write a proposal and meet with the EDC again, which they did the past Monday and they denied them again. They do not fit in their business application. The Tribe's government services do not fit. They told them the Tribe makes permit money, they make tax funds, make a strategic plan and they can help fund those. But the permit funds are the Tribe's taxes, here right? This is what their commitment is, they use to support the general fund and all the governmental services. They are not a new business, they are not in it to make money, they are in it to provide services. So Council is asking them to go back to them and ask again after they already told them no, two times.

Vice Chairwoman Ely-Mendes said she wants the Chairman and the Executive Team to take Ms. Walkush documentation saying they can use the funds back to the EDC. They need to get together with Ms. Walkush and put a proposal together which has the information in it. What is interesting is they, the Council can make that decision if they feel that is a sound decision to make and move forward because it is the law.

Ms. Mix asked why they are not making that decision. They do not fit in the ED application. They had Michael Guss, Contracts and Grants, write a narrative for the proposal and they still said no, so why do they have to go back, why cannot Council decide like they did before.

Vice Chairwoman Ely-Mendes said she thinks it is appropriate for them to work through this with them and say this is what we need to do and have them respond that the category doesn't fit, and their recommendation would be not to do this because it doesn't fit the EDP category. Then the Council can make the decision. What they need to know is the bottom-line number from Ms. Mix on a good year of how much they are going to need, they can use the lake losses as the basis for an amount that were going to be asking for because that would be the number that would get us through the next year as a projection. So, whatever they projected to make and did not make, they could ask for that amount. The Tribe does have a couple small money-making ventures, for instance Realty but the income goes to that department. They do need to document historically so people can look back and see why they did that. They did it because there is a pandemic, they are doing it to keep tribal members safe by shutting down the lake which shut off the Tribe's income. This is the reason why they need to supplement which is good governance. She will get with the Chairman to get a formal document from Ms. Walkush.

Ms. Walkush is the head of the Consultant for Breakwater, the Tribe's investment. They administer the minors trust on behalf of the Tribe. They were involved in the last distribution, so they have background knowledge.

Ms. Mix said they did get a denial letter from the EDC. Councilmember Wadsworth responded it was not a denial letter. It said the EDC cannot act upon it based on the information provided, it will be the Tribal Council who will decide whether it will comply with the EDP and the EDF or whether non-compliance with the same will ensue to assist governmental spending.

Benjamin John, Executive Officer (interim) said he has an email from Ms. Walkush where she says the EDP outlines the seven elements and percentages for the principle and allowed for economic development payments in 2018, with half of the interest at the time, and then she says there should be no restrictions on the remaining half.

Vice Chairwoman Ely-Mendes affirmed that yes that was exactly what she said. She is the Tribe's financial advisor, it would not be out of compliance, they can be creative to fit some of the categories but bottom line they would need a certain amount. This would only be one-time and save the Tribe's funds, pinching pennies until the end of the year then allocate the savings to the next year so they are no longer using a projected budget. Ms. Walkush is doing this same thing with other Tribes. She thinks it a prudent way to look at things and it is explainable, but she would like it written down for historical purposes. It needs to be documented why they make decisions, especially these kinds of decisions.

Councilmember Harry asked about the meeting being informative which provided further guidelines and why the whole Council was not invited. Vice Chairwoman Ely-Mendes stated it was scheduled for 10am during the day.

Brenda Henry, Tribal Secretary, stated the meeting was originally setup for Ms. Walkush to provide an update to the Trustees of the Minor Account, the Chairman, Vice Chairman and Executive Officer. A brief regarding the minor's account would then be provided to Council. During the meeting, Chairman Sampson Sr., asked the question regarding the EDP, which is where this information regarding the principal and interest came from. Again, the meeting was not about the EDP, it was a meeting to update the Trustees on the Minor's Account.

Vice Chairwoman Ely-Mendes said she talked with Ms. Walkush and she will be providing a white paper regarding the EDP. She will forward an email she received from Ms. Walkush regarding the minor's fund and why the fund for the minor's is getting hit because of the market. It is riding the market not because they insisted it be taken out of the Office of Special Trust (OST), OST did not want to handle it. They said if the Tribe wanted to do a minor's fund, we had to put it in an investment firm to handle the payouts, they would not process any checks on the funds. She told Ms. Walkush they needed a white paper on it because they were getting a lot of questions from members. Was asked why we did not just leave it at OST, which the Tribe could not do at the time. The Tribe will not be able to roll it back to OST per their direction. She suggested we could work concurrently and pass a budget that is on projected income, as Ms. Mix is proposing with what we have and supplement, save it for next year, if we decide we are going to make the proposal back to the EDC and move forward with a resolution to Council.

