

Minutes of a special meeting of the Bois Forte Reservation Tribal Council held October 19, 2016 at Nett Lake, Minnesota.

Meeting called to order at 9:08 a.m.

Members Present: Cathy Chavers; David C. Morrison, Sr.; Brandon Benner;  
Travis Morrison; Ray Toutloff

Members Absent: None

Others Present: Corey Strong; Gene Goodsky; Vicki Villebrun; Bill Latady; Louise Isham; Billie Mason; Leanne Hoffman; Andy Datko; Carol Burr; Nikki Pieratos; Dawn Benner; Jaime Burdick; Lori Astleford; Sidra Starkovich; Steve Hertig; Randy Long; Darren Landgren; Gordy Adams Jr.; Josh Villebrun; Tara Geshick; Simona Benner; Kim Greiner; Jeneal Goggleye; Jerry Goggleye; Andrea Poulsen; Miranda Lilya

Invocation by Gene Goodsky.

Moved by Brandon Benner; seconded by Travis Morrison; to approve the agenda with the removal of Sidra Starkovich with the agreement with Dalco, and add Tara Geshick with an appointment of an alternate to the conservation committee. Carried 4-0-0.

Moved by Ray Toutloff; seconded by David Morrison Sr.; to approve the minutes of a regular meeting held October 5, 2016 at the Lake Vermilion Sector of the Bois Forte Reservation, Minnesota. Carried 4-0-0.

Moved by Brandon Benner; seconded by Travis Morrison; to approve the consent agenda as follows:  
1) submission of the renewal grant for Food Distribution in the amount of \$140,593.00 (council poll vote was 3-0-0). Carried 4-0-0.

Nikki Pieratos gives an update on the Northern Eagle Federal Credit Union. Nikki gives the council the results of the survey that was conducted with the members of the credit union to find out what is important to them, what their financial goals are, and how the credit union can best serve them. The credit union opened in January 2014, one in Nett Lake and one at Fortune Bay. The credit union was the

first new one in the state in two decades. It was the only one chartered in the country that year. So it is in the spotlight for other states and tribes. Since opening, it is a little shy of 600 accounts, there is the potential to have close to 5,000 accounts if everyone in the field of membership were to join. Hundreds were served through the financial education programs – monthly workshops at Nett Lake, Vermilion, Virginia, Duluth, and Minneapolis. There are a lot of success stories from the members through the financial education sessions, credit counseling sessions, and budget counseling sessions that helped them get out from under debt. There are still people making progress towards those goals. Nikki said next year they are hoping to add checking accounts, online banking, and traditional debit cards. Growing the membership is a key goal and the way to do that is offer more services.

Chairwoman Chavers thanks Nikki for her report and congratulates Nikki. Chairwoman Chavers informs the audience that Nikki was selected to a group of honorees being recognized and receiving an award at the November 17<sup>th</sup> Finance & Commerce, Top Women in Finance event.

Brandon Benner said he is getting together a lot of financial information that he will be making public on Facebook and other things, to the Band membership. So far, \$218,137 has been spent on the credit union and this year Nikki is asking for another \$172,000. Brandon asks Nikki if the credit union will ever be self-sustaining and what her plan is for that. Brandon said the council took on a lot of big projects, and what wasn't told to the average person was what it costs per year out of the council's budget.

Nikki Pieratos said they looked at their financials (like the other programs), and they redid their strategic plan with the regulators for the credit union. The regulators come in every quarter and look at the benchmarks and where the credit union is now and where they are going. Nikki said the credit union is looking to be self-sustaining. It needs to earn income, the regulators look at what they are spending and what they are making. The way the credit union makes money is basically on the interests on the loans. The key to making money is bringing loans in. Another loan officer was hired and the loan limits were increased. The credit union is still applying for grants for the next three years, it is in the strategic plan. Nikki said she has noticed for tribal credit unions, there is one that has been open for 10-15 years and still operating on subsidies. Nikki said there is the community service aspect that she feels was the intent of the council when opening the credit union. Nikki said it would be easy to earn money if the membership was opened to others, like the gamers at Fortune Bay. A lot of them come to the windows wanting to open an account but they are not part of the target market. The target is always to be self-sustaining and the way to reach that is to grow the membership.

