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Office of the Chief

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September 25, 2026

TO: Shella Bowlin, Secretary of State
CC: Bryan Warner, Deputy Principal Chief
Cabinet / Sub-Cabinet
Council Leadership
Councilor McGeady
City of Vinita
Grand Gateway Economic Development Authority

**Administration Memorandum
Declaring a Public Health State of Emergency
for
The City of Vinita
Relating to Rural Transit**

I. Background

[Grand Gateway Economic Development Authority](#) operates [Pelivan](#), a rural transit service. Pelivan relies on multiple funding sources to provide Pelivan Services, a lifeline for low-income individuals connecting them with essentially services, access to basic necessities such as groceries and employment. Effective October 1, 2026, some Pelivan services for the [City of Vinita](#) will cease due to the failure of Grand Gateway and the City to reach an agreement on the delivery of Pelivan Services for the City's fiscal year 2027, which ends June 30, 2027.

Rural transportation across rural northeast Oklahoma depends on stakeholders that contribute financially to support those services and who recognize the value of those services. A mix of federal funds, Cherokee Nation funds and in-kind contributions and, in some cases, municipal funds, support multiple rural transit agencies across the Cherokee Nation Reservation, a 7,000 square mile territory covering all of parts of 14 Oklahoma counties and dozens of communities.

Cherokee Nation's contributions, memorialized in memoranda of understanding with partner transit agencies, total more than \$2 million annually and serve two purposes. First, Cherokee Nation resources support additional subsidy and access for Cherokee Nation citizens using rural transit. Second, Cherokee Nation's contributions support the broader mission of each rural transit partners provision of transit services.

Numerous municipal governments are partners with these same rural transit agencies. Similar to the benefits yielded by Cherokee Nation's support of rural transit, investments by municipal governments

extend access to relatively denser population centers within and around each participating city's limits. For decades the contributions of municipal government and federal contributions, combined with Cherokee Nation contributions and heavily subsidized and modest user fees, have sustained a network of transit that is often the only means of transportation for low-income individuals.

The expenditures by various partners provide a return on investment. Municipal governments are the leading beneficiaries of these investments. This is because eliminating transportation barriers to low individuals unlocks their own spending, which in turn has the expected ripple effect on the economy and generates local sales tax revenue. Reducing transportation barriers to employment turns individuals who would be otherwise left out of the workforce instead eligible to work using public transit. This unleashes the spending power of each worker and reduces their dependency on other forms of safety net subsidies. Though more difficult to measure, connecting low-income individuals to services, particularly health services, improves their quality of life and can reduce the burdens of support on families and other community services and support systems.

Not surprisingly, [economists estimate](#) that \$1 spent on rural transit yields \$4 in economic output. [Last year Cherokee Nation estimated](#) that the value of Pelivan services in Vinita was \$330,500 annually, yielding \$1.3 million in annual economic impact on the community. All of that is based on the City of Vinita's annual investment in Pelivan Services for its own citizens in the amount of \$40,000.

Last year Pelivan and the City of Vinita failed to come to terms on a services agreement, bringing decades of continual Pelivan services in Vinita to the brink of termination. Cherokee Nation invited City leaders and Grand Gateway leaders to meet and discuss a path forward in November 2025. On that basis the City and Grand Gateway reached an agreement ahead of a December 2025 termination deadline.

The City and Grand Gateway failed to reach terms on an FY 2027 agreement ahead of the July 1 beginning of FY 27 for the City. Grand Gateway notified Cherokee Nation of this failure in September. The City of Vinita provided no notice to Cherokee Nation of its decision not to renew a Pelivan agreement¹. Accordingly, Cherokee Nation is unaware of what factors lead to the City's decision. Presumably, the City's fiscal conditions and the community's economic conditions leave the City either unable to absorb the \$40,000 investment or the city has made a policy decision that the \$40,000 investment is not an advisable one given budget constraints².