Mr. John said he followed up with Ms. Walkush about the process the Tribe needs to go through, and she sent him a lot of stuff and because the interest is unrestricted the Tribal Council can withdraw basically whatever they want to withdraw. Under Volume Two it states the Tribe maintains the interest and can withdraw the funds for Tribal Governmental Purposes. It is the same qualification they used when they pulled out the interest that was provided to tribal members. It covers it all for Tribal Governmental Purposes and then the Tribe determines what those purposes are.

Vice Chairwoman Ely-Mendes said yes, they can just go for it but she thinks the EDC doesn't quite understand that either but it can be used to give them a portion of the interest funds so they can start creating small businesses. It would be specific to them and they would not be able to touch because it was allocated to the EDC. Of course, they are the watchdogs of the 40 million along with Tribal Council which they do not want to touch.

Mr. John said that is where the disconnect comes from, the EDC does not understand the seven categories and the percentages apply to the principal and the interest in unrestricted.

Vice Chairwoman Ely-Mendes said anytime they took money from the interest, they always tried to match those categories which Ms. Walkush said was a good idea. When they do that, then they can prove that it would have fit that category, although it is unrestricted, they are just not spending it. Since they are on retainer, she said they can create the documents, just need to let her know. Administratively, they can start working on it with Ms. Walkush and possibly have something ready in January. Tentatively they can approve a budget and possibly amend it if they decide to pull the funds down from OST. Council says stop spending the Tribe's real funds and put it in the bank and leave it there for next year, but that is an option. They let the EDC know they want to access the funds and that they do not fit any of the categories. They need to justify the move for spending the funds every time they spend it, there has to be clear justification of why they are using it.

Mr. John said all that information would be in the resolution, which is the one requirement. As an example, he received Numu Inc.'s, 1034 form when they requested their operating budget. It is general, it doesn't state specific categories just says this is what we'll be doing, and it'll be under governmental services and that's all it requires.

Vice Chairwoman Ely-Mendes said we should have a white paper that backs up the resolution and a proposal.

Councilmember Harry said for clarification, to have an actual cash on-hand budget, using the EDF to give the Tribe an actual budget, that is not projected. This is for 2021, correct?

Vice Chairwoman Ely-Mendes said correct, so in 2022, everything the Tribe made in 2021 is no longer projected, it is real money. Then in December they can budget on that.

Councilmember Harry asked Ms. Mix to confirm the budget at \$3,597 million, that's actual projected cost, not including the EDF. Ms. Mix said no it is not included.

Ms. Mix said the actual budget that was passed in 2020 for all the programs supported which is \$5.8 million. Vice Chairwoman Ely-Mendes said what we will have to make in 2021 is \$5.8 million.

Councilmember Harry said they need to make more in 2021 because they left off higher education and she thinks it is vital to have scholarship funds for tribal members.

Vice Chairwoman Ely-Mendes said that is they need to go with the actual budget. If they go with the actual budget, then they have the money to get the Tribe through the year. And they can save some because just they have the money does not mean they have to spend it. There may be departments they do not have to open because of COVID, to keep them safe, so they can bank those funds and carry over to the next year. They should meet the projected budget because they've up the permit fees and the majority of the Tribe's funds comes from that in taxes. So, they should be asking for the actual budget, not just enough to get by but a real budget.

Ms. Mix said if they can get it from the EDF, then she will not have to keep making up budgets and they can give a clear directive to the departments. This directive needs to come from Council because they have done what Council has asked, they have gone through the EDC only to be denied or told it doesn't fit.

Councilmember Janet Davis said she knows it is going to save the Tribe and help the budgets, but these funds are not Council's funds, this is the Tribe's funds, the people's money. She does not feel good about them deciding how to spend it. She would prefer if there is a way they can manage without using the interest funds. Yes, it does indirectly go to help the Tribe out but not necessarily helps 100% of tribal members.

