TITLE: An Action Relating To Budget And Finance Committee, Resources And Development Committee And NAABIK’IYATI’ Committee, And Navajo Nation Council; Allocating $3,000,000 From The Sihasin Fund To The Division Of Community Development On Behalf Of The Tonalea Chapter And Approving And Adopting The Tonalea Chapter Community Building Replacement Fund Expenditure Plan Pursuant 12 N.N.C §§ 2501 – 2508

Date posted: August 30, 2019 at 5:05 PM

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DATE: August 29, 2019

TITLE OF RESOLUTION: A PROPOSED NAVAJO NATION COUNCIL
RESOLUTION; AN ACTION RELATING TO BUDGET AND FINANCE COMMITTEE,
RESOURCES AND DEVELOPMENT COMMITTEE AND NAABIK’IYÁTI’
COMMITTEE AND NAVAJO NATION COUNCIL; ALLOCATING $3,000,000 FROM
THE SIHASIN FUND TO THE DIVISION OF COMMUNITY DEVELOPMENT ON
BEHALF OF THE TONALEA CHAPTER AND APPROVING AND ADOPTING THE
TONALEA CHAPTER COMMUNITY BUILDING REPLACEMENT FUND
EXPENDITURE PLAN PURSUANT 12 N.N.C §§ 2501 - 2508

PURPOSE: This resolution, if approved, will approve $3,000,000.00 from the Sihasin Fund
to the Division of Community Development on behalf of the Tonalea Chapter to construct
the Tonalea Chapter Community Building Replacement and approve and adopts the Tonalea
Chapter Community Building Replacement Expenditure Plan.

This written summary does not address recommended amendments as may be provided by
the standing committee. The Office of Legislative Counsel requests each committee
member to review the proposed resolution in detail.
PROPOSED NAVAJO NATION COUNCIL RESOLUTION
24\textsuperscript{th} NAVAJO NATION COUNCIL – First Year, 2019

INTRODUCED BY

(Prime Sponsor)

TRACKING NO. 0210-19

AN ACTION
RELATING TO BUDGET AND FINANCE COMMITTEE, RESOURCES AND
DEVELOPMENT COMMITTEE AND NAABIK'ÍYÁTI' COMMITTEE AND
NAVAJO NATION COUNCIL; ALLOCATING $3,000,000 FROM THE SÍHASIN
FUND TO THE DIVISION OF COMMUNITY DEVELOPMENT ON BEHALF OF
THE TONALEA CHAPTER AND APPROVING AND ADOPTING THE TONALEA
CHAPTER COMMUNITY BUILDING REPLACEMENT FUND EXPENDITURE
PLAN PURSUANT 12 N.N.C §§ 2501 – 2508

BE IT ENACTED:

Section One. Authority
A. The Navajo Nation Council is the governing body of the Navajo Nation. 2 N.N.C.
   § 102 (A).
B. The Naabik'íyati' Committee of the Navajo Nation Council is empowered to review
   all proposed legislation which requires final action by the Navajo Nation Council. 2
   N.N.C. §164(A)(9).
C. The Budget and Finance Committee of the Navajo Nation Council is empowered to
   review and recommend to the Navajo Nation Council the budgeting, appropriation,
   investment, and management of all funds. 2 N.N.C. § 301 (B)(2).
D. The Resources and Development Committee of the Navajo Nation Council has
oversight of the chapters of the Navajo Nation. 2 N.N.C. §501 (C)(1).

E. The Navajo Nation Code provides the purpose of the Navajo Nation Sihasin Fund
("Sihasin Fund") is as follows:

§ 2502 Purpose

A. The purposes of this Fund are to provide financial support and/or
financing for:

1. The planning and development of economic development
and regional infrastructure supporting economic
development, and community development, including such
infrastructure as, but not limited to, housing, commercial
and government buildings, waterline, solid waste
management development, powerline projects, and
transportation and communication systems, within the
Navajo Nation; and

2. Education opportunities for members of the Navajo
Nation.

B. For the Purpose in § 2502(A)(1), Fund expenditures for
infrastructure shall not be limited by 12 NNC § 1310(F) or
TCDCJY-77-99.

C. Leveraging the Fund by way of guaranteeing loans, match
funding, direct funding in part, and other weighted uses of the
Fund, including loan financing from the Fund, for the purposes
in § 2502(A)(1), shall be favored over direct funding in whole.

