

# Oneida Nation

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Oneida, WI 54155

## **BC Resolution # 09-28-16-B**

### **Assignment of Return on Investment from OTIE to Economic Development and Diversification**

- WHEREAS,** the Oneida Nation is a federally recognized Indian government and a treaty tribe recognized by the laws of the United States of America; and
- WHEREAS,** the Oneida General Tribal Council is the governing body of the Oneida Nation; and
- WHEREAS,** the Oneida Business Committee has been delegated the authority of Article IV, Section 1, of the Oneida Tribal Constitution by the Oneida General Tribal Council; and
- WHEREAS,** the Oneida Business Committee adopted resolution # BC-04-11-07-J which created Oneida Total Integrated Enterprises, LLC (OTIE), authorized the Chairman or Vice Chairperson of the Business Committee to execute the OTIE Operating Agreement, and transferred a capital contribution in the amount of \$180,000 from the FY-2007 budget to OTIE upon the execution of the OTIE Operating Agreement; and
- WHEREAS,** section 8.4 of the OTIE Operating Agreement indicates how net profits of the company are allocated; and
- WHEREAS,** OTIE acquired 8(a) certification under the U.S. Small Business Administration on April 4, 2008; and
- WHEREAS,** the Oneida Business Committee adopted resolution # BC-11-26-08-J which approved a loan from the Oneida Nation to OTIE in the amount of \$6,200,000.00 for the purpose of acquiring TN & Associates Inc.; and
- WHEREAS,** on December 5, 2008, OTIE purchased TN & Associates Inc.; and
- WHEREAS,** the Oneida Business Committee adopted resolution # BC-12-10-08-J which approved a loan from the Oneida Nation to OTIE pursuant to a Promissory Note in the amount of \$132,215.00 for the purpose of providing operating funds; and
- WHEREAS,** the Oneida Business Committee adopted resolution # BC-12-23-08-A which amended the OTIE Operating Agreement to expand the Board of Managers from three members to five members; and
- WHEREAS,** on February 13, 2009, TN & Associates merged with OTIE; and
- WHEREAS,** the Oneida Business Committee adopted resolution # BC-09-09-09-C which rescinded the promissory note authorized by resolution # BC-11-26-08-J and authorized the use of the \$6.2 million as equity, to be treated as a preferred investment and to be reimbursed to the Nation in full; in order to assist OTIE in developing sufficient equity to complete the purchase of TN&A and to obtain surety bonding for its governmental projects; and
- WHEREAS,** in 2009, OTIE returned \$132,215.00 to the Nation pursuant to the Promissory Note authorized by resolution # BC-12-10-08-J; and

- WHEREAS,** the Oneida Business Committee adopted Amendment #2 to the Operating Agreement for OTIE which, among other items, amended section 8.4.2 to reflect a change in a required payment to the Oneida Nation on an annual basis to a payment up to 75% of the net profit on an annual basis which allowed OTIE to retain profits which increased the financial stability of the corporation allowing it to grow equity for an increased and independent line of credit and bonding purposes; and
- WHEREAS,** in 2010, OTIE distributed \$500,000.00 in net profits to the Nation in accordance with the OTIE Operating Agreement; and
- WHEREAS,** the Oneida Business Committee adopted resolution # BC-01-26-11-F which amended the Articles of Organization for OTIE for the purpose of adding Article XI which sets forth standardized corporate reporting requirements; and
- WHEREAS,** the Oneida Business Committee adopted resolution # BC-03-14-12-C which established Oneida ESC Group, LLC (OESC), approved the OESC Operating Agreement, and deferred \$200,000 from the OTIE net profit distribution directly to OESC as startup funding; and
- WHEREAS,** in March 2013, OTIE distributed \$120,000 in net profits to the Nation in accordance with the OTIE Operating Agreement; and
- WHEREAS,** the Oneida Business Committee adopted resolution # BC-06-12-13-A which extended and renewed the Board of Managers' Term of OTIE in order to ensure the OTIE Board of Managers remained consistent for the purpose of OESC acquiring OTIE as a subsidiary company; and
- WHEREAS,** in March 2014, OTIE distributed \$500,000 in net profit to the Nation in accordance with the OTIE Operating Agreement; and
- WHEREAS,** in March 2015, OTIE distributed \$200,000 in net profit to the Nation in accordance with the OTIE Operating Agreement; and
- WHEREAS,** in March 2016, OTIE distributed \$1,000,000 in net profit to the Nation in accordance with the OTIE Operating Agreement; and
- WHEREAS,** net profits distributed by OTIE to the Oneida Nation are deposited into the General Fund which is consistent with the receipt of all revenues of the Nation and as part of that process are identified as carry-over of unbudgeted funds to be utilized in the every other fiscal year budgeting process; and
- WHEREAS,** the Oneida Business Committee has made Economic Development and Diversification a priority of the Oneida Nation and desires to utilize funds returned from investment in corporate entities of the Nation for the purposes of developing future economic opportunities; and

**NOW THEREFORE BE IT RESOLVED,** that the Oneida Business Committee creates the Economic Development and Diversification set-aside to be made up of all return-of-investment funds distributed by OTIE to the Oneida Nation. The Economic Development and Diversification set-aside shall be managed as an investment by the Finance Department as directed by investment policies approved by the Treasurer and the Finance Committee until such time as the Oneida Business Committee approves Standard Operating Procedures for the use of the fund and/or until such time as an endowment is created under the Endowments law.

**BE IT FUTHER RESOLVED**, the initial funding of the Economic Development and Diversification Set Aside is the one million dollars (\$1,000,000) in net profits received in Fiscal Year 2016 from OTIE.

**BE IT FUTHER RESOLVED**, that the Tribal Treasurer will develop Standard Operating Procedures on how to access the Economic Development and Diversification Set Aside no later than December 1, 2016 which shall be approved by the Oneida Business Committee.

**BE IT FINALLY RESOLVED**, that starting with the July 2017 Semi-Annual General Tribal Council meeting, a report on the Economic Development and Diversification Set Aside shall be provided to the General Tribal Council at the Annual and Semi-Annual meetings as part of the Treasurer's report.

**CERTIFICATION**

I, the undersigned, as Secretary of the Oneida Business Committee, hereby certify that the Oneida Business Committee is composed of 9 members of whom 5 members constitute a quorum; 7 members were present at a meeting duly called, noticed and held on the 28<sup>th</sup> day of September, 2016; that the forgoing resolution was duly adopted at such meeting by a vote of 6 members for, 0 members against, and 0 members not voting; and that said resolution has not been rescinded or amended in any way.

  
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Lisa Summers, Tribal Secretary  
Oneida Business Committee

\*According to the By-Laws, Article I, Section 1, the Chair votes "only in the case of a tie."