Vice Chairwoman Ely-Mendes said it is the interest fund, not the \$40 million principle. All the programs are accessible by all tribal members who live on the reservation. For those who live off the reservation, they will have to figure that out but most of the people living on the reservation do access most of these programs. She is not handing out money she is giving them resources. It is well spent because the premise is, they would not ask for access to the interest fund again. This puts the Tribe on a historical track where we they have never worked on a real budget, it has always been projected, it's time to change that.

Councilmember Harry said she completely agreed with the ideology to have a real budget. To take Councilmember Janet Davis into consideration, they do not use the EDF they use projected funds this year and they come in with real income that exceeds the projected, can they make a real budget possible for 2022 on this year's revenue?

Vice Chairwoman Ely-Mendes said because they are still projecting, that means they're spending as they're making; it will always be projected, they always be in the cycle of projection. Project is unhealthy.

Councilmember Harry said she likes the idea; she just wishes the other departments could have been involved. She thinks they have time by December to get the written verbiage and if they did use the EDFs for this coming year and looking at some line items that do not have to be sponsored, just the essential staff but number one scholarships are huge, it is a benefit for everyone. She did not see the burial funds, is it missing somewhere?

Ms. Mix said the burials funds are under 087 governmental services.

Mr. John asked what the turn-around time is from when they request the funds, when would they receive it.

Ms. Mix said the time frame would be different. Last time it took 10 days when they asked for the \$3.2 or \$3.5 million because it was liquid. Right now, that amount they are looking at, the \$5.8 million, that's not liquid, so she doesn't know what the turn-around time would be. When she talked to OST they said whenever they get the resolution and the form, then they can tell us when we will receive it.

Vice Chairwoman Ely-Mendes said it sounds scary, but it will give the Tribe the opportunity to get on the right path. That is what they need to operate, if they have a \$5.8 million budget or a \$6.6 million budget every year, they need it. Either that or they cut some programs forever which she hopes they would not do. They need to be growing instead of depleting. And next year employees will want to come back to work and if they do not have their budgets, they will not be able to. When she saw the number, she is thinking it will not be popular but if it is something they explained to the EDC and to the community of how better they will be running and how better they can be in 2022 then she thinks they will understand.

Councilmember Harry said they would understand it at a very tight reduced budget, just like Ms. Mix proposed. Only Essential employees for now.

Vice Chairwoman Ely-Mendes said they could do that but then that would put them in a position to use project funding.

Councilmember Harry asked what would they be requesting? Vice Chairwoman Ely-Mendes said they would request a full budget. The full 2020 budget they just reviewed. Councilmember Harry said they should request the \$3.5 million just to fund the Essential, because now they do not have enough. Vice Chairwoman Ely said that would short us about \$3 million and they would then have to be tapping into the projected. For now, they do have to use the projected but if they get the full amount than what they have used for projected for this year, they supplement and set it aside. They then move through the year with what they have. For this year if we are going to ask for a real budget, we are going to ask for the amount the Tribe needs to fund the essential programs. Then if Council decides that we need to go for a full year funding from the EDF, then they set aside what the full year would have cost them if they were on a reduced budget until the end of a full year. Whatever they have carryover, will carry over. Then they use the real income they make, because they do not want to touch that and supplement it with what they get from the EDF if they must. They set aside what they can to go into the next year, what they have earned not what they were given, they save that. In the first quarter, if they must use it because they are waiting on a draw down, they do that. But once they get the draw down, they save it and stop the spending. From there they switch over to the EDF. Council can pass the budget that Ms. Mix is proposing to take care of the essentials. They probably will not know where the pandemic is going to be until after the first quarter when it is possibly evened out and then the Cares Act and unemployment goes away and people will need their jobs.

Councilmember Judith Davis said she has a question regarding Ms. Mix's summaries. There are 13 programs that are not on the 2021 budget. Do those programs have other incomes like grants or something that will assist them? She is looking at Cultural, Childcare, Summer Youth. There is 13 of them that are not on the 2021 budget. Do they have other funding to assist them?

