

Called to order: 5:32

Prayer: Mary Watters

Attendance: Chief Chet Brooks, Assistant Chief Bonnie Jo Griffith, Secretary Nicky Michael, Treasurer Benita Shea, Member Annette Ketchum, Member Nathan Young, Member Michelle Holley

Councilman Young moves to approve agenda.

Councilwoman Griffith seconds.

All in favor

Chief Brooks explained this Special Meeting has been called for one purpose only and that is to consider the reorganization of Delaware Facilities Management Services. Anyone in the audience will be given the opportunity to speak or ask questions but in consideration of the time we have at hand, we will have to limit it to two minutes for the question, comment, and response.

Councilman Young motions to consider reorganize of DFMS

Councilwoman Griffith seconds.

All in favor.

Chief Brooks asks if any Councilmember would like to speak first.

Councilwoman Ketchum: would like an explanation of "re-organization."

Chief Brooks replies that the answer is to reorganize DFMS and that may include employees in executive session but certainly not all 13 but certain employees as has been spread on the Internet.

Councilman Young explains that we are losing money and the business is failing, the invoices are inadequate and therefore DFMS needs to reorganize.

Councilwoman Ketchum wanted to know what occurred in May when the Tribe was working in 8(a). Councilman Young said that that was a resolution to put DFMS under the Tribal Council, May 13.

Councilwoman Ketchum asks are we reorganizing to put this back under Delaware Enterprise Authority (DEA).

Chief Brooks states no.

Councilwoman Ketchum says that in the last financials, she did not see a loss on there.

Councilman Young says this is because \$85,000 of capital infusion was listed as revenue.

Councilwoman Ketchum: so they are in black.

Councilman Young: no they are in the red.

Councilwoman Ketchum: but a capital infusion will put them in the black.

Councilman Young: It doesn't count as revenue as was listed.

Chief Brooks: That would have been two and half to three months ago.

Councilwoman Ketchum: I recall that has something to do with the Housing Authority not utilizing DFMS the way they were supposed too; they were being stonewalled? She recalls Councilman Young being in favor of that infusion then.

Councilman Young: I am not aware of this (Housing Authority issue). He says he was in favor of paying our Vendors, for example Lowes, which had cut of our credit. A fence-man who hadn't been paid in a year, was owed \$7 thousand; air conditioning men, electricians, many others who haven't been paid. There is no accountability of DFMS to this Tribal Council. They have never come to the tribal council and said they have problems. DFMS has never had a monthly report.

Councilwoman Ketchum: Wants to ask or audience input because she wants to know what the explanation is for what the Tribal Council is taking action.

Councilwoman Griffith says I think Councilman Young said it best when he says DFMS is losing money and we have to stop the bleeding.

Ms. Jenifer Pechonick asks to be recognized. Chief Brooks states that he is sorry but she has not been recognized to speak and asks for Mr. Paul Bradford. Chief Brooks says before you speak Jenifer, I would ask Mr. Bradford, the CPA to come forward. Ms. Pechonick says she will just pass out information.

Mr. Paul Bradford spoke to his involvement, first with Vicki Bratton in the Housing Authority, who previously asked him to look at housing operations. Senior manager of the audit in 2010 on site when the Tribe disbanded the independent Housing Authority and brought it under the Tribe as a program.

At the time she had informed Mr. Bradford that DFMS was providing services to the Housing Authority. I was provided financials directly from DFMS and was asked to give an evaluation and review. Technically, DFMS is "Insolvent—technically bankrupt—more debt than assets." Current projections does not show that this can improve unless the Tribe makes significant investments into DFMS on a continuous basis.

There was a line of credit that has been fully expended and of course the Tribe is fully liable for this.

Councilwoman Michael asks where this line of credit came from.

Mr. Bradford states: Bank First for approximately \$300,000.

Councilwoman Michael: So we have a loan.

Mr. Bradford: Yes, we have a line of credit loan which is fully due at some particular point and time for which the Tribe is liable.

Councilman Young; What was collateralized?

Mr. Bradford: I have not looked at the collateralization other than the fact that it is basically a CD.

Councilman Young: If I told you it was a tribal CD, would you disagree with that?

Mr. Bradford: No I would not disagree.

The Tribal Council thanks Mr. Bradford for his services.

Councilwoman Ketchum: States that gets us to the point of what we want to do. She asks what are the suggestions for the reorganization?

Chief Brooks: Before we get to that, he wants to recognize those in the audience who wish to address that Tribal Council.

