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**Little River Holdings, LLC**

**EDC Board Meeting**

**Wednesday, January 31, 2024 – 3 P.M.**

**Meeting Minutes**

**Board Members in Attendance:**

Frank Lewis Jr. Scott Wahr

Jim LaPorte Jennifer Clark

**Others Present:**

Eugene Magnuson Mollie Bertrand

Brittney Drake John Bailey

Tyler Leppanen Christine Schubert

Paula Batzer

1. **Call to Order**

The meeting was called to order at 3:00 pm by Chairman Frank Lewis.

1. **Opening Prayer –**

Jennifer Clark provided the opening prayer.

1. **Open Session, Public Comments open to tribal citizens.**

Sara Agosa, Jolene Osignac, Martha Howell – Tribal Citizens in attendance

Agosa: Supreme Court ruled in Lac du Flambeau Band of Lake Superior Chippewa Indians v. Coughlin and I just wondered if Little River Holdings is aware of this court case that this ruling came down and if it will at all impact any of our companies.

LaPorte: I'm not familiar with the ruling Sara could you explain any further?

Agosa: You know what, I will follow up in an e-mail and maybe bring this back up in the next meeting just to keep it a little bit shorter because I'm not fully familiar with this ruling. I just read the headline on tribal business news. So, I will go ahead and send an e-mail on that one.

Magnuson: That would be great.

LaPorte: An email would give us time and in order to anticipate your question then we can certainly review and research what we can find out as well.

Agosa: Yeah, I will do that next time. I apologize I really didn't have time to do that, but I will start doing that in the future. I might have to follow up about this one an e-mail as well it's another article I found on tribal business news about the 8A program which certifies small businesses as socially disadvantaged and a ruling has come down on this program as well so really my first question is do we participate in the AA program right now.

Magnuson: Yeah so, Sarah if I may Eugene Magnuson, so in response to the 8A ruling they made changes to that however fortunately for tribes and also our SBA a company a Little River government contracting there are not affected by this but it will create the opportunities perhaps for our 8A because some of these previous 8A's now have to reestablish that they're a disadvantaged population to have a SBA and if they aren't with whatever new rules are out there then they would have to give up their SBA. So, what that would do then is potentially give us an opportunity to purchase or JV with them and bring them under our 8A. If they're definitely profitable and well managed so an opportunity for us doesn't affect us at all honestly

LaPorte: Sarah, just let me step in for a second how does the ruling affect individual aid versus tribal 8As and what changes in the qualifications obviously are affecting those individuals that are going to be removed from the program.

Magnuson: So, Jim perhaps Molly can give us an update on that.

Bertrand: Sure, and John Baily could certainly speak to this as well. It’s really a very minor small issue when it comes down to the eight day program in terms of the scope of the program and the scope of the application we are talking about one small detail in this very large application program that you have to go through in order to be in an 8A company and there is some churning up in the SBA about um the social disadvantage portion of it again but as Eugene just said tribes do not have to go back and reestablish their disadvantage status that's already been established. So, it’s really a very in my opinion a very small point whereas individuals would have to perhaps show how much um how they have been disadvantaged financially and things like that and there's social distancing.

LaPorte: I know that's generally a requirement anyway because my brother had an 8A and when he passed away couple of years ago his wife wanted me to take over the 8A. So, I did talk to the SBA and the SBA officer which I mean that's like beating your head on the wall but the there were qualifications relative to me taking it over and I was overqualified for it. So, I couldn't even it couldn't even be transferred to me, so I know they already had qualifications in place relative to disadvantaged individuals monetarily and did they tighten those up was that really the change or are they just really looking into it?

Bertrand: They're only tightening up you just have to go back and prove…

Baily: Molly, can I jump in really quick?

Bertrand: Absolutely John go ahead.

Baily: So, Jim the answer to your question is it's really not the financial side that they've had that they've discussed or had any issues. It was a pursued get some guests are discriminated against and it was based solely on your ethnic background so excluding money there was no money discussed in it but if you're if you're an African American, Hispanic, Native American that you were pursued to have been disabled socially disadvantaged and that was that was enough to get you through that gate. The fact that I was an African American, I was a Native American or was Hispanic. So, what they've done now is you have to go back to the SBA and you have to demonstrate how you even though you're an African American you have to a narrative that shows how you were personally discriminated against or disadvantaged in that process. So, it's not really the money. I'm assuming that you weren't able to take over the a because of the financial requirements of $800,000 of net worth but you would have if you were Native American, you'd have been already pursued to have been disadvantaged. So, that you wouldn't have had to do and that's what the SBA ruling has said. It has come back and said you need to if you're an individual based company owned by a minority person who has and that's how you get your ID that's what you have to go back now and do a narrative that says this is how I was disadvantaged as a fill in the blanket that and tribes any company owned by Alaska natives, native Hawaiian organization or tribal entities we're excluded from that we don't have to prove that.