Ms. Mix said according to her spreadsheets presented to Council, these are the grant funds, the Daycare has a balance of \$969,196 available to them from all their grants. The Museum has a grant for \$98,000 for a part time employee which is not even a museum person, that employee is for data collection. Numaga has \$250,000 in grants. With the 638 grants, the Tribe does not get funded from BIA until March which a lot do not get funded that much, which is why the Tribe started assisting them. The Court and Social Services did not have enough to get them through March of the next year. They were spent out at the end of this year and they are not included with the essentials because they get grant funding. Law Enforcement received around \$600,000 but may be less because it includes a one-time funding. They also have a small cop hire grant that they are getting extension requests for because it ends in 2021 and it only funds one officer. The clinic has a lot of grants; they will be okay. The Johnson O'Malley (JOM) has enough to fund Dorothy Ely's position until she gets her 2021 allocation. She receives \$14,000 from the Tribe to help her hire tutors. JOM has \$21,000 now in their account that that should cover them until March of 2021. The only funds they provide to Natural Resources is for legal fees. They have \$5.5 million in grants so Natural Resources is fine. EMS has a couple of COVID grants they are working on. We are also going into our third year of the Safer Grant; we are now going to be matching 65% of the salaries for the seven employees in Safer. They have \$228,000 and that is for November 12, 2020 through November 11, 2021. Cultural has an award in some of these and they are specific. Transportation Planning has quite a bit, \$4.9 million, it may be a little less. Enrollment does not get too much from BIA, the general fund supplements Enrollment which is an essential department. The Nixon Kitchen upgrade from USDA is a miscellaneous item, it is not spent out yet, she has not had the chance to look at the balance yet. The numbers are all just a total award, they are not the actual balances.

Councilmember Wadsworth said she just wanted to see which ones were funded. For instance, Law Enforcement, the funds the Tribe adds in addition to their grant funds means the budget is a lot higher than what is show on the budget summary sheet, correct?

Ms. Mix said yes because the budget summary sheet she provided is only tribal funds. It does not include federal awards because those were approved budgets. Michael Guss, Contracts and Grants will be providing a resolution for the next meeting for the BIA 638 funds. The 638 funds do not get allocated until March of next year which is why the Tribe assists with funding for the Court and Social Services. When the Tribe does not have funding then the departments need to use their grant funds first. The Tribe has been assisting but now that we are in this situation, we only have an estimated revenue of \$3.5 million, the only thing not estimated is the tax and CEMEX because that's money already in the bank.

Councilmember Janet Davis asked if the Tax funds were included in the totals. Ms. Mix said yes, the tax funds were projected in the 2021 essential general fund programs at a 25% decrease and that was only at \$1.5 million. Councilmember Wadsworth said she was talking about the tax cd funds, the one for \$400,000. Ms. Mix said no it was not included.

Ms. Mix was asked if she met with the Tax Director due to a misunderstanding and she thought the funds were no longer available. Councilmember Wadsworth said the funds are still there.

Councilmember Harry said that is something Ms. Mix needs to follow up on. Can they have it included in the budget. They could go with the essential programs, including the interest funds that could take care of higher education and those not fully covered under grants. Councilmember Wadsworth said they are not all grant funded, the scholarships.

Ms. Mix said she thinks Council needs to decide on whether they are going with Vice Chairwoman Ely-Mendes idea or are they going to operation on a shoestring budget and then pick and choose programs. She stressed that a 25% decrease for a budget is significant. The Tribe's indirect cost rate is 24.55, so they need a decision, and they can make it work.

Councilmember Harry said so they go back to the EDC even though they know they do not fit into any of the categories.

Councilmember Wadsworth said she disagrees because the EDC already decide or they couldn't make a decision, they couldn't make a recommendation, it was up to Tribal Council, so why go back to them a third time to have them say the same thing.

Ms. Mix said if they went for the full budget as Vice Chairwoman Ely-Mendes suggested and asked for \$5.8 million, all the departments, all the programs, general fund programs would be funded at the 2020 levels. The \$3.5 million she stated earlier was an estimated revenue for 2021 and that was only for the essential programs they can carry.

Vice Chairwoman Ely-Mendes said yes, they do not have to go back to the EDC but respectfully they would want to include them. She likes the idea that they go forward with documentation. She likes the idea of bringing in Breakwater to assist with the historical proposal of why they are doing this because she's sure they'll need to provide OST with something. They would include the EDC on the process and let them know therefore they are doing this in accordance with the Tribe's financial advisor. And Ms. Walkush would brief the EDC on the use of the interest funds.

Ms. Mix stated the white paper that Vice Chairwoman Ely-Mendes is talking about is internal, what OST would need is the 1034 form with the exact number that the Tribe is asking for with resolution with the required language.

Vice Chairwoman Ely-Mendes said internally they need to have it on file. She will talk with the Chairman about getting together the proposal and having a meeting between Ms. Walkush and the EDC because they understand the EDC cannot decide on this and so Tribal Council is going to make the decision because it's important. She asked for Councilmembers comments on this.

