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Waganakising Odawak
Little Traverse Bay Bands of Odawa Indians
Regina Gasco-Bentley, Tribal Chairperson
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Phone 231-242-1401 • Fax 231-242-1411

July 23, 2021

Miigwetch for taking the step to increase the tribal minimum wage to \$13.00/hour. This is a much-needed action and will be appreciated by those employees it affects. With this portion of the amendment, the Executive whole-heartedly agrees.

However, I can't entirely agree with the remainder of the statute and the steps outlined to create and implement a decent living wage. From the LTBB Constitution:

Article I.B. Directive Principles

"In the consideration of the next seven generations, each generation of the Tribal Membership to assert tribal sovereignty directs the Legislative, Executive and Judicial Branches of government to:

...

3. Regard the raising of the level and nutrition and the *standard of living of our people*, and the improvement of public health as among their primary duties."

The Executive agrees that raising the standard of living for all employees within the Tribe's jurisdiction is a worthy aspiration. However, when doing so endangers the tribal governments' existence and ability to provide services to the citizens of our nation, as the implementation of this amendment will do, the Executive has no choice but to veto this bill.

The Executive has analyzed the effect of the proposed law, and that analysis shows that over ten years, the cost of this amendment, as strictly interpreted, is \$61.7MM. If we assume to continue receiving \$11MM-\$13MM from the casino per year, by 2029-2030, the cost of this wage increase will eat up the entirety of the casino distribution.

The enactment of this bill also creates a problem with the compression of the Tribal Government and OCR Wage Grids. By the year 2030, a new employee's annual decent living wage, regardless of education level, training, work experience, or years of service, will be \$68,894. This number is calculated assuming an average rate of inflation of 2.39% and a starting decent living wage of \$26.77. I believe not correcting the compression problem will cause long-term dissatisfaction, morale issues, and higher turnover among the tribal government and casino employees.

To protect all our employees, some mitigation of the wage grid compression must be taken. To totally alleviate the compression issue and adjust the wage grid for a 100% mitigation, the cost to the Tribe would be \$136.4MM. This number is so far above attainable it is not realistic to consider given our current and anticipated budgets. The Executive feels that at a minimum, if this statute is enacted, we need to adjust our entire wage grid up by 50%. The 10-year cost increase of the statute amendment is \$87.8MM. This would eat up the entirety of the casino distribution to the Tribe by 2027.

Below is the analysis of the cost of the amendment for five different scenarios.

Waganakising Odawa Statute #2021-xx

Amendment to Waganakising Odawak Statute # 2013-010; Fair Employment

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030		
Incremental Costs, No Fix to Compression, Govt Center and Casino, Decent Living Wage Only												
Tribal Government	\$ 0.0	\$ 0.2	\$ 0.8	\$ 1.4	\$ 2.1	\$ 2.9	\$ 3.6	\$ 4.3	\$ 4.7	\$ 5.1		
Odawa Casino	\$ -	\$ 0.6	\$ 1.2	\$ 2.0	\$ 2.9	\$ 3.9	\$ 4.9	\$ 5.9	\$ 7.0	\$ 8.1		
	\$ 0.0	\$ 0.8	\$ 2.0	\$ 3.5	\$ 5.1	\$ 6.7	\$ 8.5	\$ 10.2	\$ 11.7	\$ 13.2		
	5-year Cost of Statute					\$ 11.3	10-yr Cost of Statute					\$ 61.7
Incremental Costs, 25% Fix to Compression at Govt Center and Casino												
Tribal Government	\$ 0.0	\$ 0.2	\$ 0.8	\$ 1.5	\$ 2.3	\$ 3.1	\$ 3.9	\$ 4.7	\$ 5.2	\$ 5.7		
Odawa Casino	\$ -	\$ 0.6	\$ 1.4	\$ 2.2	\$ 3.2	\$ 4.2	\$ 5.3	\$ 6.4	\$ 7.6	\$ 8.8		
	\$ 0.0	\$ 0.9	\$ 2.2	\$ 3.7	\$ 5.4	\$ 7.3	\$ 9.2	\$ 11.1	\$ 12.8	\$ 14.5		
	5-year Cost of Statute					\$ 12.2	10-yr Cost of Statute					\$ 67.0
Incremental Costs, 50% Fix to Compression at Govt Center and Casino												
Tribal Government	\$ 0.0	\$ 0.3	\$ 1.0	\$ 1.8	\$ 2.8	\$ 3.8	\$ 5.0	\$ 6.1	\$ 7.1	\$ 8.1		
Odawa Casino	\$ -	\$ 0.8	\$ 1.8	\$ 2.9	\$ 4.2	\$ 5.5	\$ 6.9	\$ 8.4	\$ 9.9	\$ 11.5		
	\$ 0.0	\$ 1.1	\$ 2.7	\$ 4.7	\$ 6.9	\$ 9.3	\$ 11.9	\$ 14.5	\$ 17.1	\$ 19.7		
	5-year Cost of Statute					\$ 15.5	10-yr Cost of Statute					\$ 87.8
Incremental Costs, 75% Fix to Compression at Govt Center and Casino												
Tribal Government	\$ 0.0	\$ 0.3	\$ 1.1	\$ 2.1	\$ 3.3	\$ 4.6	\$ 6.1	\$ 7.6	\$ 9.2	\$ 10.9		
Odawa Casino	\$ -	\$ 1.0	\$ 2.2	\$ 3.7	\$ 5.3	\$ 6.9	\$ 8.7	\$ 10.6	\$ 12.5	\$ 14.6		
	\$ 0.0	\$ 1.4	\$ 3.4	\$ 5.8	\$ 8.5	\$ 11.6	\$ 14.8	\$ 18.2	\$ 21.8	\$ 25.5		
	5-year Cost of Statute					\$ 19.0	10-yr Cost of Statute					\$ 110.9
Incremental Costs, 100% Fix to Compression at Govt Center and Casino												
Tribal Government	\$ 0.0	\$ 0.4	\$ 1.3	\$ 2.4	\$ 3.8	\$ 5.5	\$ 7.3	\$ 9.3	\$ 11.6	\$ 14.1		
Odawa Casino	\$ -	\$ 1.3	\$ 2.8	\$ 4.5	\$ 6.5	\$ 8.5	\$ 10.7	\$ 13.0	\$ 15.4	\$ 17.9		
	\$ 0.0	\$ 1.7	\$ 4.0	\$ 6.9	\$ 10.3	\$ 14.0	\$ 18.1	\$ 22.4	\$ 27.0	\$ 32.0		
	5-year Cost of Statute					\$ 22.9	10-yr Cost of Statute					\$ 136.4