Brandon Benner asks about guaranteed loans with the per capita. Nikki said they have the credit builder loan (formerly the Band member loan program) and that is guaranteed by the per capita. There were some people that defaulted on that loan and their per capita was garnished. There is also the anti-predatory loan more commonly referred to as the emergency loan. It is up to \$500 and they don't pull a

credit report for that loan. That is one loan you won't see at other banks or credit unions. For this loan Band members sign a voluntary assignment if they default on it. There are secured loans where some people put up collateral like a car title. And there are some unsecured loans.

Dawn Benner asks what would happen if per capita would ever get cut off. Nikki said then those would be considered unsecured loans and if the people defaulted they would be taken to court. Nikki said besides tribal court, they can also be taken to county court.

Ray Toutloff said the council gets monthly aged trial balance reports which show what people owe the Band, and one of the reports is the credit union loan that is guaranteed by the per capita, and those delinquencies have gone from a 1½ page report to a ½ page report. Ray said there is obvious progress being made. Ray said he didn't know about the \$500 emergency loan.

Nikki said in the cities there are check cashing and putting up your car title stores. There aren't places like that on the reservation and so people go online to get loans. Nikki said there was one person that took out a \$1,200 loan online and has already paid back \$3,500 and still has a balance left. The interest on those loans aren't regulated so that person is probably paying 600+% interest. The \$500 emergency loan is to prevent that from happening.

Ray Toutloff said one of the main goals Nikki said is to grow the membership. He asks if she has denied people out of the target area.

Nikki said credit unions have to have a specific field of membership approved by the feds. For Bois Forte, when they set out, they met with the council about who to serve. It was Band members, those within their household which could be significant others and those in their families. Like if a family member (doesn't need to be a Band member) lived in Utah, that person and household members could become a member. And the tribe's employees, the government and the businesses. Spouses of employees of Fortune Bay. Right now the members consist of about 80% Band members and 20% employees and their family members.

Ray Toutloff asks if there is a way to expand the membership of the target population like the Iron Range area.

Nikki said they don't have geographic boundaries, there are members in Minneapolis, Duluth, and Virginia. She said one way to expand is to do online banking.

Moved by Ray Toutloff; seconded by David Morrison Sr.; to approve the Archeological Site Evaluation Contract with 106 Group, LLC for two Bureau of Land Management (BLM) islands at Lake Vermilion. The

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islands do not have names, but are numbered by the BLM, and they are on the eastern end of Lake Vermilion around Armstrong Bay. Carried 4-0-0.

Moved by Ray Toutloff; seconded by Brandon Benner; to approve the change to the Health Insurance Deductible and Copay which will be a \$500 deductible and a \$100 copay. Carried 4-0-0.

Moved by Ray Toutloff; seconded by Travis Morrison; to approve leasing the wood chipper and trailer to Jerry Goggeye, and to authorize the Chairman to execute the lease agreement upon final review by Mark Anderson. Carried 4-0-0.

Moved by Ray Toutloff; to appoint David P. Farmer as Alternate to the Conservation Committee. Chairwoman Chavers calls for a second. Chairwoman Chavers calls for a second again. Seconded by Travis Morrison. Carried 3-1-0. Brandon Benner against.

Dawn Benner said she got the details from the budget meeting. She said she seen the commissioners suggestions but not hers. She suggested salary cuts for the top tier-the commissioners. She said if the council doesn't want to cut their salaries then lay them off and give their duties to their top staff because she feels those individuals do them anyway.

Chairwoman Chavers said the council is doing the budget but waiting for the Fortune Bay budgets for the government side is done.

Dawn Benner said the programs have to stop depending on Fortune Bay. They need to write their own grants.

Moved by Brandon Benner; seconded by Travis Morrison; to adjourn the meeting at 10:24 a.m. Carried 4-0-0.