Councilmember Mix said he is good with going with the 2020 budget.

Councilmember Judith Davis said we all knew where we were going to have to cut. She is not comfortable with requesting the EDFs. She would rather go with the 20% cut that Ms. Mix proposed and use the \$400,000 Tax CDs and adding that to the 20% budget.

Councilmember Darrough said she is comfortable with the Vice Chairwoman's idea. Councilmember Wadsworth had a good point, they have approached the EDC multiples times and

they gave a vague response stating it did not fit the identified components of the approved EDP. However, their perspective has not change and they did not provide any specifics on how it didn't fit. They say there were no previous annual budgets included. Their requests of the Tribe have been vague. She does not think the EDC understands, based on their requests of Council to training and legal so help decide. They do need to decide and move forward. She does believe that is what the EDFs in the good governance component would fit because they used a very good word her and that's perspective. They need to make the best decision they can in the best interest of the entire membership; they provide direct services to the membership. They should move forward with the plan and the Chairman and Vice Chairwoman can request of the EDC to reach out to Breakwater consultants, who were instrumental in making the ED distribution happen the first time and the second EDC and guidance and compliance plus they know the EDF inside and out. She would be comfortable in bring them in.

Councilmember Wadsworth said she agrees with Councilmember Darrough. They keep getting the same response from the EDC so they should just move forward with the request. Prepare the resolution and move forward.

Councilmember Smith said she agrees; they have the authority to decide and they need to make it. We are in a pandemic, they must make the hard decisions, this is something they need to do.

Councilmember Miller said he agrees also, need to move forward.

Councilmember Janet Davis said she realizes the Tribe needs the services and funding, but she feels if the Tribe does not have the funds, they need to cut down on the budgets and not be at full capacity. It is the people's money and yes it funds services but not a 100% benefit from the services, there are those that live off the reservation, they don't benefit. Yes, were in a pandemic but at the same time the Tribe needs to cut budgets, if we do our due diligence then maybe it will be justifiable, but she does not see using the funds.

Councilmember Judith Davis said we have been talking about this since the furlough. We knew they were going to have to cut budgets, that is why they were asking for meetings.

Councilmember Mix said they did not know it was going to take this long, the state's funding is dwindling, tribal members will not have money for the holidays. They must do this, they are not looking at the other options, he is looking at families needing gas, groceries and clothes. That is why he is looking at this direction, looking out for the tribal members. If the EDC keeps the interest, what are they going to fund, 2,3,4 or 5 businesses and that is it. That is not including all of our members, but if they do this right here, they're at least helping some of the tribal members and their families.

Vice Chairwoman Ely-Mendes mentioned her son, as an example, who lives in Spanish Springs, who has overhead like everyone else. When you allow him to vote, then you can say there's full inclusion, but the Tribe does not allow them to do that, so they cannot say we're totally leaving people out.

Councilmember Harry said that is their job, they are representative of all tribal members in totality. She is excited they can have had a cash budget; this pandemic gives them a viable solution that will benefit the Tribe from here on out an actual budget based on actual cash on-hand. However, it is for the same reason that Councilmember Janet Davis stated, she would propose because of the pandemic that they go with the essential budget because they know they must make the cuts. She would feel save only pulling the \$3.5 million for the essential budget and using the \$400,000. Those are the funds they supplement for line items for grants that do not get their funds until March. They do not know what's going to happen with the federal government or adding the \$400,000 to include scholarships for tribal members. Once they add the \$400,000 to the \$3.5 million, it totals almost \$4 million.

Vice Chairwoman Ely-Mendes asked Ms. Mix if that \$4 million they were going to spend was real funds or are they projected for the essential. Ms. Mix said part of it is projected because all they have is the tax funds. Vice Chairwoman Ely-Mendes responded they are going to use the money but end up in the same position next year.

Vice Chairwoman Ely-Mendes said that in 2022 they must stay on the reduced budget because they don't want to use projected anymore, they want to use real money from the start, or they'll still be using projected funds. If they go with the reduced budget and reduced staffing and in 2022, they want to ramp it up mid 2021 they can, but they must start the year with the amount of money to start ramping up and get fully functional or they will have to tap into that income they're making now in 2021. They will be starting with the budget that Ms. Mix is proposing.

Councilmember Harry said she understands the concept but come January 1, 2021, what is the income source that they're starting with, what is the cash on-hand.