Ms. Jenifer Pechonick is recognized. Councilman Young states she has two minutes. Ms. Pechonick states no, she will not yield to the floor for two minutes because she is going to take Kelias two minutes, Brandon's two minutes, Jan's two minutes, Nathan's two minutes....begins shouting that the Tribal Council is going to let her talk.

Councilman Young moves to go into Executive Session.

Councilwoman Griffith seconds.

Ms. Pechonick points to one of the DFMS workers asking if anyone can name this man. Councilwoman Griffith states Brandon.

Chief Brooks states Ms. Pechonick is out of order. Ms. Pechonick replies that Chief Brooks is out of order because this is a DEA matter and this is the reason there is a separation. She proceeds to strongly vocalize that there are 13 people here that the Tribal Council is firing tonight and they have families and you are going to regret what you are doing to them.

Chief Brooks says that is incorrect.

Tribal Council goes into Executive Session while Ms. Pechonick is escorted out by Security Guard.

Tribal Council returns after Ms. Pechonick is safely out the door.

Councilwoman Griffith motions to postpone Executive Session and proceed with the regular session

Councilwoman Shea seconds.

All in favor

Chief Brooks reminds the audience that we have set the time limit for two minutes and wish for anyone to be able to address the Tribal Council. But if there is another outburst such as what we just witnessed, the Tribal Council would return to Executive Session.

Ms. Kelia Kindred is recognized: She has been DFMS Administrative Assistant since December of 2012. Up until March of 2013, all of the books and business operations were run by the staff under DEA. When they were let go at the end of Feb., half of the line of credit was already used and then we ended up paying another \$40k to bureau taxes, which had never been paid. They weren't used for operating funds and then we had about half of that money left to start a company and run it. For about the last six months or so....before that we always had direct oversight by the Tribal Council, whoever the CFO was, always had access to our books. The Tribe hasn't had a CFO or an Accountant the last 3 to 6 months. The books haven't been watched or kept as carefully, which I always appreciated. I am not an accountant and never wanted to be; so some of the income was put in the books as uncategorized income, I wanted to put that money in the books but needed someone to guide us. Some of those figures are probably wrong with the categories, but all of the transactions are in there. There is a bigger story here though than money or income. We have met challenges that have made it hard to succeed. We are just now on the verge to succeed. I would hate for that to end. Tribal Council thanks Ms. Kindred.

Jack Tatum is recognized: The question that I have is was there a business plan?

Councilman Young: No sir.

Yes, from my understanding, if that is under the Tribal Council, you have the power to reorganize it as you see fit. I would suggest that you start a business, you want a business plan and you need to hold their feet to the fire of that plan.

Mr. Joe Brooks is recognized: Respectfully Chief and Council, I was self-employed for 35 years. I did my own accounting. Watched every penny and sent it to a CPA and they sent my financials back saying I didn't need them. Delaware Facilities Management is broke and they have been broke for several months. Some of you Councilmembers know that I'm upset that the Tribal Council fronted DFMS another \$75,000. Not only is DFMS broke, our Housing Department is broke because they have been milking our housing authority which was illegally only getting single bids. You can't very well pay \$14-15/hour and then turn around and charge housing \$29. I have a little bit of a problem with that. So it needs new management and it needs to be put under new supervision, the Tribal Council. Thank you

for having Executive Session. Congratulations for being elected and do what you got to do but only in the best interest of the Delaware people, not a select few families.

Councilman Young: May I ask you a question. Would you agree sir, that a re-organization doesn't mean that all the employees are not going to be out of work.

Mr. Brooks: Yes, I most definitely do, sir.

Councilman Young: And would you agree that there is a possibility that we could find equivalent paying jobs for the majority of these people, either in Housing or elsewhere.

Mr. Brooks: If they can afford to pay. The Tribal Council knows what they can afford to pay but it shouldn't be left up to anybody but the Tribal Council. Housing is merely a department. You all have the power to set the wages.

Councilman Young: You were in a very profitable smoke shop business, did you keep inventory?

Mr. Brooks: Yes, I did. I took inventory 3 or 4 times a week in every smoke shop I ever owned. If I came up missing a candy bar, I wanted to know where it went, unlike the DFMS has been doing to the Delaware Tribe for however long its been in existence.

