

Minutes of a regular meeting of the Bois Forte Reservation Tribal Council held January 20, 2016 at the Lake Vermilion Sector of the Bois Forte Reservation, Minnesota.

Meeting called to order at 9:20 a.m.

Members Present: Kevin W. Leecy; David C. Morrison Sr.; Brandon Benner;  
Karlene Chosa; Ray Toutloff

Members Absent: None

Others Present: Corey Strong; Gene Goodsky; Vicki Villebrun; Henry Goodsky; Kim Greiner; Andy Datko; Edith Villebrun; Randy Long; Jennie Rowland; Donald Chosa; Pam Hughes; Joel Astleford; Jaime Burdick; Gene Boshey; Virgil Sohm; Josh Villebrun; Miranda Lilya; Lorna Landgren; Tara Geshick; Cory King; Karen Drift; Carol Burr; Ron Boshey; Elmer Boshey; Angie King; Brad Anderson; Jeneal Goggleye; Tracey Dagen; Doris Isham; Norm Adams; Gary Donald; Phyllis Boshey; Robyn Geshick; Elizabeth Deegan

Discussion on the agenda. Corey has two items, a resolution in regard to a polling site in Duluth for the upcoming primary and general election, and a land acquisition lien waiver. Karlene Chosa requests to add the Minnesota Indian Affairs Council grant that was awarded to Bois Forte for the language and culture program. Karlene said the language and culture program was eliminated from Bois Forte. She said this needs to be brought out from executive session to the main session. Brandon Benner wants to add discussion and direction on the Minnesota State Sales Tax. He said he asked for it a couple months ago, the statutes and what it is for, in layman's terms. It should be put in the paper each year on what it is and what it is for.

Chairman Leecy calls for a motion on the two items Corey Strong is adding to the agenda. Karlene asks if the Minnesota Indian Affairs Council grant can be added. Chairman Leecy said he looked in executive session and doesn't see it. Karlene said it is the minutes of December 21, that it was an illegal meeting because she wasn't notified of the meeting. Chairman Leecy said as chairman of the Minnesota Indian Affairs Council, they haven't made that decision to eliminate that allotment to Bois Forte. It can't be put on the agenda because it is a personnel issue.

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Ray Toutloff asks about the two items from Corey, if they will be voted on separate. Chairman Leecy said each item will be voted on separately.

Moved by Ray Toutloff; seconded by David Morrison Sr.; to add the resolution in regard to the land acquisition lien waiver to the agenda. Carried 4-0-0.

Moved by Karlene Chosa; seconded by Brandon Benner; to add the resolution in regard to a polling site in Duluth for the upcoming tribal elections. Vote is 2-2-0. Ray Toutloff against. David Morrison Sr. against. Chairman Leecy breaks the tie by voting against, because it was tabled at the last meeting and nothing has been brought forward to the council so it could be discussed. The vote is 2-3-0.

Ray Toutloff said he is for the concept. He voted against because at the last meeting it was tabled because there was no information of the costs and the details. He said he had asked that it be tabled so the council could discuss it. There have not been any meetings or discussion on it since.

Moved by Brandon Benner; seconded by Ray Toutloff; to add the discussion on the Minnesota State Sales Tax on the agenda. Carried 4-0-0.

Ron Boshey said a polling place is needed in Duluth. He said there are 300 Band members living there. People don't have cars to come up. There are people that are handicapped. People can't walk to get their ballots notarized.

Moved by Karlene Chosa; to add the Minnesota Indian Affairs Council language and culture grant to the agenda. Chairman Leecy calls for a second. Chairman Leecy calls for a second again. Motion dies for lack of a second.

Brandon Benner asks what it is. Chairman Leecy said as chairman of the Minnesota Indian Affairs Council, Bois Forte will not lose that program. Karlene Chosa said that position was eliminated. Karlene said she is going to ask for reinstatement for that position.

Moved by Ray Toutloff; seconded by David Morrison Sr.; to approve the minutes of a special meeting held November 18, 2015 at the Lake Vermilion Sector of the Bois Forte Reservation, Minnesota. Carried 4-0-0.

Moved by Ray Toutloff; seconded by Brandon Benner; to approve the minutes of a special meeting held December 16, 2015 at Nett Lake, Minnesota. Carried 4-0-0.

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New tribal government employees. There are now new staff present, but Tara Geshick said she will a new employee present at the next meeting.

Moved by David Morrison Sr.; seconded by Ray Toutloff; to approve the consent agenda as follows:

- 1) Approval of the 2016 Indirect Cost Rate Proposal at 26.48%.

- 2) Resolution #36-2016, submission of an application for Bureau of Indian Affairs Endangered Species Program Funding to partner with the 1854 Treaty Authority to assess moose populations, mortality causes, and habitat use in a warming climate within the boundaries of the Bois Forte Reservation and its adjacent 1854 Ceded Territory.

Carried 4-0-0.