Vice Chairwoman Ely-Mendes said it depends on whether they get the drawdown or now.

Councilmember Wadsworth said Ms. Mix has the projected revenue at \$3.6 million based on the reports she sent them, that is the money they would use to start out 2021.

Councilmember Harry stated so they go to the EDF to start off with actual cash, that is what the budget is based on.

Vice Chairwoman Ely-Mendes said just because you have the money, does not mean you have to spend it. They say in a good year this is how much it is going to cost to run the Tribe. In 2021, they are going to ask for the whole amount because they do not know when they'll be able to get fully operational. With any extra funds earned they save it for 2022 because it is unpredictable what is going to occur.

Councilmember Judith Davis asked for clarification from Ms. Mix that the \$3.5 million as a projected amount and they are proposing the full 2020 budget from the EDF which they will save the \$3.5 million.

Vice Chairwoman Ely-Mendes said yes because it is not real money, but what they should be projecting to earn is the full five, which they apparently did last year and the year before and of

course, did not earn this current year. Because they were able to meet the projections plus 5% over. And because they have money in the bank, they can spread it around to the programs.

Councilmember Wadsworth said she is now confused because she thought they were asking for the \$3.6 million from the EDF. Now the Vice Chairwoman is saying they get the funds and then they start spending it in June or July. Her thought is if they get the funds, they put it in the bank and leave it there and not spend any of it until the following year. She asked the Vice Chairwoman if her proposal is to get the funds and use it for 2021 and then use the projected funds for 2022.

Vice Chairwoman Ely-Mendes said because their projecting they do not have it in the bank. If they go for the \$3 million, and they must ramp it up to the full \$5 million mid-year because everyone wants their job back from being furloughed, they have a right to have their jobs back, they need to have the money in the bank to pay them.

Ms. Mix said the \$3.5 million that Councilmember Judith Davis was talking about, that is projected revenue that would be in the bank, which is what tax already does. So, they are almost there with \$3.5 million in there, then in 2021 when Tax collects for example \$1500., they will be close to \$5 million. If they get the funds from the EDC then they do not have to spend it, they spend as they earn. It costs \$3 million for essential programs only at a 25% cut. If they do a 25% cut, services will have to get cut and they will probably have to layoff. A 25% cut is huge.

Councilmember Harry asked what it would look like with the 13 departments not being cut.

Ms. Mix said without a cut, if they funded the 13 departments, it would be approx. \$4.5 million rounded at the 2020 levels, that is what they would need without the cuts.

Councilmember Harry stated what she thought everyone was hearing was that they request the funding with the \$1.5 million. They have the \$3 million which they request from the EDF. They could budget with the 2020 budget with just the full 100% funded essentials, which is cash on-hand. The revenue is put away and they do not touch it and that is the cash they run on for the next year.

Vice Chairwoman Ely-Mendes stated they must adhere to the budget they adopt that night for the one year, they must be prudent with their spending.

Ms. Mix said they do not know what is going to happen next year, they don't know the decisions the new Council will have to face. This year they had the cannabis issue and they ended up spending all the Ramah funds, it is scary to not have a safety net.

Councilmember Harry said when she was the tribal secretary there was a line item for tribal emergencies, an extra \$100,000 set aside.

Councilmember Darrough asked Ms. Mix from the information received that night what is her recommendation as the Comptroller.

Ms. Mix said if Council agreed, they should go for the full economic development fund in the amount of the 2020 budget of \$5.8, that would be her recommendation. If Council has concerns regarding tribal members, then her recommendation is to only fund the 13 departments. Of course, they will get a lot of push back because more people will be laid off. They are trying to save jobs. That was the reason they talked to Council prior about going before the EDC to ask for one year's budget. Then everything they made in that year would then fund the next year and they would not have to run off a budget that is projected. They would have funds like the Tax department, they collect in full then don't give it out until the next year. That to her is good governance.

Councilmember Wadsworth asked since the tax operates that way, would they use the \$1.5 for next year, reducing the \$5.8 to \$4.3?

Ms. Mix said if the Council determines that they are going to fund 2021 on the \$5.8 million, then they wouldn't use the 2020 tax funds. They would have two years of tax collected. All the permit revenue and anything that is unspent and working with Council they would save 25% of the revenue for rainy days. Then they will not have to cut into the budgets every time.

