

Cherokee Council House
Cherokee, (NC)

APR 05 2016

ORDINANCE NO. 164 (2016)

WHEREAS, The Eastern Band of Cherokee Indians has the inherent authority to make and enforce laws within its jurisdictional boundaries and;

WHEREAS, the Debt Service Sinking Fund is meant to be used to pay off tribal debt and;

WHEREAS, the current minimum amount to be maintained in this fund is 25 million dollars and;

WHEREAS, in order to safeguard Tribal assets while maintaining the ability to pay off significant tribal debt aggressively, Section C-14 needs to be changed.

NOW THEREFORE BE IT ORDAINED in council assembled, at which a quorum is present, the Cherokee Code be amended to read as follows:

Sec. 16C-14. - Debt Service Sinking Fund.

The Tribal Council shall create and fund a separate Debt Service Sinking Fund with distributable net revenue as set forth in [section 16C-9](#). The original purpose of this Fund was to provide a long-term investment vehicle for the Tribe to retire the long-term debt. Funds in the Debt Service Sinking Fund may be used to secure, minimize, reduce, and/or retire other Tribal debts, projects as prioritized by resolution of the Tribal Council. The investment goal for the Fund shall be to accumulate and grow capital for the retirement of the Tribe's debts.

(1)

Investment of Debt Service Sinking Fund. Money deposited in this Fund shall be invested in a balanced investment portfolio seeking long-term gain and capital appreciation, with investments not subject to investment limitations of GASB.

(2)

Limitations on investment of Debt Service Sinking Fund. No more than 15 percent of the Fund may be invested in any single stock, bond, instrument, entity, company, or fund unless otherwise endorsed by the Investment Committee and approved by the Tribal Council.

(3)

The Investment Committee shall manage the investment of the principal and earnings of the Debt Service Sinking Fund and shall work with not less than three institutional managers to establish a balanced portfolio for the Fund.

(4)

The Debt Service Sinking Fund shall be maintained with a floor of ~~25~~ 100 million dollars. If at any time

This floor is breached no additional commitments or disbursements from the fund shall be made. Upon breach of the floor the Investment Committee shall consider adjusting the asset allocation, approved by Tribal Council, in order to restore an appropriate funding level within a time period deemed reasonable. If at any time this floor is exceeded, any amount in excess of the floor shall be used for debt reduction.

(5)

Values in excess of the 100 million dollar floor shall be evaluated on an annual basis by the Tribal Department of Finance and the Investment Committee and paid against Tribal debts, if such debt exists. If no Tribal debt exists, funding in excess of the 100 million dollar floor may be used to offset or fund significant Tribal projects or purchases that would otherwise require external financing.

BE IT FINALLY ORDAINED that this ordinance shall become effective when ratified by the Principal Chief and that all ordinances that are inconsistent with this law are rescinded.

Submitted by: Tommye Saunooke, Painttown Council Representative