Pelivan has notified the City and Cherokee Nation that it will cease providing services pursuant to its most recent MOU with the City as of October 1, 2026. Pelivan has absorbed the loss of municipal subsidy for those services since July 1, but can no longer sustain the loss. The impact of this cessation of services is not

¹ The City of Vinita's apparent disregard of the Cherokee Nation as a valued rural transit stakeholder is puzzling given the positive economic and community impact Cherokee Nation has on the City. Vinita is the seat of a county where Cherokee Nation has a \$25 million [annual economic impact](#). Cherokee Nation and its entities are major employers in the city in the sectors of healthcare, social services, housing and tourism. The City has seen scant new employment growth in the city in the last decade other than jobs created or supported by Cherokee Nation. Since 2019 Cherokee Nation has invested millions of dollars in not only expanding its employment footprint, but in other forms of community support such as public education support, non-profit support, direct cash assistance to the municipal government and, as noted in this memorandum, massive rural transit subsidies benefiting the City. The City of Vinita's seeming indifference to Cherokee Nation as a community partner is, thankfully, and outlier among the dozens of municipal governments across the Cherokee Nation, making the state of our present relationship with the City all the more puzzling.

² In 2025 City leaders cited performance issues by Pelivan and fiscal constraints as rationales for ending its longstanding transit partnership.

simple, though there is a straight line from the failure of Grand Gateway and the City to reach an agreement and a reduction in services for citizens of the City of Vinita. Cherokee Nation's subsidy will continue to yield access and a relatively higher subsidy for our citizens. Pelivan will continue to meet its legal obligations as a rural public transit provider to all Vinita citizens, but the level of services will be markedly diminished as a result of losing Vinita's \$40,000 subsidy.

The failure of the City of Vinita and Grand Gateway to agree on an MOU renewal for transit services for Vinita citizens will unquestionably have negative impacts measurable and immeasurable. Vinita will lose tax revenue. Vinita businesses will see reduced consumer spending. Vinita citizens will access services and employment with more difficulty and less frequency and in some cases they will withdraw from local employment and service participation. The City's savings of \$40,000 may end up costing the community much more.

For the purposes of relevant Cherokee Nation law, public health will be negatively impacted by the contraction of rural transit in the City of Vinita. Access to transit is among the social determinants of health. Low-income individuals who experience reduced or eliminated access to transportation services experience reduction or loss of access to medical care, nutrition and safety net services. These factors and others are why transportation is a "Public Health Activity" within the meaning of the Cherokee Nation Public Health and Wellness Fund Act, as amended.

Cherokee Nation cannot endlessly serve as a safety net to protect the general public from the contraction or failure of public services. Yet, Cherokee Nation has a responsibility to contribute to the general welfare of communities within our reservation, particularly where crisis conditions exist and where funds are authorized by the Council to provide at least temporarily relief.

II. State of Emergency Declared

For the reasons set forth in Section I, above, and under the authority vested in this office under the Cherokee Nation Emergency Management Act and the Public Health and Wellness Fund Act, as amended, a public health state of emergency exists within the City of Vinita with respect to public transit. The matter is emergent because the sudden displacement of users of rural transit creates immediate hardships that will take at least the remainder of Cherokee Nation fiscal year to manage across the community and the economy. On that basis the emergency declaration expires September 30, 2026.

III. Directives

- a. **\$40,000 PHWFA Wellness Partners Emergency Grant for Adair County EMS by June 30, 2026:**
Deputy Secretary of State Duncan will:
 - i. Cause to be issued a payment of \$40,000 to replace the loss of (municipal) fiscal year 2025 funding from the City of Vinita, such funding drawn from the PHWFA annual framework for Cherokee Nation fiscal year 2026 and delivered to Grand Gateway on or before October 1, 2026, provided
 1. Grand Gateway must execute a memorandum of understating with Cherokee Nation outlining the use of said funding, the terms of which shall substantially continue in effect, for all practical purposes, services which would have been rendered in connection with a renewal of the FY 2026 MOU with the City of Vinita but for the failure of that renewal and which shall include terms requiring

information sharing and an obligation to meet and confer with Cherokee Nation with respect to the probation of rural transit services.

2. There must exist a clear understanding with Grand Gateway that Cherokee Nation's provisions of \$40,000 to replace the City of Vinita's subsidy is a one time payment for the purpose of giving interested stakeholders time to determine what, if any, path forward for rural transit exist for Vinita after June 30, 2026.

b. Evaluation of the Future of Rural Transit in the City of Vinita and the Rest of the Pelivan

Service Area: Deputy Secretary Duncan shall lead an examination of the future of rural transit in the Pelivan Service area, including specific analysis of the future of such service in and around the City of Vinita, with such work group or task force that I may subsequently direct by further executive action.

A handwritten signature in black ink, appearing to read 'CH 12', followed by a long horizontal line.

Chuck Hoskin, Jr.
Principal Chief