Vice Chairwoman Ely-Mendes asked what they are proposing is operating the way the tax department is run. Councilmember Wadsworth said yes because this generates all this year's revenue that is collected, does not get spent this year, it gets spend the following year.

Councilmember Darrough said it sounds like they are mostly in agreement. Maybe not at the \$5.8 million. She is still in agreement with Ms. Mixes recommendation. Maybe at the \$4.3 million to move forward with.

Councilmember Judith Davis said one they never brought up was nobody decided on the Tax CDs, are they going to ask for that or not. Years ago when BIA gave their allocations it was in late February or early March. The Tribe would run the programs when they did not get their allocations while they were on unemployment and there was an understanding that the 638 funded programs would pay the Tribe back.

Ms. Mix said if they had to shut down Social Services or the Court if they ran out of funds, they would have to shut them down which would be detrimental to the people who count on these programs, especial social services.

Vice Chairwoman Ely-Mendes said that they do not have a CD every year and so they can't count on it, it would be their contingency or emergency fund.

Councilmember Wadsworth said they are in an emergency now.

Councilmember Harry suggest they just use \$200,000 of the CD.

Councilmember Darrough suggested making a motion for the approval of this budget as proposed. She is hearing three things: the first two was on Ms. Mixes request for Council to provide an amount to develop a budget with a decreased amount or they need to give an amount, that would

be fully funded budget if they used all the Tribes revenue, including CEMEX, Vidler, Tax CDs, etc. that would be fully funded.

Ms. Mix confirmed what Councilmember Darrough suggested.

Councilmember Darrough said her proposal to the rest of the Council would be for them to agree upon one of the options that Ms. Mix proposed, in addition to simultaneously providing direction to the Chairman or Vice Chairwoman to reach out to the Tribe's consultants to begin working immediately on the 1034 and resolution to OST to drawdown the additional \$5.8 or \$4.3 million, whatever is decided on. But the decision that night is the budget, are they going to approve a decreased budget or are they going to approve a budget that fully funds everything with all the Tribe's revenue.

Ms. Mix said it would be a fully funded budget for all essential programs at a 10% decrease and it would be at \$5.3 million not \$5.8. It would be using the 2020 budget, decrease all budgets by 10% and use the Vidler, CEMEX and the Tax CD. All of that should total \$5.3 million. It is not just the 13 departments; it would be fully funded based off the FY 2020 budgets. This would not include Day Care since they have so many grants right now.

Councilmember Judith Davis said if they went after and received the EDF, they would not touch the Vidler, they would not decrease by 10% or touch CEMEX or the Tax CD. They would only use the EDF.

Councilmember Judith Davis made a motion to *approve the recommendation of the Comptroller to fund the 2021 with FY2020 budget at 5.3% 3 million, with every department taking a 10% reduction. They will use the Vidler funds, the CEMEX funds and the Tax CD. This will not include the Day Care since they have numerous grants.* Councilmember Darrough seconded. Votes were **Seven (7)** for, **zero (0)** opposed and **zero (0)** abstentions. MOTION PASSED.

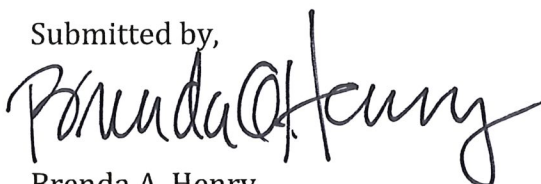
Vice Chairwoman Ely-Mendes will talk with the Chairman regarding the directive to get with Ms. Walkush and the Executive Team to come up with a proposal to the EDC and for this to occur asap.

ADJOURNMENT

With no further business before the Tribal Council, Councilmember Judith Davis made a motion to adjourn the meeting. The motion was seconded by Councilmember Smith. Votes taken were all in favor, **motion carried.**

The meeting adjourned at 7:34 p.m.


Submitted by,



Brenda A. Henry
Tribal Council Secretary

CERTIFICATION

The foregoing minutes were adopted by the Pyramid Lake Tribal Council, governing body of the Pyramid Lake Paiute Tribe, at a meeting duly held on the 18th day of **December 2020**, having seven (7) members present, constituting a quorum, by the vote of five (5) FOR and zero (0) OPPOSED, with one (1) ABSTENTIONS.

Minutes attested and concurred by: 
Anthony Sampson Sr., Tribal Chairman
Pyramid Lake Paiute Tribal Council

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