Jan Brown is recognized. I also ran my own business for 10 years and not go bankrupt. I did my own accounting. All I'm saying if you want to redo it, I don't have a problem with that. I just want to make sure we have someone that knows how to recondition a business because I don't want to lose that 8(a) application. We realize we may not be making a fortune with this one, but there is a fortune on the wings of it that is so close to be there. I'm just not sure if your not firing everyone, that is good news. If you wait and hire someone that knows how to revamp a business, that is perfectly alright. Please revamp DEA because they are the ones that started this problem in my opinion because they took the money.

Councilman Young: I think everyone agrees Ms. Brown that \$130,000-\$140,000 was used by the DEA.

Councilwoman Ketchum: It was used by the Economic Development Director, I guess is what she was.

Councilman Young: Any other questions? I am somewhat acting as parliamentarian on behalf of the Chief, you don't object do you Chief?

Chief Brooks: Not at all.

Titus Frenchman is recognized: I have question. I'm still unclear about what this organization does. Most Tribes that I've worked with over the last 40 years always come up with a plan—a business plan that fits their vision of what the Tribe is about. Most Tribes today are very productive, they are economically sound, but they have casinos. So they often have a different sophistication level, you

might say from the infusion of money into the peoples pockets. Now this particular endeavor here, I understand is a janitorial service of sorts? How does that fit with our Tribe? Do we want to become Janitors? Do we tell our children to grow up and aspire to become janitors? Should we be looking at this endeavor as a tribal project? I don't think so. That is only my opinion. Thank you.

Nathan Scullawl is recognized. Why are we insulting the janitors? That is part of growing the business. Jim is out there getting contracts and its been two years and the business is taking off, and have any of you all started a business out of curiosity? How long did it take to start a successful business?

Councilman Michael: Yes, six months.

Mr. Scullawl: So you are all are bashing it when DFMS are out there trying to get jobs and Jim is pulling in contracts. I understand we are down in money right now but you got to understand, we had people working for us that went to Lowes and stole from us. We have evidence of that. I don't understand, there is \$6,000 that we had to pay for that we are now hearing they are trying to drop the case and we can't get our money back. I can show you the papers, everything that was charged on that account.

Chief Brooks: What happened to the other \$144,000?

Mr. Scullawl: I don't know about that. I'm just telling you what I know from my point of view. When you have people not in this business, you have to put a bid out there, if it's 5k more we have to put a sealed bid on it. When it's under that, we just have to put a bid on it. And we had no work because Housing tried to shut us down as everyone knows.

Councilwoman Michael: Mr. Scullawl, is there a business plan?

Mr. Scullawl: I don't know. That was up to DEA; I just work for DFMS.

Councilwoman Michael: What's your position at DFMS?

Mr. Scullawl: I am the maintenance Supervisor. I just oversee all the workers. That's all.

Councilwoman Michael: We appreciate your work.

Councilwoman Ketchum: I want to hear more about that man that stole money.

Mr. Scullawl: I have records here from ODCR where it's not his first time with embezzlement charges against him.

Chief Brooks: I am not sure we can allow this.

Councilwoman Griffith motions to go into Executive Session

Councilman Young seconds.

All in favor.

Councilwoman Griffith moves to return to regular session

Councilman Young seconds.

All in favor.

DFMS:

Councilwoman Griffith motions to terminate the employment of the CEO of DFMS, Jim Creed.

Councilman Young seconds.

6 in favor.

1 opposes (Councilwoman Ketchum)

Councilman Young motions for the remaining DFMS employees report to the Tribal offices at 8 am.

Councilwoman Michael seconds.

All in favor

Councilwoman Griffith motions to terminate employment of Beau Watts.

Councilman Young seconds.

6 in favor.

1 opposes (Councilwoman Ketchum)

Councilman Young motions to terminate employment of Nathan Scullaw.

Councilwoman Griffith seconds.

6 in favor.

1 opposes (Councilwoman Ketchum)

Councilman Young: Announces that all of the remaining DFMS and Child Support employees will meet here in the Delaware Community center, at 8 am, for re-assignment.

Chief Brooks want to make it clear that the Tribe is not terminating anyone's employment tomorrow.

Councilwoman Griffith: What we discussed was putting some under Housing and some under the Tribe.

Mr. Scullawl asked why he was terminated.

Councilman Young stated here would be told in a letter.

Chief Brooks stated he would have an opportunity to appeal.

Councilwoman Griffith agreed stating all employees have an opportunity to appeal.

Councilman Young inquires of the audience whether we have the Surface Pros have been returned?

Councilwoman Griffith explains further, the Lap Tops and the Mac that have not been returned.

Councilwoman Griffith motions to adjourn.

Councilman Young seconds

All in favor.

Meeting closes at 6:50