Bertrand: Thanks John.

Agosa: Can I ask my next question? is another article that I found and this is just a little blurb but the article is about the this is what the United states distributing governments under the state small business credit initiative a fund established to support up and coming entrepreneurs with new avenues to credit the first round of awards will deliver 73 million to a total of 39 tribal governments and my question is if we participate in this program?

Magnuson: Yeah, that program would be geared more towards the government not the EDC.

Leppanen: So, the government would have had to have their grant writers or whatnot have apply I and I can't answer that. I have no idea.

Magnuson: I haven't heard anything.

Drake: That is a question for tribal council.

Agosa: OK, I will follow up tribal council. Then another article says that the title is record high tribal entities won 23.3 billion in federal contracts and fiscal year 2023

Magnuson: John, can you speak on that?

Baily: In 2023, Little River Government Contract was awarded the National Museum of the United States Armey, Kennel build for the Customs and Border protection, we're also avoided A boiler and HVAC repair with ATF the Alcohol Tobacco and Firearms as well as ATF contract in Huntsville to do range rebuilds for contracts that are for training that they do with it. We also currently have in the on the books a FEMA guard services contract, we have the ATF roofing job and we're in the process of getting couple others, we also have a Department of Homeland security processing coordinator of job that is down in Eagle Pass, TX.

Agosa: Ok. So, my next question is about grant writing because I've gotten the impression just doing a little bit of reading and research that there are grants out there for EDC's to apply for. I just wondered if that is that true? Can the EDC apply for grants instead of relying on revenue from our tribal government?

Magnuson: So, currently right now we do not receive any funding from the tribe. We haven't received any tribal funds since November 2022.

Leppanen: Before that it was 2020

Magnuson: Right and you know as it was written up the tribe was supposed to fund the EDC for five years. They did not do that. So we're moving on. As far as grants go once you get a grant based on my experience, in another life, is that yes you can get a grant but actually managing that grant could be quite consuming you'd have to put on extra staff to actually go after the grants and then once you receive the grants make sure that you're in compliance with that grant. So, at this time in our growth we're not looking at grants we are looking at other opportunities for capital stack and projects like EAGLE and some things like that, that we can take advantage. But, as far as grants go at this time hopefully, we can do that as we grow.

Leppanen: But we have we have received hundreds of thousands of dollars grants from MDC in the past we have received all of $1.5 million grant loan through EAGLE as Eugene mentioned for the gateway project and last year, we submitted a what was it $500 million grant for the USDA for COVID payments that we tried for and did not to get. So, we've applied for significant grants in the past and we've been awarded significant grants in the past just depending on whether those grants fit our goals and objectives and not chasing grants just to chase grants I guess is the way I put it.

Agosa: Can you please clarify did you see that we applied for a $500 million grant, but we weren't approved, or we didn't receive it?

Leppanen: Yes, there was a USDA had a program last year actually came out in 2022 with the March 2023 award date to make COVID payments to farm and food workers and through our contacts with Leelenau Fruit and ARKK foods and you know their meat brokerage company as what ARKK foods does. So, they have contacts with Cargill and all the major employers and in the meatpacking industry we felt like we could distribute a lot of those payments through their HR departments. So, you submitted a plan of how you were going to distribute those COVID payments to the farm and food workers. They didn't end up going with ours. One tribe was awarded $100 million grant I'm pretty sure it's number was and that was Cherokees so we applied but we didn't we weren't awarded and then you get you get 20% grant admin fees for administering the grant but most of the money would go out as payments to the workers.

Agosa: Ok, Can I continue?

Leppanen: Sure.

Agosa: I would like an update on what you have been working on and the downtown project.

Leppanen: Downtown project, we're working on financing applications at a meeting with the bank last week for a soft letter of commitment is what we're trying to get from the bank for financing there's another Funding Agency that we're looking at for financing the project there's some environmental work that'll be going on over the next several months that's reimbursable through the grant loan that we have I think about $280,000 of expenses again raised being reimbursed through the grant loan program over the course of the year and then we have a number of things we work on throughout the course of the month kind of hard for me to regurgitate all of all of that but yeah.