Moved by Karlene Chosa; seconded by Ray Toutloff; to appoint the incumbents, Stan Day and Marybelle Isham to the Conservation Committee. Carried 4-0-0.

Moved by Ray Toutloff; seconded by Karlene Chosa; to appoint Gene Boshey Jr. as Vermilion Representative to the Conservation Committee with Kevin Strong as the Alternate. Carried 4-0-0.

Moved by Karlene Chosa; seconded by Ray Toutloff; to approve the request from Jaime Burdick, Chief of Police, to purchase a MPC3003 Ricoh Copier from Ricoh USA, Inc. for the Bois Forte Police Department. Carried 4-0-0.

Moved by David Morrison Sr.; seconded by Ray Toutloff; to appoint the following individuals to the Bii-Zin-Da-De-Dah Advisory Board:

Pamela Hughes from the Chemical Dependency Program  
Terry Strong, Alternate for the Chemical Dependency Program  
Angela Wright from the ICWA Program  
Honore Lehtinen from the Mental Health Program  
Virgil Sohm, Alternate for the Mental Health Program  
Mary Anderson for the Boys & Girls Club.

Carried 4-0-0.

Moved by Ray Toutloff; seconded by David Morrison Sr.; to approve a letter supporting a lien waiver for the Indian Land Consolidation pilot project acquisition process. Carried 4-0-0.

Kim Greiner explains the Minnesota State Sales Tax. Kim said she doesn't believe there is a statute. It comes from a federal court case. It was in the seventies where someone argued that they didn't have to pay state tax because the State of Minnesota does not have jurisdiction over the reservation on taxation of Indians. It was ruled they could not collect state sales tax. It posed a problem because there are

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others besides Natives using the stores and businesses on the reservation. Kim uses herself as an example, she gets gas at the store, and she has to pay sales tax. And if Karlene got gas, she wouldn't. How would it be reported and how would the state verify that they are taxing the right people. Kim said in the mid-eighties they came up with a sales tax agreement where they set an amount on average that a person pays in sales tax. She doesn't know how they came up with the formula. There is a set amount

based on what is called TRIP - total resident Indian population. That comes off the old labor force reports. We don't do labor force reports anymore because we're self-governance. We have to do a self-report on how many is in our service area. There are four parts of the sales tax agreement, sales tax, cigarette, gas, and liquor tax. There is a set amount for each one for the people in the TRIP. If we exceed that amount, because we report the sales tax for all the businesses on the reservation, they refund that amount. If we go over that set amount they share that amount fifty-fifty. The tax base for this is all reservation businesses. On Bois Forte Reservation there is the Nett Lake Store, Fortune Bay, The Wilderness, The Heritage Center. There aren't a lot of businesses that contribute. The Y-Store is not on the reservation so the Y-Store sales tax does not count. Bois Forte receives about 1.4 million dollars per year under this agreement. This money is used to fund the general fund expenses which is mainly items that cannot be funded under grants, contracts, and indirect costs. It runs the general government basically. A question Kim usually gets is why do they not give this money back to Band members. Kim said it has always been used to fund the general government. Kim believes, but is not 100% sure, if the sales tax money was refunded to Band members, it is probably taxable and people would probably lose their assistance. Kim would need to research it. The per capita's were in the same position. When Norm Coleman was in office, legislation was gotten specifically exempting that. There is no specific exemption for the sales tax. Each Band is different. Bois Forte does not have a lot of businesses. Kim talked to Leech Lake. They do not give all theirs back. They also have an agreement with the state on hunting and fishing rights and they do not distribute that back to their Band members.

Karlene Chosa said there is a tribe that gives the cigarette tax back to their Band members, around Christmas time. Kim asks for the tribe's name so she can call them. Karlene said it is Keewenaw Bay.

Kim Greiner explains the Minnesota State Income Tax. To be income-tax exempt you have to live and work on the reservation. For the Minnesota Chippewa Tribe you have to live on your home reservation which is defined as the six member bands of the MCT. If you lived on Mille Lacs or Leech Lake that is considered your home reservation, but if you live on Red Lake it is not. If you live on the reservation and worked for a company like Ullands and part of the year you worked on the reservation, that part of your wages is exempt from state income tax. But when you work off the reservation, that is taxable income. Kim said one interesting thing was like when the powerball was 1.4 billion. If a person bought their powerball ticket at the Nett Lake Store, they would not have to pay about 8% income tax on it, but if they bought their ticket off the reservation they would have to pay income tax on it.

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Kim said everyone is subject to federal income tax though.

Kim said it is up to you to let your employer know you live on the reservation and when you work on the reservation and are exempt from state income tax. But if they do withhold it, you can get your refund

from the state of Minnesota. Even though you are exempt from state income tax, you have to file a state income tax form and claim the exemption.

Moved by Ray Toutloff; seconded by David Morrison Sr.; to adjourn the meeting at 10:15 a.m. Carried 4-0-0.