From the fiscal overview of the Executive branch, the data shows the enactment is not appropriate at this time. To enact this statute and resolution would require the LTBB economic development ventures that are just in their infancies to bear the entirety of the cost of our government and citizen services before they are perhaps ready to do so. Our economic development ventures are in no position to take on this responsibility, and I feel this amendment will “mortgage” our future before we know what that future will be.

For these reasons, I VETO the Amendment to Waganakising Odawak Statute #2013-010; Fair Employment and Tribal Resolution 062421 Promotion of a Decent Standard of a Living Wage

Respectfully,

Regina Gasco- Bentley

WAGANAKISING ODAWAK STATUTE # 2021-_____
AMENDMENT TO WAGANAKISING ODAWAK STATUTE # 2013-010
FAIR EMPLOYMENT

SECTION I. REPEAL of WOS 2019-012 Amendment to Fair Employment

SECTION XI. EMPLOYEE LIVING WAGES

A. In order to maintain a minimum standard of living necessary for health, efficiency and general well-being of all employees within its jurisdiction, the Little Traverse Bay Bands of Odawa Indians has set forth the following to establish a LTBB Living Wage:

1. The LTBB Living Wage shall be based on based on the formula from the United States Department of Agriculture (USDA) and Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) and Fair Market Rent price as found at Rentdata.org, an independent organization; and the basis of the formula is as follows: the rent for an average 2 to 3-bedroom rental housing cost, multiplied by twelve (12) months, divided by percentage rate of rent required by NAHASDA (30%) divided by the yearly standard hours of 2080, sets the living hourly wage.

2. The LTBB Living Wage adjustment shall be automatic and shall continue to increase by three (3) percent at the beginning of each fiscal year unless it is either repealed or replaced by Tribal Resolution, or Statute.

SECTION II. REPLACE

SECTION XI. EMPLOYEE LIVING WAGES

A. In order for all employees within the Tribe's jurisdiction to have a decent standard of living, as set forth in the Tribe's Constitution, Tribal Council

establishes a *Decent Standard of Living Wage* as 1.5 times the *Living Wage* ($Living Wage \times 1.5 = Decent Standard of Living$).

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2. The *Decent Standard of Living Wage* as 1.5 times the *Living Wage*.
3. In order to achieve a *Decent Standard of Living Wage* for all employees the Tribe is taking an incremental step to achieve this goal by having all employees within the Tribe's jurisdiction be paid at a minimum \$13.00 as of June 1, 2021 and shall be known as the *Minimum Wage*;
4. Employees that are paid less than the *Decent Standard of Living Wage* ($\$17.85 \times 1.5 = \26.77) shall have a 7% increase on June 1, 2022, and then an 8% increase on June 1, 2023, and then a 9% increase on June 1, 2024, and then a 10% increase for every June 1st until a "*Decent Standard of Living Wage*" is achieved, or it is repealed or replaced either by Tribal Resolution or Statute.

SECTION III. EFFECTIVE DATE

Effective upon signature of the Executive or thirty (30) days from Tribal Council approval whichever comes first or if the Executive vetoes the legislation, then upon Tribal Council override of the veto.

CERTIFICATION

As the Tribal Council Legislative Leader and Tribal Council Secretary, we certify that this Statute was duly adopted by the Tribal Council of the Little Traverse Bay Bands of Odawa Indians at a regular meeting of the Tribal Council held on June 24, 2021 at which a quorum was present, by a vote of 8 in favor, 0 opposed, 0 abstentions, and 1 absent as recorded by this roll call:

	In Favor	Opposed	Abstained	Absent
Fred Harrington Jr.	X			
Fred Kiogima	X			
Tamara Kiogima	X			
Melissa Pamp	X			
Leroy Shomin	X			
Marty Van De Car	X			
Marcella R. Reyes				X
Julie Shananaquet	X			
Emily Proctor	X			

Date: 06/05/2021 Emily Proctor
 Emily Proctor, Legislative Leader

Date: 06/25/2021 Julie Shananaquet
 Julie Shananaquet, Tribal Council Secretary

Received by the Executive Office on 6/25/2021 by LW

Pursuant to Article VII, Section D, Subsection 1 of the Little Traverse Bay Bands of Odawa Indians Constitution adopted on February 1, 2005 the Executive concurs in this action of the Tribal Council.

Date: 6/23/2021 Regina Gasco Bentley
 Regina Gasco Bentley, Tribal Chairperson

Received from the Executive on 07.26.2021 by Julie Shananaquet

VETO