

**Summit Lake Paiute Tribe
Special Council Meeting
Monday, April 4, 2022
Administrative Office, 2255 Green Vista Dr. Ste. 401, Sparks, Nevada**

CALL TO ORDER: Chairwoman Randi Lone Eagle called the Special Council Meeting of Monday, April 4, 2022 to order at 1:00 pm.

ROLL CALL: Secretary/Treasurer Eugene Mace, Sr. called the roll. Chairwoman Randi Lone Eagle, present; Vice-Chairwoman Nedra Crane, present; and Secretary/Treasurer Eugene Mace, Sr. present; Council Member Philip Frank, present; and Council Member Steven Crane, present.

STAFF: Linda Quinn, Finance Director

GUESTS: Sandra Newport, James Colombe and Zachariah, US Treasury Department

This meeting is regarding the State Small Business Credit Initiative (SSBCI)

Ms. Quinn said that she wants to understand the types of loans, how it can work and knowing that there is money involved in private lending or banks or not just the small credit funding is a bit complicated.

Mr. Colombe said the big picture is that this money is set aside. The methodology is on the website. An application is submitted and an allocation is set aside. The money is received and what is done with that money is flexible, to be used as an investment or legacy program. Businesses do not need to be owned by a tribal member but must meet eligibility requirements such a company with less than 500 or 750 employees can use the funds as a loan for staffing, equipment or materials for a construction company building housing for tribal members. There are lending programs but the simplest one to meet requirements is the Lending Participation Program.

He explained one-to one ratio and the ten-to-one ratio.

One-to-one is that for every dollar of SSBCI that goes out to the program, there should be one dollar of new private financing such as a bank. It is best to do this transaction by transaction. Once the principle is returned it can be used to lend again.

Ten-to-one is for every dollar of federal SSBCI money that goes out there should be ten dollars of private financing or investment.

The idea is to move from one-to-one to ten-to-one by cultivating financial partnerships so the private investment (lending) increases in the state.

There are many options, a lot of flexibility.

The programs are complicated. Don't be intimidated. Ms. Quinn said that the financial complexity is beyond what SLPT current staff can handle.

**Summit Lake Paiute Tribe
Special Council Meeting
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Ms. Newport asked if they had thought of joining a consortium. Ms. Quinn asked if SLPT would be liable if the consortium misappropriated the funds. Ms. Newport asked Mr. Parker to explain the agreement and the way allocations are reviewed when part of a consortium. He turned it over to Zachariah. He explained that a lead entity is chosen. Other agencies or entities join to make the consortium. There are two types of agreements: intra-consortium agreement which details what is expected from the members of the consortium; and inter-consortium which details the reporting to Treasury and other review processes. Treasury has not seen any consortium reported for any misappropriation.

Ms. Quinn said that legal contract agreements are good. She asked about CDFI. After some explanation she understood the following. They could make an agreement to where they could give it to a CDFI and maybe the agreement says that for the first three years the CDFI can only use this funding for tribal members. Then after that it can be used for whomever. Ms. Quinn asked if that was reasonable. The answer is yes and that is a program design question.

It was hoped that at first the CDFI would be a place to send members for a loan. Of course, they would need to qualify for the loan. But this would give the members a few years to have a place to go where they would, at least, be looked at.

The specifications are under the control of the Tribe.

Ms. Quinn asked what the first step would be to find a CDFI. It was suggested to talk to the bank SLPT currently banks with. They can also contact the Treasury. They would be happy to inform them of their network in that area. The state may be contacted to recommend someone. Ms. Quinn explained how difficult it was in the past working with banks for a loan. She is not confident that a bank will be of assistance. If Treasury could give her some help in that direction, maybe it could be an option,

Ms. Quinn stated if they could make a plan with a direction in which they want to go with this funding, they might have somewhere to go. As of now they do not have enough information to even develop a plan. In terms of how it works. She knows it is a loan lending program, but there is so many layers she gets lost.

Mr. Parker gave an example or model of what other states have done. The simplest way to do the program is to rely on third party lenders and underwrite the loan.

Chairwoman Lone Eagle asked how this would work for SLPT's membership that do not live in the Reno, Nevada area, but in different states. It was explained that the term "state" in the case of a tribe is wherever the tribal members are so geographically they would be eligible, but the tribe would need financial partners in each area.