12 N.N.C. § 2502, as amended by CJA-03-18.

F. The Sihasin Fund provides that "Fund Principal" shall consist of all deposits made
to the Sihasin Fund and that "Fund Income" shall consist of all earnings (interest,
dividends, etc.) generated and realized by the Fund Principal, and that Fund
Income shall be deposited in and added to Fund Principal until such time as a
Fund Expenditure Plan is duly adopted. 12 N.N.C. §§ 2504 and 2505 (C).
Section Two. Findings

A. The Tonalea Chapter Community Building Replacement project is detailed in the objectives and goals, scope of work, and architectural construction documents attached as Exhibit 1.

B. Project process schedules are attached as Exhibit 2.

C. Memoranda dating 2001 to 2012 from the Tuba City Indian Medical Center and Tuba City Regional Health Care Corporation, Division of Environmental Health Services raise serious safety concerns about the Tonalea Chapter House. Those memoranda are attached as Exhibit 3.

D. The Navajo Nation Council through resolution CAP-35-18 approved and adopted the Sihasin Fund Powerline and Chapter Projects Expenditure Plan including $1,050,000.00 for the Tonalea Government Building project. The approval of this request for $3,000,000.00 is in addition to the amount approved by CAP-35-18. Resolution CAP-35-18 Exhibit D item No. 140 is attached as Exhibit 4.

E. The Document No. 013108 "Section 164 Review Form" including Office of Management and Budget, Office of the Controller and the Office of the Attorney General reviews is attached as Exhibit 5.

Section Three. Allocation of $3,000,000 to the Division of Community Development on behalf of the Tonalea Chapter and approval and adoption of Tonalea Chapter Community Building Replacement Expenditure Plan

A. The Navajo Nation hereby allocates to the Division of Community Development on behalf of the Tonalea Chapter the total amount of $3,000,000.00 to construct the Tonalea Chapter Community Building Replacement as detailed in Exhibits 1 and 2.

B. The Navajo Nation hereby approves and adopts the Tonalea Chapter Community Building Replacement Expenditure Plan, attached and incorporated herein as Exhibits 1 and 2.
C. The Sihasin Funds allocated for the Sihasin Fund Tonalea Chapter Community Building Replacement Expenditure Plan may be further leveraged by bond or loan financing pursuant to the Navajo Nation Bond Financing Act, 12 N.N.C. § 1300 et seq., as amended, using Sihasin Fund earnings for repayment and financing costs upon the recommendation of the Budget and Finance Committee and approval by a two-thirds (2/3) vote of all members of the Navajo Nation Council.

Section Four. Approval and Adoption of Expenditure Plan Administration

The Navajo Nation hereby approves administration of the Sihasin Fund Tonalea Chapter Community Building Replacement Expenditure Plan as follows:

1. The Navajo Nation Controller shall determine whether the source of the annual allocations from the total allocation of $3,000,000.00 will be Sihasin Fund Principal or Income or a combination of both;

2. The funding to the Division of Community Development on behalf of the Tonalea Chapter for the Tonalea Chapter Community Building Replacement shall be distributed by the end of the first quarter of the respective Navajo Nation Fiscal Year;

3. The funds allocated for the Tonalea Chapter Community Building Replacement shall be used solely to design, plan, and construct the Tonalea Chapter Community Building Replacement described in Exhibits 1 and 2. Any and all cost-savings shall be returned to the to the Sihasin Fund once the Tonalea Chapter Community Building Replacement is completed; and

4. The funds allocated for the Tonalea Chapter Community Building Replacement shall not lapse on an annual basis pursuant to 12 N.N.C. §820 (N), however, any funds not spent or encumbered within twenty-four (24) months of the date funds are made available to the Tonalea Chapter Community Building Replacement shall revert to the Sihasin Fund principal, unless recommended otherwise by the Resources and Development Committee and approved by the Naabik'íyáti' Committee.
Section Five. Effective Date

The Síhasin Fund Tonalca Chapter Community Building Replacement Expenditure Plan, as set forth above, shall become effective pursuant to 12 N.N.C. § 2505.

Section Six. Directives

The Tonalca Chapter and the Division of Community Development shall report the status of the Tonalca Chapter Community Building Replacement to the Naabik'íyáti Committee at least once per quarter after the initial disbursement of funds.