Rincon Band of Luiseño Indians

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GENERAL MEMBERSHIP MEETING
of the
RINCON BAND OF LUISEÑO INDIANS
Sunday, March 9, 2014 @ 10:00 a.m. – Rincon Tribal Hall
MINUTES

1. **ESTABLISH QUORUM/CALL TO ORDER:** A quorum being established, the meeting was called to order 10:01 a.m. by Chairman Bo Mazzetti. Present were Vice-Chairwoman, Stephanie Spencer, Council Members Steve Stallings, Laurie Gonzalez, Frank Mazzetti III, and Recording Secretary Patrick L. Viveros. Absent was Parliamentarian Chuck Nolan.

2. **PRAYER INVOCATION:** Prayer Invocation was offered by Mavany Verdugo.

3. **APPROVAL OF MINUTES:** Motion by Bo Mazzetti, seconded by Stephanie Spencer to approve the minutes of Sunday, January 12, 2014, Regular Meeting of the Band. Motion passed.

4. **NEW BUSINESS:**
   a) **2013 Year-End Financial Reports:**
   Harrah's Rincon Casino Resort & Spa – presented by Jill Barrett, Vice President of Finance: 2013 was a positive year for casino operations and business remains positive in spite of a slow economy and construction taking place at the property. Slow economic recovery remained a challenge for Rincon and unemployment, housing market, and gas prices had an impact on gaming in Rincon and the State. Gross revenue was 2.0% which was lower than 2012. Total casino income for 2013 totaled $67.6 million. In 2012, gross income was 69.0 million. In 2013 new venues opened at that Rincon property. DIVE Day Club and the expanded pool area opened last summer and was a major success. RITA'S and the Taco Truck opened during this time of last year. CORKED Bar and Lounge, and the outside plaza area near the Events Center opened this past December along with the EVENTS CENTER (TEC). The Events Center will serve as a conference and entertainment center. January 13th of this year STARBUCKS® opened on property and is doing very good business. April 14th is the anticipated opening of the new hotel tower. An additional 403 rooms will be added making Harrah's one of the largest in San Diego County. Also opening will be the new lobby bar named SPIKED located near the hotel registration, the food court area, which is under construction and will house EARL OF SANDWICH® and the return of PINKS®.

   REDCO – presented by James Murguia, Tribal Treasurer:
   2013 was the first full year of operation for the Rincon Travel Plaza and continued to perform above expectations for a new mini-mart with a gas station. $630,000.00 was income generated for the year. There was $70,000 in Sales Taxes which is in turn used for or allocated for Rincon's Tribal Government and needs for the Rincon Band. Rincon's 7-11 store is compared in a 92 market area that covers areas south to Poway, north to Temecula, and west to the beach cities. Last year, the Rincon 7-11 was #5 in sales in the 92 store market area and ranked #2 in prepared food sales. Rincon Band owns the store and the Shell® branded gas station. About 120,000 gallons of gas was dispensed over the year. REDCO leases space to Subway® and the owner reported a positive sales history and has managed to keep the operation open 24 hrs. Rent for the space is paid to REDCO and rental payments vary depending on sales. REDCO and Subway® employ an average of 30 employees.

Rincon Tribal Government – presented by Tony Ruby for Scott Layton:
A brief report to the membership was presented by Tony Ruby, Assistant Finance Director. 2013 remained positive for the Tribal Government and the Band. The main purpose of the Finance Department is to preserve and protect the assets of the Rincon Band and Government. The Actual Expenditures projected for this year is three quarter of million, a million dollar increase for 2014. Gaming Revenue funds a majority of the Tribal Government Operations. Gaming revenue funds also fund per capita distribution, other member services, Government Projects, Committees.

Rincon Investment Committee – presented by James Murguia/Gordon Calac:
Gordon Calac made this presentation to the membership. First Nations Capital Partners (FNCP) is a private equity fund in where Rincon is the primary partner along with Colusa Indian Community and Wells Fargo Bank.

FNCP made a third investment this past year. In July FNCP completed the acquisition of Everson Cordage Works, a company that was established in 1979. This company specializes in high quality twine and rope that is used for fishing and marine, sports and recreation, equestrian and rodeo, government and military, safety, hammocks, parachutes, and artwork and sculpture. There are 135 active accounts in North America and have accounts in Canada and Alaska.

Able Card Company, which the Rincon Band acquired in 2009, was FNCP's first investment. Able Card Co. is located in Azusa CA. Their company manufactures plastic cards for casino player cards, library cards, loyalty cards, promotional cards, hotel room key cards, various ID's cards for schools, tribal ID cards, ATM cards, and membership cards such as AAA. There growth in 2013 ended with a positive year with 20% more earnings than in 2012.

Med-Fit Systems, Inc. is another investment FNCP made. Med-Fit has been in business for 23 years and specializes in physical care and senior care products. This company is located here in Southern California and in 2010 purchased assets from Nautilus, Inc. A $3 million investment in this company was completed by FNCP in May 2011.

In working with the Rincon Business Committee, a strategy was worked on to protect the downside effect of changes in market and to increase investment in Rincon's portfolio for long-term growth by 1) maintain 59% in fixed income, and 2) 41% in equity investments. Ending December 31st of 2013, $62,435,615 was the value of the portfolio compared to 2012 where Rincon's portfolio ending December 31st was $52,848,968. 2013 was a positive year for the Rincon Band's long-term investment.

5. **ANNOUNCEMENTS:**
   1. Chairman Bo Mazzetti introduced to the membership, James Moniz who was recently hired as IT Director for the Rincon Tribal Government.

   2. There will be no General Membership Meeting in April as the Business Committee will be attending another meeting that same day. There will also be no meeting in May as the second Sunday happens to be Mother's Day.

6. **ADJOURNMENT:**
   There being no other business to conduct the meeting adjourned at 11:36 a.m.

Respectfully Submitted,

PATRICK L. VIVEROS
Recording Secretary