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They talked about an IRA federally chartered tribal corporation for tribally owned business. Ms. Quinn and Mrs. Lone Eagle explained that SLPT owns no businesses and has no revenue but only funding from the Bureau of Indian Affairs in order to operate.

Ms. Newport verified the SLPT allocation was \$621,389. Ms. Quinn said that if they could find someone who does small business loans in the area, it would be great. It does come to SLPT in tranches. She asked what the regulations were for the Treasury funding draw-down.

It was explained that the first allocation is one-third of the total. Once those funds are spent or allocated, the next allocation can be requested.

At the end of ten years when the program is over, if all the funds are drawn down and the tribe uses funds for at least one BCI purpose, the money belongs to the tribe and they can do whatever they want with it. Ms. Quinn said is that true if they give the money to a CDFI to manage. It was explained that it would need to be part of the agreement that at the end of the program, the tribe will get the money back otherwise the CDFI would want to keep it. It needs to be spelled out in the initial agreement.

Ms. Quinn asked if they knew a bank in Nevada that would be willing to do this. They said they will follow-up on this and get back to them. Ms. Quinn said she would also talk to the state.

Ms. Newport suggested that they contact Mr. James Clark when he returns from vacation. He has a lot of banking knowledge.

Ms. Crane says it is over her head but they could consider the third party and see how it works. There is a lot of planning. They will need to create an agreement stating what conditions the tribe has and hope someone accepts them.

Mr. Mace asked that if a tribal member wanted to make a loan, what percentage of collateral would be required to get the loan.

Ms. Quinn asked the Treasury representatives if they could give them a general idea of what would be needed.

One of the options for this program is collateral support. The tribe could make a deposit to cover the collateral. Generally, at least 20% of private capital is desired.

Ms. Quinn asked for a definition of "private capital". It was explained that private capital is money from the Tribe, from a bank or the borrower. In other words, the borrower, the bank and/or private financing.

**Summit Lake Paiute Tribe
Special Council Meeting
Monday, April 4, 2022
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Ms. Quinn wanted clarification of what percentage is needed from the borrower. This varies by the program and the lender. Lenders would be the best people to ask as they set the standards for the required percentages but can negotiate with the borrower.

Mr. Mace said there would need to be an application and rules written up. Ms. Quinn said that the lender (bank, CDFI, etc.) would already have that documentation and abide by the federal and state regulations. SLPT would just give the lender the money and they would administer it. They need to find someone who will take the money.

Ms. Quinn feels that they have a better understand of what they can and cannot do.

The Treasury representatives will work to try and find contacts for SLPT.

Mr. Colombe said it is a complicated program. At a high level they should ask what are their economic goals: increase revenue of tribe, have more credit opportunities for tribal members. Then back into the one of the options. Think about what you want to do and then come back to what you can do. Start with the options. Think about how the program can serve SLPT and then Treasury can help tailor the program for the tribe's needs and help them stay within the guidelines. The Treasury will help keep them out of trouble.

Ms. Quinn said that this gave them some reassurance. They touched on the goals. What she heard the most from the Council was that they wanted to give the tribal members an opportunity, an open door, to get a loan. A bank with SLPT's additional funding may make it easier for them to get a loan. It is not a guarantee. Mr. Mace mentioned using Indian Preference.

He also mentioned opening the conference room for other government agencies and tribes to use.

Ms. Lone Eagle asked if there were a lot of tribes with this initiative, have they gone the route of a consortium or having the money partnered with another tribal government or tribe in the surrounding area.

Only two tribes have submitted applications. It is hard to tell, but it is a mix of the options. Some tribes will do it themselves. Tribes of all sizes are thinking about the partnership option. Some are recruiting members for a joint application for tribes and privately owned businesses, tribally owned businesses and tribal member owned businesses. It is a mix.

Ms. Newport said that the regional office open meeting would start in a moment. Ms. Quinn says she often listens in and learns something new each time.