Magnuson: We met with the city we have a PUD approved for the site what we're planning on doing Sarah is we'll be starting construction in phases. The first phase would be on the South side of river street and that would be the parking structure mixed-use office apartments and then once we get the parking structure in place then we can go after the hotel because we have to have the parking in place before we can get the hotel condo in place. If you think about it, if we started at some point in the near future 18 months later or so we could start on the second phase which would be on the north side with the condo hotel project.

Leppanen: In general, I mean we've changed our accountants and our IT and our bank accounts all over the last year so all of those initiatives should be wrapping up here in the next month. Then for example we haven't had a shared drive where employees can see the same documents on each other’s folders since we left the government center in 2020 I was just mentioning Eugene it's nice that I can see what Christine is doing on the same documents that I'm working on and not having to pass them back and forth through e-mail and have 500 versions of the document being passed around so that's a significant improvement there. Then looking at other companies we are on boarding 2 franchisees for native wall right now, so we have biweekly meetings with the construction teams at in California and Oklahoma on zoom and then we talk about the progress they're making and what they have to do for store openings. We have Little River development as old no going on as well as the gateway project and that it is going into the third phase of that subdivision so there's been a lot going on there. We have our LIHTC projects we have a groundbreaking next week in Spring Lake. We have been awarded 2 LIHTC projects as low-income housing tax credit projects for the year and then we submitted 8 applications in December. So, we find out on those eight in April. We're expecting to win three. Then we have the rental management stuff that staff does every single month. We have NAUC that we executed our first MOU with a tribe to provide them electric service that we're hoping to start in March. Then we have a government contract that John and his team have been working on. We have native source procurement services that we believe we can add our current franchisee at Nativewahl, Into The Mountain Gods, add them to our group purchasing organization which would be a big win for that company. So, that's what I can think of off the top of my head for all of our companies. Christine redid the entire website that should be launched at the end of this coming month. We have been busy around here.

Magnuson: So, tell them some stats, you know employees per revenue versus the casino.

Leppanen: I think once we get through the financials, I'll have them better answer on all that.

Osignac: Is anyone in the waiting room?

Leppanen: There’s nobody in the waiting room.

Osignac: OK my cousin Carolyn is in some waiting room, so I just wanted to be sure sorry thank you.

Schubert: I gave Sarah the call-in number. Sarah if you can share that with them. I can also share it in the chat and then you can go ahead and provide them that information which should get them into the same meeting as us.

Agosa: Yeah, I did I did share that information, Christine. So yeah, Jolene, if you could give that to Carol Ann because it's really hard to talk and try to coordinate.

Osignac: I always have a really hard time when I try to go in through teams. So, I just went in through the Little River website that's the only way I'm able to get in so I'll let Caroline know that OK.

Schubert: Yep, and that should be up to date I did verify several times this week that that was up to date so that should be good too.

Agosa: So, I notice on tribal councils’ calendars that the work sessions with EDC are enclosed and I just wondered why they've been enclosed and when they might open back up to the public?

Magnuson: Yeah, that's what tribal council does however there are some confidential information that we share at the EDC that you know for obvious reasons we can't divulge the next project or if we're looking at purchasing a land or a piece of property in Manistee, we wouldn't want that to get out so other than that most of the things that we talk about is what I talk about.

Leppanen: What is the next work session?

Schubert: The next work session on Thursday is about the budget.

Magnuson: Yeah so, it's not us Sara. I'm sorry.

Agosa: Ok, so essentially tribal councils making that decision.

Magnuson: That’s my understanding. Yeah, we don't have control of it.

Agosa: Ok, so I'll follow up with tribal council those are all my questions for today and I will follow up about the SCOTUS ruling I will send Tyler the e-mail.

Leppanen: Sounds good. Thank you.

Magnuson: Thank you.

Drake: Have a good day.

Lewis: Are there any other further questions from the tribal citizens that are on today’s call?

Osignac: No, I'm good.

Lewis: Thank you then for attending. Those are great questions and if you could get those articles to us by e-mail so we can look over them. Also, anything you can do to get this word out to get others involved in here and kind of help what we're doing and where we're at with the progress that we're making and hopefully gain that support. Thank you everybody for joining us today and we're going to move into closed session.

Osignac: Thank you.