**Summit Lake Paiute Tribe
Special Council Meeting
Monday, April 4, 2022
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Ms. Newport really appreciated the Council meeting with them and to let her know if they wanted to have another meeting. She advised them to review the guidelines again now that they have gained some insight into what they mean. She said to call if they needed anything. They are trying to help everyone who wants to participate to be able to participate.

Ms. Quinn told Mr. Colombe and Zachariah that if they could follow-up with information or banking leads they can email her. Ms. Newport has her email.

The Treasury representatives signed out of the meeting at .

Mr. Mace said the name of the game is to use that money and then after ten years to get is all back.

Ms. Quinn said it would be worth it if they can find a bank to agree to that. That would put them into a position to funnel the money into the Tribe with no strings attached.

Ms. Crane said they need to find a bank to support that. Ms. Quinn said they to find a bank or a CDFI already doing small business loans.

Ms. Lone Eagle said that they want to find someone in the Reno, Nevada area.

Mr. Mace commented on a partnership. Ms. Quinn said that Reno-Sparks Indian Colony (RSIC) does have a small business credit initiative. They might be willing to underwrite SLPT members.

Members who are good at something, are knowledgeable about it, know how to do it and have a history doing it; they can write up a proposal stating what they want to do, what they have been doing and what they want to do in the future. It will be easier to be accepted.

Ms. Quinn was sent a presentation called Business Enterprises and Economic Development. Ms. Lone Eagle read about what RSIC development plan that was funded federal agencies. Their proposal was accepted by the state.

Ms. Quinn asked if the Council would be comfortable working with RSIC.

Mr. Mace is most interested in the ten-year when they can get the revenue and interest back.

The Council decided to jump on the open meeting regarding SSBCI with the Treasury representatives they spoke to earlier and whatever other tribes that had joined the call. They will remain muted. They can see what others are talking about.

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There was a question and discussion on marketing activities.

Meanwhile Ms. Quinn and Mrs. Lone Eagle worked on connecting and activating the new audio/visual equipment donated to them .

On the open meeting the Treasury representatives said they would work with the applications that are submitted to be sure to help correct anything that needs to be changed in order for the applications to be accepted.

Ms. Quinn will send a basic slide presentation from the Treasury to the Council to review.

Mr. Mace and Mr. Crane said it was hard to hear the open meeting.

The SSBCI meeting discussed the ten-to-one and the tranches of the allocations.

The new conference set-up seemed to be set-up properly at this point.

The SSBCI meeting could not be heard properly.
They were discussing that the PA deadline comes after the program application deadline. That is for a different piece of funding for technical assistance for the businesses who receive a SSBCI loan.

In preparing the application, it should be kept as broad and general as possible. There should not be a lot of micro-details in the application. Express things in ranges instead of precise numbers. Do not lock yourself down and keep the application flexible. This will help avoid application amendments down the road.

This is not a grant but an allocation that the tribe is setting-up a program for.

Ms. Crane asked if the IEC meeting was April 11, 2022. Mrs. Lone Eagle stated it was at 3:00 pm. Mrs. Lone Eagle will not be able to attend.

Someone asked, in order to set-up a one-on one meeting, if that just needed to email the request to Ms. Newport. Ms. Newport confirmed this and asked if they wanted her to set-up a meeting. Ms. Newport will contact them.

There was another request to set-up another one-to-one meeting.

The Treasury meeting ended with a reminder to check out a webinar at 2:39 pm.

MOTION: Vice-Chairwoman Nedra Crane moved to adjourn. Secretary/Treasurer Eugene Mace, Sr. seconded the motion. Chairman Randi Lone Eagle

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called the vote: 4 FOR. 0 AGAINST, 0 ABSTAINED. Meeting adjourned
2:41 pm.

CERTIFICATION

I, **Eugene Mace, Sr.**, Secretary/Treasurer of the Summit Lake Paiute Tribal Council, hereby certify that the Minutes of the April 4, 2022 Special Council Meeting with corrections were approved by the Council during a duly held meeting May 21, 2022 at which there was a quorum present, and the Council voted: **4** - FOR **0** - AGAINST **0** -ABSTAINING, Chairwoman Randi Lone Eagle did not vote because there was not a tie vote.

6/15/2022
Date

Eugene Mace
Eugene Mace, Sr.
Secretary/Treasurer
Summit Lake Tribal Council