1. **Discuss/Vote to move into closed session.**

A motion was made to move the 01/31/24 Board Meeting into closed session, supported, the board voted and approved unanimously.

**CLOSED SESSION**

1. **Review/vote on closed Session agenda.**

Motion was made to approve the agenda; supported; the board approved and voted unanimously.

1. **Review/vote on previous month’s board minutes for December 20, 2023, meeting.**

Motion to approve the December 20, 2023, minutes, as presented, supported, board voted and approved unanimously.

1. **Financial report presentation:**
   1. **Review monthly financial –Tyler – vote as necessary.**

Motion to approve to keep 2023 financials open until February Board Meeting, as presented, supported, board voted. Motion approved.

* 1. **Review management financial reports – Tyler**

1. **Old Business:**
   1. **Vacant Board Seat – Eugene**
2. **New Business:**
   1. **Sovereign Guarantee Program Gateway Project – Eugene – vote as necessary.**
3. **Communication:**
   1. **Board Terms – Eugene – vote as necessary.**

Magnuson: If I may so I wanted to talk about board member terms. Tyler, do you have the board member term? So, in a nutshell Scott your board term has expired although you can still serve until, we get you in front of the tribal council and of course the board first. All we'd have to ask you is if you want to renew your term and if this body here approves that then we can take it to the Ogema. Then from there we can take it to the tribal council and from there we can swear you in to your new terms. So, I don't want to put down a spot, if you're uncomfortable making the decision today, that’s fine.

Wahr: I am fine with staying on board y'all have me and the tribal council approves it.

Magnuson: So, I guess I would ask the board to vote on that.

Lewis: I want to make a quick comment Scott I love having you on here because of the fact that you're always not following in line with us you're looking at the count point. I appreciate that.

LaPorte: Yeah, I would like to reiterate that as well.

Wahr: Same stuff. Thanks guys.

Magnuson: Jennifer will probably take up your term here March or April no later.

Clark: That sounds good.

Leppanen: OK yeah next month we'll have all the CAB members on the board agenda for you to reappoint because all their terms are something expired.

Motion to approve to reappoint Scott Wahr to his board seat, as presented, supported, board voted. Motion approved.

* 1. **Native Source Procurement Services – Tyler and Brittney**
  2. **Tribal Council Budget Review – Eugene**.
  3. **Airbnb – Christine** .
  4. **Government Contracting – John Baily**

Magnuson: the last is Government Contracting. John Baily and I have been talking and I wanted John to talk to us about what effect would the government shutdown have on the government contract.

Baily: Thank you, Eugene, and if you don't mind, I'm going to give some late breaking news for the holdings during this board meeting we were awarded $602,224 in snow removal for Detroit MI area, Grand Rapids, Muskegon, and Portage. It's a nine-month contract for the base and that we'll see where it goes from there. So, with a Government shutdown some of our sites are what's considered to be non-essential personnel. So, that would be the site like the Museum of the United states Army are non-essential personnel they would be providing till the point in time where the government decided to pass your budget so we would have no expense on that essential personnel they would be furloughed until the point in time where the government decided to pass their budget. We would have no expense on that but we'd also wouldn't have any revenue coming in. Now our sites like FEMA which is the security guards, our DHS processors in eagle pass, and Minot Air Force Base based telecommunication folks and those are the three big ones those are all considered to be essential personnel. So, what would happen is they would all continue to work during the government shutdown they would all get paid and after the shutdown we would bill the government for all the funds that that we didn't receive until the shutdown was resolved. So that's really what it is so it could be a situation where for a couple of months we have cash going out in terms of FEMA, DHS processors and what not until we can collect from the government that would be our biggest issue. Now to be honest that the conversation that I'm hearing in DC from our contacts especially within the Pentagon is that more than likely there won't be a government shutdown in year 2024 now if a continuing resolution happens all the current contracts we have with all operators are currently working without any issues or any delays or anything along that lines what could possibly happen is in the construction arena that any new projects that the government was going to do for construction bases that haven't already been included in FY23 budgets would be held so there could be a slowdown on certain types of contracting the government would not be able to award any up and coming new build site contracts over

* 1. **Vacant Property on Sheridan Road – Tyler**

1. **Adjourn:**

Motion to move reappoint Scott Wahr to his board seat, government contracting awarded today, Odeno update to open session, as presented, supported, board voted. Motion approved.

Meeting adjourned at 4:32 PM

Next meeting February 28, 2024, at 3:00PM